

COMMONWEALTH OF PENNSYLVANIA
Legislative Journal

SUNDAY, JUNE 30, 2013

SESSION OF 2013 197TH OF THE GENERAL ASSEMBLY

No. 50

SENATE

SUNDAY, June 30, 2013

The Senate met at 11 a.m., Eastern Daylight Saving Time.

The PRESIDENT (Lieutenant Governor Jim Cawley) in the Chair.

PRAYER

The following prayer was offered by the Secretary of the Senate, Hon. MEGAN TOTINO CONSEDINE:

Let us pray.

God, You call us to walk in unity of mind and heart, intent on You. Give us that reverence for one another that will make us apostles of peace. Grant that the knowledge of this day may flow into our worship of Your name and our service for the life of the world. Amen.

PLEDGE OF ALLEGIANCE

(The Pledge of Allegiance was recited by those assembled.)

BILLS INTRODUCED AND REFERRED

The PRESIDENT laid before the Senate the following Senate Bills numbered, entitled, and referred as follows, which were read by the Clerk:

June 30, 2013

Senators SMITH, RAFFERTY, TARTAGLIONE, FONTANA, WASHINGTON, YUDICHAK, BREWSTER, COSTA, SOLOBAY, HUGHES and FARNESE presented to the Chair **SB 1048**, entitled:

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, prohibiting deception relating to rebates for consumer goods; and imposing penalties.

Which was committed to the Committee on JUDICIARY, June 30, 2013.

Senators SOLOBAY, ALLOWAY, VULAKOVICH, BROWNE, FERLO, FONTANA, BREWSTER, WASHINGTON, TARTAGLIONE, COSTA, WAUGH, BRUBAKER, SCHWANK and BOSCOLA presented to the Chair **SB 1056**, entitled:

An Act providing for the establishment, implementation and administration of a program for the return of prescription drugs; and imposing additional powers and duties on the State Board of Pharmacy, the Department of Health and the Department of Public Welfare.

Which was committed to the Committee on CONSUMER PROTECTION AND PROFESSIONAL LICENSURE, June 30, 2013.

Senators VULAKOVICH, RAFFERTY, ALLOWAY, ARGALL, BLAKE, COSTA, FARNESE, SOLOBAY and TARTAGLIONE presented to the Chair **SB 1062**, entitled:

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, providing for fee for person with disability placard.

Which was committed to the Committee on TRANSPORTATION, June 30, 2013.

LEGISLATIVE LEAVES

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I request temporary Capitol leaves for Senator Gordner and Senator McIlhinney, and a legislative leave for Senator White.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Williams.

Senator WILLIAMS. Mr. President, I request temporary Capitol leaves for Senator Leach and Senator Stack, and a legislative leave for Senator Yudichak.

The PRESIDENT. Senator Pileggi requests temporary Capitol leaves for Senator Gordner and Senator McIlhinney, and a legislative leave for Senator White.

Senator Williams requests temporary Capitol leaves for Senator Stack and Senator Leach, and a legislative leave for Senator Yudichak.

Without objection, the leaves will be granted.

SENATE CONCURRENT RESOLUTION

WEEKLY RECESS

Senator PILEGGI offered the following resolution, which was read as follows:

In the Senate, June 30, 2013

RESOLVED, (the House of Representatives concurring), Pursuant to Article II, Section 14, of the Pennsylvania Constitution, that when the Senate recesses this week, it reconvene on Monday, September 23, 2013, unless sooner recalled by the President Pro Tempore of the Senate; and be it further

RESOLVED, Pursuant to Article II, Section 14, of the Pennsylvania Constitution, that when the House of Representatives recesses this week, it reconvene on Monday, September 23, 2013, unless sooner recalled by the Speaker of the House of Representatives.

On the question,
Will the Senate adopt the resolution?

The yeas and nays were required by Senator PILEGGI and were as follows, viz:

YEA-50

Alloway	Farnese	Pileggi	Vogel
Argall	Ferlo	Rafferty	Vulakovich
Baker	Folmer	Robbins	Ward
Blake	Fontana	Scarnati	Washington
Boscola	Gordner	Schwank	Waugh
Brewster	Greenleaf	Smith	White
Browne	Hughes	Smucker	Wiley
Brubaker	Hutchinson	Solobay	Williams
Corman	Kasunic	Stack	Wozniak
Costa	Kitchen	Tartaglione	Yaw
Dinniman	Leach	Teplitz	Yudichak
Eichelberger	McIlhinney	Tomlinson	
Erickson	Mensch	Vance	

NAY-0

A majority of the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate present the same to the House of Representatives for concurrence.

LEGISLATIVE LEAVE CANCELLED

The PRESIDENT. Senator Yudichak has returned, and his legislative leave is cancelled.

RECESS

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I request a recess of the Senate for purposes of a meeting of the Committee on State Government to be held in the Rules room immediately, to be followed by the Committee on Rules and Executive Nominations also to be held in the Rules room, to be followed by the Committee on Finance also to be held in the Rules room, to be followed by a Republican caucus in the Majority Caucus Room.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Williams.

Senator WILLIAMS. Mr. President, post meetings, we would appreciate the opportunity to have the Senate Democrats caucus.

The PRESIDENT. For purposes of meetings of the Committee on State Government, to be followed by the Committee on Rules and Executive Nominations, to be followed by the Committee on Finance, to be followed by Republican and Democratic caucuses, without objection, the Senate stands in recess.

AFTER RECESS

The PRESIDENT pro tempore (Senator Joseph B. Scarnati III) in the Chair.

The PRESIDENT pro tempore. The time of recess having expired, the Senate will come to order.

LEGISLATIVE LEAVES CANCELLED

The PRESIDENT pro tempore. Senator McIlhinney, Senator Stack, Senator Leach, Senator White, and Senator Gordner have returned, and their respective leaves are cancelled.

CALENDAR

BILL ON CONCURRENCE IN HOUSE AMENDMENTS

SENATE CONCURS IN HOUSE AMENDMENTS

SB 259 (Pr. No. 1290) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of July 20, 1979 (P.L.183, No.60), entitled "An act regulating the terms and conditions of certain leases regarding natural gas and oil," adding definitions; providing for payment information to interest owners for accumulation of proceeds from production, for apportionment and for conflicts; and making editorial changes.

On the question,
Will the Senate concur in the amendments made by the House to Senate Bill No. 259?

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I move that the Senate do concur in the amendments made by the House to Senate Bill No. 259.

On the question,
Will the Senate agree to the motion?

The yeas and nays were required by Senator PILEGGI and were as follows, viz:

YEA-48

Alloway	Erickson	Pileggi	Vance
Argall	Farnese	Rafferty	Vogel
Baker	Folmer	Robbins	Vulakovich
Blake	Fontana	Scarnati	Ward
Boscola	Gordner	Schwank	Washington
Brewster	Greenleaf	Smith	Waugh
Browne	Hughes	Smucker	White
Brubaker	Hutchinson	Solobay	Wiley
Corman	Kasunic	Stack	Williams
Costa	Kitchen	Tartaglione	Wozniak
Dinniman	McIlhinney	Teplitz	Yaw
Eichelberger	Mensch	Tomlinson	Yudichak

NAY-2

Ferlo	Leach
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A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate inform the House of Representatives accordingly.

LEGISLATIVE LEAVE

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I request a legislative leave for Senator White.

The PRESIDENT pro tempore. Senator Pileggi requests a legislative leave for Senator White. Without objection, the leave will be granted.

CONSIDERATION OF CALENDAR RESUMED

THIRD CONSIDERATION CALENDAR

PREFERRED APPROPRIATION BILLS ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 1275 (Pr. No. 2155) -- The Senate proceeded to consideration of the bill, entitled:

An Act making appropriations from the Professional Licensure Augmentation Account and from restricted revenue accounts within the General Fund to the Department of State for use by the Bureau of Professional and Occupational Affairs in support of the professional licensure boards assigned thereto.

Considered the third time and agreed to,

On the question, Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-50

Table with 4 columns: Alloway, Farnese, Pileggi, Vogel; Argall, Ferlo, Rafferty, Vulakovich; Baker, Folmer, Robbins, Ward; Blake, Fontana, Scarnati, Washington; Boscola, Gordner, Schwank, Waugh; Brewster, Greenleaf, Smith, White; Browne, Hughes, Smucker, Wiley; Brubaker, Hutchinson, Solobay, Williams; Corman, Kasunic, Stack, Wozniak; Costa, Kitchen, Tartaglione, Yaw; Dinniman, Leach, Teplitz, Yudichak; Eichelberger, McIlhinney, Tomlinson; Erickson, Mensch, Vance.

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same without amendments.

HB 1276 (Pr. No. 1639) -- The Senate proceeded to consideration of the bill, entitled:

An Act making an appropriation from a restricted revenue account within the General Fund to the Office of Small Business Advocate in the Department of Community and Economic Development.

Considered the third time and agreed to,

On the question, Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-50

Table with 4 columns: Alloway, Farnese, Pileggi, Vogel; Argall, Ferlo, Rafferty, Vulakovich; Baker, Folmer, Robbins, Ward; Blake, Fontana, Scarnati, Washington; Boscola, Gordner, Schwank, Waugh; Brewster, Greenleaf, Smith, White; Browne, Hughes, Smucker, Wiley; Brubaker, Hutchinson, Solobay, Williams; Corman, Kasunic, Stack, Wozniak; Costa, Kitchen, Tartaglione, Yaw; Dinniman, Leach, Teplitz, Yudichak; Eichelberger, McIlhinney, Tomlinson; Erickson, Mensch, Vance.

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same without amendments.

HB 1277 (Pr. No. 1999) -- The Senate proceeded to consideration of the bill, entitled:

An Act making an appropriation from the State Employees' Retirement Fund to provide for expenses of the State Employees' Retirement Board for the fiscal year July 1, 2013, to June 30, 2014, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2013.

Considered the third time and agreed to,

On the question, Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-50

Table with 4 columns: Alloway, Farnese, Pileggi, Vogel; Argall, Ferlo, Rafferty, Vulakovich; Baker, Folmer, Robbins, Ward; Blake, Fontana, Scarnati, Washington; Boscola, Gordner, Schwank, Waugh; Brewster, Greenleaf, Smith, White; Browne, Hughes, Smucker, Wiley; Brubaker, Hutchinson, Solobay, Williams; Corman, Kasunic, Stack, Wozniak; Costa, Kitchen, Tartaglione, Yaw; Dinniman, Leach, Teplitz, Yudichak; Eichelberger, McIlhinney, Tomlinson; Erickson, Mensch, Vance.

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same without amendments.

HB 1278 (Pr. No. 2000) -- The Senate proceeded to consideration of the bill, entitled:

An Act making an appropriation from the Public School Employees' Retirement Fund to provide for expenses of the Public School Employees' Retirement Board for the fiscal year July 1, 2013, to June 30, 2014, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2013.

Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-50

Alloway	Farnese	Pileggi	Vogel
Argall	Ferlo	Rafferty	Vulakovich
Baker	Folmer	Robbins	Ward
Blake	Fontana	Scarnati	Washington
Boscola	Gordner	Schwank	Waugh
Brewster	Greenleaf	Smith	White
Browne	Hughes	Smucker	Wiley
Brubaker	Hutchinson	Solobay	Williams
Corman	Kasunic	Stack	Wozniak
Costa	Kitchen	Tartaglione	Yaw
Dinniman	Leach	Teplitz	Yudichak
Eichelberger	McIlhinney	Tomlinson	
Erickson	Mensch	Vance	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same without amendments.

HB 1279 (Pr. No. 2001) -- The Senate proceeded to consideration of the bill, entitled:

An Act making appropriations from the Workmen's Compensation Administration Fund to the Department of Labor and Industry and the Department of Community and Economic Development to provide for the expenses of administering the Workers' Compensation Act, The Pennsylvania Occupational Disease Act and the Office of Small Business Advocate for the fiscal year July 1, 2013, to June 30, 2014, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2013.

Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-50

Alloway	Farnese	Pileggi	Vogel
Argall	Ferlo	Rafferty	Vulakovich
Baker	Folmer	Robbins	Ward
Blake	Fontana	Scarnati	Washington

Boscola	Gordner	Schwank	Waugh
Brewster	Greenleaf	Smith	White
Browne	Hughes	Smucker	Wiley
Brubaker	Hutchinson	Solobay	Williams
Corman	Kasunic	Stack	Wozniak
Costa	Kitchen	Tartaglione	Yaw
Dinniman	Leach	Teplitz	Yudichak
Eichelberger	McIlhinney	Tomlinson	
Erickson	Mensch	Vance	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same without amendments.

HB 1280 (Pr. No. 1643) -- The Senate proceeded to consideration of the bill, entitled:

An Act making an appropriation from a restricted revenue account within the General Fund to the Office of Consumer Advocate in the Office of Attorney General.

Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-50

Alloway	Farnese	Pileggi	Vogel
Argall	Ferlo	Rafferty	Vulakovich
Baker	Folmer	Robbins	Ward
Blake	Fontana	Scarnati	Washington
Boscola	Gordner	Schwank	Waugh
Brewster	Greenleaf	Smith	White
Browne	Hughes	Smucker	Wiley
Brubaker	Hutchinson	Solobay	Williams
Corman	Kasunic	Stack	Wozniak
Costa	Kitchen	Tartaglione	Yaw
Dinniman	Leach	Teplitz	Yudichak
Eichelberger	McIlhinney	Tomlinson	
Erickson	Mensch	Vance	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same without amendments.

HB 1281 (Pr. No. 1644) -- The Senate proceeded to consideration of the bill, entitled:

An Act making appropriations from a restricted revenue account within the General Fund and from Federal augmentation funds to the Pennsylvania Public Utility Commission for the fiscal year July 1, 2013, to June 30, 2014, and for the fiscal year July 1, 2012, to June 30, 2013.

Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-50

Alloway	Farnese	Pileggi	Vogel
Argall	Ferlo	Rafferty	Vulakovich
Baker	Folmer	Robbins	Ward
Blake	Fontana	Scarnati	Washington
Boscola	Gordner	Schwank	Waugh
Brewster	Greenleaf	Smith	White
Browne	Hughes	Smucker	Wiley
Brubaker	Hutchinson	Solobay	Williams
Corman	Kasunic	Stack	Wozniak
Costa	Kitchen	Tartaglione	Yaw
Dinniman	Leach	Teplitz	Yudichak
Eichelberger	McIlhinney	Tomlinson	
Erickson	Mensch	Vance	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same without amendments.

HB 1282 (Pr. No. 1645) -- The Senate proceeded to consideration of the bill, entitled:

An Act making appropriations from the restricted revenue accounts within the State Gaming Fund and from the State Gaming Fund to the Pennsylvania Gaming Control Board, the Department of Revenue, the Pennsylvania State Police and the Attorney General for the fiscal year beginning July 1, 2013, to June 30, 2014, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2013.

Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-50

Alloway	Farnese	Pileggi	Vogel
Argall	Ferlo	Rafferty	Vulakovich
Baker	Folmer	Robbins	Ward
Blake	Fontana	Scarnati	Washington
Boscola	Gordner	Schwank	Waugh
Brewster	Greenleaf	Smith	White
Browne	Hughes	Smucker	Wiley
Brubaker	Hutchinson	Solobay	Williams
Corman	Kasunic	Stack	Wozniak
Costa	Kitchen	Tartaglione	Yaw
Dinniman	Leach	Teplitz	Yudichak
Eichelberger	McIlhinney	Tomlinson	
Erickson	Mensch	Vance	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same without amendments.

HB 1437 (Pr. No. 2198) -- The Senate proceeded to consideration of the bill, entitled:

An Act to provide from the General Fund for the expenses of the Executive and Judicial Departments, the State Government Support Agencies and the General Assembly of the Commonwealth, the public debt and the public schools for the fiscal year July 1, 2013, to June 30, 2014, for certain institutions and organizations, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2013; to provide appropriations from the State Lottery Fund, the Tobacco Settlement Fund, the Aviation Restricted Account, the Hazardous Material Response Fund, The State Stores Fund, the Milk Marketing Fund, the Home Investment Trust Fund, the Emergency Medical Services Operating Fund, the Tuition Account Guaranteed Savings Program Fund, the Banking Fund, the Firearm Records Check Fund, the Ben Franklin Technology Development Authority Fund, the Oil and Gas Lease Fund, the Home Improvement Account, the Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund, the Energy Conservation and Assistance Fund, the Insurance Regulation and Oversight Fund and the Pennsylvania Racehorse Development Restricted Receipt Account, to the Executive Department; to provide appropriations from the Judicial Computer System Augmentation Account to the Judicial Department for the fiscal year July 1, 2013, to June 30, 2014; to provide appropriations from the Motor License Fund for the fiscal year July 1, 2013, to June 30, 2014, for the proper operation of several departments of the Commonwealth and the Pennsylvania State Police authorized to spend Motor License Fund moneys; to provide for the appropriation of Federal funds to the Executive Department of the Commonwealth and for the payment of bills remaining unpaid at the close of the fiscal year ending June 30, 2013; and to provide for the additional appropriation of Federal and State funds from the General Fund for the Executive Department of the Commonwealth for the fiscal year July 1, 2012, to June 30, 2013, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2013.

Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Allegheny, Senator Costa.

Senator COSTA. Mr. President, I wish to give remarks on the budget.

The PRESIDENT pro tempore. I have the bill before the Chamber for comments.

Senator COSTA. Mr. President, is now the time?

The PRESIDENT pro tempore. Senator Costa is recognized for his comments.

Senator COSTA. Mr. President, I was not sure whether or not my colleagues on the other side of the aisle were going to be speaking on the budget, but I know some of our Members want that opportunity to do so. Mr. President, I will be brief. As we go through this process over the course of many weeks and months, we are now at a time and place where we will be voting on a budget on June 30th. While I am pleased that we are able to do that, and while I am pleased that again this year the budget does not contain a broad-based tax increase for the Commonwealth's residents, I think it is important that we talk

about some of the things that we had hoped would be part of this overall budget that do not exist at this particular point in time.

While there are some things that I think we could indicate that we are pleased with, Mr. President, there are some areas where I think we continue to have work to do. While I am pleased that there is an increase in basic education funding, for example, Mr. President, of about \$120 million, our concern is, as we understand it, that there is a lack of revenue or resources in that area to address very critically distressed schools in this Commonwealth. Our expectation and hope was that we would be able to do that. It is our understanding that there will be some resources driven out to what would have been referred to as distressed schools as we go through this process, but at the end of the day, Members on this side of the aisle have schools that are considered to be distressed. In years past, those schools have the benefit of having received resources to help them address that particular nature of their school district's finances.

Mr. President, there are a number of areas where increases have also taken place that Senate Democrats are very pleased with, some Senate Democrats, I should say. When we look to some of the things, Mr. President, for example, as we will learn later, some of the years that helped fund this general fund budget will come from changes to the capital stock and franchise tax, something that Senate Democrats believe is very significant and important as we move forward. With that being said, Mr. President, I intend to support this particular budget. While I have deep concerns about some of the resources that are not presently there, but all-in-all, there are a number of areas that we think are appropriate. Most notably, the changes in increase in funding in the area of the Attorney General's Office to provide resources along those lines, as well as the area in the Auditor General's Office that is going to provide additional resources. Mr. President, I could go on as we go forward, but at the end of the day I want to allow the opportunity for my colleagues to provide their remarks as well.

Thank you, Mr. President.

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Chester, Senator Dinniman.

Senator DINNIMAN. Mr. President, my concerns are really with our funding for our schools. It is very difficult for us to leave here knowing that so many students in the city of Philadelphia will be potentially without nurses, without counselors, without librarians, and as you know, and also, the ability to help so many of our schools that are in distress. Almost three dozen of our schools are actually on the verge of bankruptcy, not just the ones that are listed as being in severe financial distress. So, while I still ponder the appropriate vote to give on this budget and want to listen to the debate, you have to understand that it is my responsibility as Minority chair of the Committee on Education to make sure that every student in this Commonwealth is treated fairly and equitably. There should be no difference between a student in Philadelphia and a student in my county. Every young child deserves an opportunity, and we cannot create what amounts to a separate and unequal system of education based on where your ZIP Code is and what your tax base is.

I just simply wanted to rise, Mr. President, as Minority chair of the Committee on Education to express some of my

concerns on this budget as it relates to education across the Commonwealth and to looking at each and every student. On our side of the aisle, for example, Mr. President, I still have not seen the listing of school districts. I do not think Members of my caucus have the listing of school districts, so we know exactly the impact of this budget on each of our school districts. And in fact, Mr. President, we did not even see this budget until yesterday, and, Mr. President, we just got the School Code about 5 or 10 minutes ago, which we will be voting on later, and it also has an impact on our budget. I am not sure, Mr. President, even if it is a good budget, even if it is a great budget, that this process of us knowing 24, maybe not even 24 hours before, 12 hours before we are supposed to look at a budget, make our decisions, a School Code comes out which we are going to vote on later today.

This is our most serious responsibility as legislators. This is what we are elected to do, and that is to look over the budget and make sure that taxpayer money is spent right and properly. And when it is rushed through like this, I think there are many questions. I certainly do not understand, Mr. President, why if this budget was introduced by the Governor last February, why we are getting everything at the last minute? And anyone who has been in this legislature, even in our dealings with people in general, knows you do not sign a contract at the last moment. You do not buy a house at the last moment. You look at it. You understand it. You get a sense of it. You debate it. And that is not what is happening here today, and so I just rise to express some of my concerns as the Democratic chair of the Committee on Education, and as a rank-and-file Member.

Thank you, Mr. President.

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Philadelphia, Senator Stack.

Senator STACK. Mr. President, I also rise to address issues relating to this budget, and my colleague, Senator Dinniman, raises a very interesting point, because year after year we go through this process, and there has to be something innately wrong about a process which is done in extremely close quarters, where the vast majority of the Members of this body elected by the people of Pennsylvania not only have very little detail of what is about to be voted on, which has monumental importance to people across Pennsylvania, a lot of times people in this Chamber, Democrats and Republicans, have no idea. We have talked about accountability, transparency, and openness, and rarely do we address that specifically on the whole process of the budget. I think we really are in need of more of that as we go forward. Clearly, we can see where we are at. We are at the constitutional deadline for passing the budget. We are going to get this budget passed, but many of the major items which are part of this whole package, or should be, and also should be completed by this constitutional date, we are so far from getting that done. So, I would like to see us work to do this thing in a more serious, a more focused, a more open way with more inclusion by the Membership. I would agree with my colleague from Chester County that we have had all year to do it, and it seems absurd that we do this deadline game when this is something that we probably could do at a much earlier point in time if we really focused on it. People say doing a budget is like making scrapple or sausage, at the end the result is sometimes a good one but you never

know what goes into that process. I think more and more we should know what goes into that process and maybe we can improve it.

When I look at this budget, I guess it is a time again when we are going to leave people behind. I am privileged to serve in the Army National Guard, and one of the Army ethos is we leave no soldier behind, but nothing could be more different in this budget. This budget, like all of Governor Corbett's budgets, leaves every child and working Pennsylvanian behind. Left behind are school districts across the Commonwealth. These school districts are still reeling from the catastrophic billion-dollar budget cuts in education of the past, and, Mr. President, frankly, I do not see substantial hope in sight. School districts across the Commonwealth have slashed programs, laid off teachers, and increased property taxes. They are barely keeping their heads above water, and, Mr. President, I would suspect, in fact I would predict, on the horizon these local districts will increase property taxes yet again at a time when Pennsylvanians can least afford it. This budget does restore a tiny fraction of Governor Corbett's original Draconian school district cuts, but districts around the Commonwealth through this budget will have to continue to play a game of budget musical chairs. When the music stops, whether it is cuts or tax increases, the only loser in this situation is going to be the people that we are counting on for our future, and that is our young people and our students.

Now, the Philadelphia School District is a big part of this whole process and I know many of my colleagues and friends have said that we are tired of funding Philadelphia, we feel like it is good money going after bad, but I can tell you as a person who understands those frustrations and has worked to improve that situation with the district, the Philadelphia School District came to Harrisburg with a very austere plan that I think showed more seriousness than in past decades, and made a number of incredible cuts, and was open and available to do many things that Harrisburg would mandate. Among them, finding a way to collect delinquent taxes, legislation that I had advocated in favor of and many others have. Apparently, the school district is not going to be able to have those tools to collect at least \$100 million in delinquent taxes. That could have been put right back into the school district. Harrisburg would not have had to be burdened with that original amount of money. So that, to me, is perplexing. I think it is incomprehensible, and I believe it was not a responsible way to go when Philadelphia is trying to get its fiscal house in order, is ready to get its fiscal house in order, and every dollar in delinquent taxes that is not collected is a dollar that goes away from our kids who need to get some kind of quality education.

Philadelphia is going to get about 40 percent of what is asked. Many other districts, including Harrisburg, York, and Duquesne, are going to get left out in cold. Some may call this education plan in this budget somehow an improvement because they will be able to look at the numbers and call it an increase. But it is really another year where our schools, our children, and their future remain gravely wounded from a careless, reckless \$1 billion blow previously inflicted by the Governor. So basically, what we are talking about with what should be one of our chief investments for the future, our public education system, we are really treating as a patient whom we are going to keep alive until we get a new doctor.

Another program left behind is the Accountability Block Grant, which provides support for pre-kindergarten and full-day kindergarten programs, class size reduction, and tutoring, and that is going to remain flat at \$100 million, still well below the 2010-11 budget levels of \$254.5 million. So, that is just on the level of public education before we even get to higher education. Higher education has been left behind in this budget as well, Mr. President. The Commonwealth's higher education institutions, including the 14 campuses of the State system, Temple University, and the State-related institutions saw their funding slashed by 19 percent, Mr. President, in 2011-12. And the funding slash has remained in effect in 2012-13. State-related universities get a modest increase of 0.8 percent or \$4.3 million in the Senate's 2013-14 budget. The 14 schools in the State System of Higher Education, including Indiana University of Pennsylvania, West Chester, and Millersville University, are also going to receive flat funding in this budget as well as PHEAA's grant to higher education students.

So, this budget, Mr. President--and I have heard we are in tough economic times--leaves families behind. And it seems we leave the most vulnerable behind in these tough times. I find that to be thoroughly unacceptable. Where is the vision Mr. President? Where is the investment in our students for a better tomorrow? The only thing they get is a bigger tuition bill and more student debt. We should not give that double financial punch, Mr. President. We are punching our people who can save this Commonwealth right in the gut. It is unacceptable, it is not responsible, and Pennsylvania will never get out of the basement in economic development, in job creation, or in hope for the future until we do better, Mr. President. We have to do better. This budget does not do better. I am voting "no," and I urge my colleagues to do the same.

Thank you, Mr. President.

POINT OF ORDER

Senator DINNIMAN. Mr. President, point of order.

The PRESIDENT pro tempore. For what purpose does the gentleman rise?

Senator DINNIMAN. Mr. President, no Members of our Caucus have the report by school district and--

The PRESIDENT pro tempore. What is your point of order, sir?

Senator DINNIMAN. Mr. President, my point is how do we vote without the information being provided by the other Caucus for each school district, and is that worthy of a recess until such time as we get that information, Mr. President? We have no information.

The PRESIDENT pro tempore. The gentleman has failed to make a point of order. If you care to make a motion, you may make a motion.

MOTION TO RECESS

Senator DINNIMAN. Mr. President, I move that we go into recess until each Member of this body receives the information for their school districts. So moved.

POINT OF ORDER

Senator PILEGGI. Mr. President, point of order.

The PRESIDENT pro tempore. For what purpose does the gentleman rise?

Senator PILEGGI. Mr. President, we are debating passage of a general appropriation bill. If the gentleman's staff has not provided him with an interpretation of the bill, that is not the problem of the body nor is it pertinent to the debate.

The PRESIDENT pro tempore. The gentleman's point is well taken.

And the question recurring,
Shall the bill pass finally?

The PRESIDENT pro tempore. The Chair recognizes the gentlewoman from Philadelphia, Senator Washington.

Senator WASHINGTON. Mr. President, I rise today to join my Democratic colleagues in opposing this budget. In my 20 years as an elected official, and all the years before that I spent as a staffer, I have never seen such a lack of leadership and priorities. We have been here for days and accomplished so little because everything is caught up in the Governor's web of pet projects and privatization. So now that we have had a chance to take a look at what is in the budget, it is obvious that this legislature's focus have been forced elsewhere. The Democratic Caucus has stood 23 strong to provide a real solution to the issues facing Pennsylvania. But instead, we have been reportedly left out. After 6 days of partisan bickering, we have nothing to show for it but an inadequate budget. While I still believe in government and the great things that we can accomplish when we work together, what I have seen this week is government at its worst.

Instead of investing in quality education, vital health and human services, and great family-sustaining jobs, we have been spending the week awaiting for a backroom deal to be cut. If the Governor and my colleagues from across the aisle are so bent on reforming Pennsylvania, they should start by reforming their priorities.

We should be paying attention to solving our education funding crisis, helping our struggling workers and families, and giving our seniors a chance to age gracefully. You know, Mr. President, they say that you can tell a lot about a person's priorities by how they spend their money. Our job creation ranks at the bottom nationally, but you would never know from the lack of investment in our working class. Instead of finding ways to bolster good family-sustaining, middle class jobs, this administration is on a quest to privatize for the sake of privatization. Our bridges and roads are faltering, but you would never know that from the stalemate in the other Chamber. Our schools are falling apart, but you would never know that from the embarrassingly low education restorations.

We still have a long way to go to restore the billion-dollar cuts that the Governor made years ago, and our schools are suffering. In mere hours, almost 400 Philadelphia school employees will be out of a job, and yet we were told that instead of adequate and fair investment solutions, we will be forced to tax our middle class some more. That is not what we were elected to do. Mr. President, I cannot and will not support a measure that leaves thousands of schoolchildren and school

employees behind. I cannot and will not support a measure that leaves the middle class without an opportunity to prosper. And I urge my colleagues to vote "no" on this budget. Shame on you, Governor Corbett. Shame on you.

LEGISLATIVE LEAVE CANCELLED

The PRESIDENT pro tempore. Senator White has returned, and his legislative leave is cancelled.

And the question recurring,
Shall the bill pass finally?

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Philadelphia, Senator Farnese.

Senator FARNESE. Mr. President, this week, more than any, as we look at the budget and the budget begins to come together, I have been thinking a lot about where I am going to be particularly on this year's budget. The phrase, "what do you stand for," just consistently keeps coming back into my mind. I really thought about it even more this week when I looked at the heroic actions of State Senator Wendy Davis from Texas, who stood on the floor of the Texas legislature for 11 hours and filibustered about a cause that was very deep-rooted in her beliefs and that of Democrats and many citizens in the State of Texas - the issue of access to healthcare for women, and, of course, continuing with abortion procedures. And that is really not, for the sake of my comments right now, that is not really what is relevant, but the fact that State Senator Davis actually articulated and did what each and every one of us is required to do by the oath that we take when we take the oath to serve, and that is to tell, what do you stand for? What does each and every one of us in this building truly stand for? What were we sent here to do?

In my opinion, I have always believed that the role of government is to do whatever you possibly can to make people's lives better, to do everything you can to protect them, and to insure that they and their children have opportunities that are there so that they can succeed and be productive members of society. I think that, when I think about a budget, I think about where I come down on the types of programs and policies that I want to support and I want to advocate for, not only for those folks whom I represent, whom I am privileged to represent in the First Senatorial District in Philadelphia, but also for the Commonwealth as a whole. To work each and every day to insure that a legislative agenda is put forward, to make people's lives better and to protect them. So, when my service is done and I leave this building, I can look at myself in the mirror and say that things are better for the things that I have advocated for and those powers which I have supported.

I believe that we need to stand up for those, Mr. President, who cannot stand up for themselves. I do not think that is just a Republican issue or a Democratic issue or an Independent issue. I think that is an issue that each and every one of us, no matter what role we take in service, whatever occupation we do, I think that we need to stand up for those who cannot stand up for themselves. Whether it be the children who are in need of medical care, who are hungry, who are in need of fresh water, the people who are on General Assistance, whom we have seen this administration over the last several years balance a

budget on the back of, or whether it is education, as many of my colleagues from Philadelphia and other parts of the State have already commented about.

You know, we take an oath to stand up for those who cannot stand up for themselves. When I think that, at the end of the day, this budget for me personally fails to do that. This budget, as we all know, we have this argument every single year, budgets are not as much about dollars and cents as they are about priorities. Where do you come down? Who do you decide to support? What programs are more important to you? Not just as a Republican or a Democrat, but legislatively to support and to move the Commonwealth of Pennsylvania forward. Where do you come down on these core issues that are going to make people's lives better? Do you believe in enhancing our education system and taking care of all of our children to insure that they have each and every opportunity to succeed? Are you willing to stand up so that folks have access to medical care and medical treatment, so that folks do not go hungry, so that folks have access to clean water and food and fresh vegetables? Where do you stand when it comes to taking care of the essential needs that our citizens have so that they can go out and be productive members of society? To me, that is what is important when I think about a budget, and that is what is important to me when I think about what I am going to support and what I choose not to.

And moving forward, Mr. President, I will not be supporting this budget today for all of the reasons that I have articulated, and of course for the reasons that will come from other speakers. One of the last things I do want to address, and one of the issues I will not be supporting the budget about, is an amendment which I had planned on introducing to the budget which would have been a domestic partnership amendment. Basically, Mr. President, that is an amendment about fairness. It would have helped us create a budget that was equal and would have pushed equality across the board for all Pennsylvanians. Quite simply, it would have added language for domestic partnerships to the list of folks who are exempt from paying inheritance taxes on property upon the death of their loved ones. No matter where you come out on the issue of same-sex marriage or other issues like that, the fact is that I believe as a Commonwealth and as a State, we need to treat citizens equally. I think my amendment would have gone a long way to do that, which would have given domestic partners in the Commonwealth of Pennsylvania fair treatment on the paying of inheritance tax, just like every other loving couple does across the State. That amendment, Mr. President, will not be in this budget. It will not be a part of the final vote. And I think that because of this and because of the other issues that I have articulated, I think this budget falls very, very short of doing what is necessary to take care of the people of Pennsylvania.

So in closing, this is my fifth budget that I have seen, my fifth year as a member of the Committee on Appropriations. I have the privilege of serving on the Committee on Appropriations to be a part of this process. I sincerely hope that as we move forward and we leave here and get to spend time with our families over the July 4th holiday that we really think about whether or not what we have done here today and what we do here each and every day, does it make people's lives

better? Does it help protect them, and does it help protect those who cannot stand up for themselves? Do you believe today that you have stood up for the people who need you the most? What do you stand for? I know I feel comfortable answering that question, Mr. President. I hope that each and every one of us has the same level of comfort in addressing that critically important question. Thank you.

The PRESIDENT pro tempore. The Chair recognizes the gentlewoman from Philadelphia, Senator Kitchen.

Senator KITCHEN. Mr. President, it is still puzzling as to why 50 intelligent people, who all work together fairly well, cannot come up with solutions to the problems that are most troubling to a lot of citizens in Philadelphia. Mr. President, I am specifically talking about education. It is our responsibility to see that each and every child in the State of Pennsylvania has an adequate, solid education. Yet, this seems to be a problem year after year after year, and I really cannot understand why.

Mr. President, if we prioritize to help people in the manner in which we have helped business, I do not think we would be here so frustrated because there has to be other people in here feeling the same way as my colleagues on both sides of the aisle: where is the money for the distressed schools? I think we are deserving of answers. The answers we have gotten are not adequate. Mr. President, it is not like we are enemies here. As I say, we interact together, we talk together, we share ideas, but yet when it comes to solving some of the problems here in Pennsylvania like education, we fall short and it is puzzling. And I know if it is puzzling to me, I know it is puzzling to other people. We can do better. We can do better for the children of Pennsylvania, if we try.

We can do better if we showed the proper leadership. Mr. President, it is just no excuse as to why we are here wondering what is going to happen to certain schools across Pennsylvania, not just in Philadelphia, but there are other distressed schools. All children deserve the right to a solid, good education.

Thank you, Mr. President.

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Chester, Senator Dinniman.

Senator DINNIMAN. Mr. President, I hope that all understand what we are concerned about, that it was not until about an hour ago that our Caucus even saw the School Code bill, and those of you--we have all worked together, I think Senator Kitchen's point, we are friends, we talk to each other, we dialogue together, and that is what makes this body so different from the House, because we know each other.

But if we only get a School Code bill an hour, not even an hour, 45 minutes ahead of time, you know you look through it, you try to figure out everything that it says, and the computer printouts that are given for this bill have to be taken from the computer source. So what you have to understand is all we are saying on this side of the aisle is, we do not know how this impacts our school districts.

POINT OF ORDER

Senator PILEGGI. Mr. President, point of order.

The PRESIDENT pro tempore. For what purpose does the gentleman rise?

Senator PILEGGI. Mr. President, I think it is the third time that I remember the gentleman rising on the same question, which is a violation of our rules.

The point that I rise to make is that we are still debating the general appropriation bill, and the gentleman's comments are more properly directed to the School Code bill, which will be on the floor of the Senate for debate later today. So his comments and questions are not on point, not relevant to the matter under discussion by the Senate. That is my point of order, Mr. President.

The PRESIDENT pro tempore. Senator Pileggi raises a point of order that the gentleman's remarks must pertain to the general appropriation bill.

Senator COSTA. Mr. President.

The PRESIDENT pro tempore. For what purpose does the gentleman rise?

Senator COSTA. Mr. President, I would like to respond to the comments that were made by the Majority Leader relative to the relevance of the gentleman's conversation and dialogue as it relates to--

The PRESIDENT pro tempore. Senator Costa, the Chair has ruled that the gentleman's remarks are out of order. He must keep his remarks to the bill in front of us, and therefore if he continues his comments, they must be to House Bill No. 1437.

Senator COSTA. Mr. President.

The PRESIDENT pro tempore. For what purpose does the gentleman rise?

Senator COSTA. Mr. President, I would like to appeal to the ruling of the Chair as it relates to my ability to respond to the comments made by the Majority Leader relative to this particular bill. I am not asking to allow the gentleman to continue with his remarks, but rather put into context what the gentleman's remarks are vis-a-vis the lack of information that this Chamber has had historically.

The PRESIDENT pro tempore. With all due respect, Senator, the Chair has ruled that his remarks are out of order and he may continue if he would care to continue to talk about the bill in front of us. So, I do not seem to understand why I need to entertain another response.

Senator COSTA. Thank you, Mr. President, the gentleman will continue then.

Senator DINNIMAN. Mr. President, the bottom line is that Members of our Caucus are concerned with the total expenditures in education. We have noticed that in past years, certain districts get a great deal of money and other districts do not.

The PRESIDENT pro tempore. The Chair is losing patience with the speaker. The bill in front of us is the general appropriation bill. The School Code bill is not in front of us. I will dismiss you from the mike if you continue to talk off of the subject.

Senator DINNIMAN. Mr. President, then allow me to talk about education funding in the general appropriation bill, which I believe is appropriate, is it not?

The PRESIDENT pro tempore. The gentleman would be in order.

Senator DINNIMAN. Mr. President, then many of us in this Caucus, and myself especially as Minority chair of the Committee on Education, have great concerns about this appropriation in terms of making sure that all students in this Common-

wealth have an equal opportunity to be educated to the top of the curriculum. Speaker after speaker on our side has gotten up and said that one of the most fundamental functions of State government is to take care of our education system.

There are those who argue that education funding has been increased. The truth of the matter is, most of that education funding goes to pay for pensions that schools are involved in. When you take that out, the total education funding has not been increased. If we look at special education in the General Fund budget, special education costs increase higher and higher each year for our districts, and yet we remain at an equal or an even basis. I surely know, as does every Member of this body, that money alone is not the answer.

When we look across this Commonwealth, Mr. President, and when we see that 70 percent of the school districts of this Commonwealth have increased class size, Mr. President, when we see that 40 percent of our school districts no longer offer summer school or offer a tutoring program, then I think it is fair that those of us in this body rise to question the appropriation in education. When we realize that it is not just in Philadelphia, but the problems of schools exist throughout the Commonwealth, whether we are talking about Reading, or Harrisburg, or Allentown, or Erie, or Coatesville, and so we rise to question this budget and its expenditures in education. Mr. President, the difficulty for us, and I do not think this is a matter of being ruled out of order, is we need the information in order to vote on how it impacts each of our districts, which is what we are called to Harrisburg to do. Is that not correct, Mr. President? We are called here to take care of the citizens as a whole, but also to take care of our districts. When we vote on a general appropriation without knowing its impact on our districts, then that creates problems for us. That is all that we are saying, Mr. President.

Hopefully, in the interest of providing everyone with adequate information, in the interest of getting to us information on the budget more than 24 hours ahead of time, information to make decisions that are based on fact and thoughtful deliberations, that both sides of the aisle have the same information at the same time I think is only a fair and equitable way. By the way, Mr. President, this is the way that it had been done in the past. We never sat and had to have this argument the last day of a budget because we all knew the information. So, I thank you for your patience, Mr. President. I thank Senator Pileggi for his patience. But I felt the necessity to rise as Minority chair of the Committee on Education simply to state that each and every student of this Commonwealth is equal, that we cannot create a system of education that is separate and unequal simply based on a ZIP Code or on who happens to represent that particular district.

Thank you, Mr. President.

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Philadelphia, Senator Hughes.

Senator HUGHES. Mr. President, I believe that Senator Dinniman had, in the course of his comments, some very valid points to make with respect to information sharing and with respect to understanding, in totality, how dollars are spent to the greatest level of detail so that we can determine what our priorities are with respect to this budget and where we should be going.

I have to say on the budget, Mr. President, that we are in an environment in a sense that, although there are some improvements in this budget document compared to what the Governor announced back in February of this year, although there are some improvements in some areas in this budget document, compared to what the House of Representatives sent us, it really in many respects falls far short of where it really is that we can be, where we should be. Unfortunately, Mr. President, in my eyes, I see this budget document having, in many respects, only incremental gains in certain areas that need to be addressed in broader strokes and have greater impact for the folks that we represent who are sorely in need of having a significant, positive impact made on their lives and their circumstances.

This budget document falls short in the area of education funding. This budget document falls short in the area of job creation programs. This budget document falls short in terms of investments in people and protecting them in a very difficult economic situation precipitated by the fact that the Commonwealth of Pennsylvania still remains almost last in the nation with respect to economic progress and especially with respect to job creation. Needless to say that in many of our school districts, they are feeling the crunch of economic pressures that the Commonwealth and this budget fails to respond to. Consequently, Mr. President, I know that this budget season could be a lot better. I know it has been cantankerous in a whole lot of other areas, and, unfortunately, that reality has spread into our budget discussions and where we are right now.

I know, Mr. President, that our Caucus offered up our own proposal for how the State should be going forward. Our own proposal included a \$300 million increase in basic education funding. Our own proposal included an opportunity to create tens of thousands of new jobs in all kinds of areas: in technology areas, in education areas, in investment areas, in revitalization areas that could put this Commonwealth on the right direction as opposed to the wrong direction that this budget will continue to take us on.

I know, Mr. President, that our own budget proposal stood as a truer and more accurate reflection to where people are in the Commonwealth of Pennsylvania. Whether you are a young mother or a young father trying to raise a family and looking for child care service; whether you are a person who had a teenager who was trying to find support during the summer for summer employment; whether you are a school district administrator trying to get some extra relief with respect to funding for your schools and your classrooms; and especially if you are in struggling communities, like many of our third class cities across the Commonwealth, our budget proposal took us in that direction to support those cities. Unfortunately, this budget document does not get all the way there and falls short of where we could be as a Commonwealth.

So, Mr. President, with all of that in mind, with all that we know, with the direction that we are going in the Commonwealth of Pennsylvania, I would encourage a "no" vote on this budget document because this falls far short, although an improvement, it falls far short of the direction of getting us to go in the appropriate direction to lead us forward.

Unfortunately, Mr. President, if we follow down this path, if we continue to follow down this path, if we continue to miss the opportunities that are in front of us to put Pennsylvania's people back to work, to relieve the burden on our local communities and give them some help in revitalizing those communities, if we continue to not provide the appropriate investments in our education systems across the Commonwealth, if we choose not to support especially those struggling school districts, and we keep our priorities there, we choose not to support them, we will not find ourselves going in the right path. It is a wrong-direction budget. I encourage a "no" vote, Mr. President.

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Allegheny, Senator Ferlo.

Senator FERLO. Mr. President, I will be very brief in trying to summarize my overall concern with the budget. I think we are all familiar with the phrase, "a rising tide lifts all ships." I think today, on this fine Sunday afternoon, we would have to say that the rising tensions here in this Senate this afternoon is reflective of the rising dissatisfaction with this Governor and with his administration overall, and what I would consider the ideological dysfunction of the Republican House leadership. I would say notwithstanding our principal differences in a number of programmatic areas regarding this budget, I would say overall, in all honesty, that the House has been a major problem in our timetable here today. I think it is embarrassing. We should all hang our heads in shame that we are 8 or 9 hours from the bewitching hour of midnight of June 30. If I am not mistaken, we still have yet to deal with the Tax Code, ultimately the Welfare Code, the School Code, and the Fiscal Code. Granted, they are moving along, thanks to the leadership of everybody in the room, especially the leadership of the various committees. But, it seems to me that we will still end up being here or will have to come back here Tuesday and Wednesday. I will not even begin to outline the dysfunction around the lack of a transportation plan, a plan that would fundamentally promote jobs and income and address glaring public safety needs in each one of the 67 counties that we all represent. So I am very disappointed, Mr. President, today.

I do point out, obviously, that notwithstanding the struggling State revenue picture and administration that had a minor bounce in the unemployment rate more because of the national economy, certainly not a bounce that could be attributed to this administration and in any due respect, notwithstanding even some improved jobs within Pennsylvania residents in the energy sector. It is very disappointing that we are leaving significant revenue on the table. We continue to be a state that refuses to tax the Marcellus Shale industry. I have said in the past, and will continue to state very clearly, that this Governor is in bed with the Marcellus Shale industry, and at the same time even worse, we have a dysfunctional DEP that really has stepped aside from its fiduciary and environmental obligations to protect the public health, our lands, and the aesthetic qualities of our great Commonwealth. It is very disappointing.

It is good that we are making some changes in various taxes, but overall, we are leaving significant money on the table because we refuse to do what every other State in the union that has Marcellus Shale drilling going on has done. We refuse to have explicit and enhanced environmental protect-

ions. We refuse to tax the industry while they gut and basically extract out precious minerals and resources even down to our public parks and playgrounds. Very disappointing.

Notwithstanding, I do want to point out as the Minority chair of Committee on Law and Justice, I am pleased to see the increased funding for the State Police and the ability, hopefully, to put 300 members into a cadet class. I know many colleagues have led this effort over the years. This is a critical public safety, important area, especially given the fact that potentially, we have a very large number of retirements coming up within the next year or so.

I could go on and on and point out a number of additional increases in this budget that I am pleased to see, but I think overall we have worked much more cooperatively here in the Senate regardless of our policy and the differences on taxes and finance. I think there has been much more of a spirit of harmony and trying to work together in a very difficult year and very difficult budget times. I wish that the ideology of the Corbett administration, being controlled by the mentality of the Commonwealth Foundation and some of the Cro-Magnon philosophies expressed in the House, certainly by one colleague from Butler County, we continue to work in good spirit, in a spirit of cooperation toward the greater public good. Thank you.

The PRESIDENT pro tempore. The Chair recognizes the gentlewoman from Luzerne, Senator Baker.

Senator BAKER. Mr. President, I rise to support the bill. I believe that this is a reasonable and responsible plan within the available revenues. It is consistent with previous efforts to control State spending, but there is also a recognition that additional dollars are needed in key areas to avoid negative consequences for families and communities. There is still a need for us to be careful within the overall spending because of anticipated added costs next year. Where there is money to make discretionary choices, the priorities are a good one: Pre-K Counts, basic and higher education, generally; distressed and growing school districts, specifically; and school safety and community protection efforts. Sandy Hook showed all of us the magnitude of a tragedy that can occur in our schools. We have a 350-percent increase in funding to provide for school resource officers and safety enhancements in our districts.

There is extra money for the Pennsylvania State Police to allow us to have three more cadet classes. The Attorney General, who had requests for funding for public safety and crime fighting purposes that proved to be compelling, a mobile crime lab that I absolutely agree will help us to address gang violence that is rampant throughout parts of the Commonwealth. The slow economic recovery means that a lot of families are still hurting from the recession, and there is some increased funding for programs to help with those needs. From my committee chair perspective, I am very pleased that Pennsylvania's 1 million veterans have not been forgotten. Support for veterans homes has been increased over the Governor's proposal. Emergency aid for veterans is retained for those struggling to put food on the table, to buy medicine, to pay a heating bill, or to make a rent or mortgage payment. This budget will also give our Veterans Trust Fund some time to secure a healthy fund balance, so that it can help meet the many needs of the brave men and women and their families when they return to civilian life. Veterans outreach services have also been in-

creased, and they yield an amazing return on investment: for the dollar in outreach that Pennsylvania provides for support, \$80 in State and Federal benefits is secured.

From a district standpoint, there is money here to help support the innovative Workforce Wayne initiative. For academic medical colleges, the Commonwealth Medical College, which is training physicians throughout northeastern Pennsylvania to improve our critical access hospitals, these 25-bed facilities that are serving citizens in rural communities.

So it is easy to find places where we wish more money could be directed. I heard a lot of expressions from individuals and groups that either want catch-up dollars to restore services or new money to expand. The difficulty, it is not easy to gain broad agreement on acceptable ways to generate revenue to pay for higher spending, for this year and subsequent years. So this budget is not a solution for all of our challenges or problems, but it will work to improve our fiscal and economic conditions, and I believe that represents progress.

Thank you, Mr. President.

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Centre, Senator Corman.

Senator CORMAN. Mr. President, this is the completion of a long few months' work, a long week's work finishing up. As we talk about where we have arrived today, it is good to remember where we have been. When we passed the General Fund budget in 2008-09, which was the last year of a budget for Senator Armstrong from Lancaster County, who was the chairman of the Committee on Appropriations before he retired, the budget spent about \$28.2 billion, roughly. And then something happened to Pennsylvania, something happened to the country and to the world as we went into one of the deepest recessions in our nation's history with the economic meltdown of the financial markets. We took a path, starting with Governor Rendell and continuing with Governor Corbett, that had never been taken, to my knowledge, in Pennsylvania history, is that--obviously, State government is funded through revenues mostly through consumption taxes, personal income tax, sales tax, and revenues from the private sector. We do not print money, we are not Washington, D.C., so we do not print money here. We only have money that the private sector - families and businesses - give us. Every recession prior to this one, the reaction of State government had always been to raise taxes. That was going to be how we would continue to fund government, continue to keep our spending levels at a level that previous legislators and governors thought was appropriate. Even though the private sector was hurting, even though families were struggling to make ends meet and had to make their dollars go farther, government was not going to do that. Government was going to continue to spend. That was always the reaction, whether it was Republican governors, Democratic governors, Republican legislatures, Democratic legislatures, it was always the reaction in the past that we needed to continue our spending level, and even though private sector and families were hurting, they just needed to pay more to continue to fund State government.

We took a different approach. We were not going to go back to the people of Pennsylvania who, again, were trying to figure out their homes, how they were going to do with less. Many people were laid off or underemployed, so they were doing less. Businesses were not making the revenues that they

once were, so they were trying to figure out how to do with less. We took the approach back then that we would try to do with less as well. We went back to our budgetary process and really skimmed this budget down to what I would refer to as must-haves. We do have some core responsibilities, but there are a lot of things, some good, some maybe wasteful, that were not necessarily part of the core functions of State government. We went through the process of weeding a lot of those things out of the budget. Over time, we actually shrunk the budget for years. Back in this year, this General Fund budget is going to spend about \$28.375 billion. That is the first time that we exceeded the rate of the actual spending of the 2008-09 budget. Now, think about that. That was 6 years ago. We are finally exceeding the spending level of 6 years ago. That is unprecedented in Pennsylvania State government history. We have done what the private sector is doing.

I wish our friends in Washington, D.C., would get together and figure out the problem and get this economy rolling again. We have had just such a difficulty getting anything done down there, and so I think it is really a drag on the economy. So, our revenues still are not coming in at the level we would like. But we, in this budget, even though we are still spending within our means, we are able to make some strategic investments, some investments that are very, very important in this General Fund budget, ones that we can be proud of. Like, as it was mentioned before by the Senator from Luzerne County, law enforcement, three cadet classes are going to be funded in this budget. Our Senator from Allegheny County mentioned this as well. That is significant for the importance of Pennsylvania, for the safety of Pennsylvania. Our Attorney General put forth a proposal that received bipartisan support as we went through the appropriation process to fund a child predator unit, \$3 million which is in this General Fund budget. A mobile crimes unit, \$2.5 million which is in this budget. A \$9 million increase for her office, a Democratic office with a Republican legislature, we thought was important because we thought crime fighting was important, we thought giving tools for our law enforcement was extremely important, so we funded it in this budget.

Education had a lot of discussion. There is a significant investment in education in this budget, \$130 million worth. Not to mention to add onto what the Senator from Luzerne County talked about, a lot for Pre-K Counts, a lot for early childhood education funding. I took notice of the Senator from Chester County mentioning that a lot of this money is going to pay for higher pensions to our teachers, and there is no question about that. They absolutely are. Salaries and benefits are the driving costs of our school districts, obviously, and so we have to pay those salaries and benefits. This Governor put forward a proposal to try to deal with the escalating costs of the pension system in Pennsylvania. It was not well received by a lot of the groups that are entrenched in that establishment. We tried to put forth a proposal here as well to try and come up with savings in that process. We were not able to get it across the finish line because we could not get an agreement with the House. But I would just say to the gentleman from Chester, I am anxiously awaiting his proposal to reform the pension system so that we can alleviate the costs to school districts, or the State revenue, the tax that he is going to propose to help pay for it. Because those are the only two things that we can do to

alleviate that cost. Either we have to reform it and change the way it is done so we pay less, or we have to come up with a new tax system to pay for it so the school districts can move forward. So I anxiously await that proposal and maybe we can incorporate it in next year's budget. That would be great.

So we are going to continue to make these types of investments in education. I give Mayor Nutter a lot of credit, I know Philadelphia has a lot of issues, a lot of concerns, and we have worked with him to try to help. He always comes here with solutions, I think, when he comes to Harrisburg to try to solve some of their issues. I would note that there is a \$15 million increase, though, in this General Fund budget for the Philadelphia School District. That is not chump change. I think that is a significant increase. I look forward to continuing to work with the mayor because I think he does an outstanding job in the city. If there is a way we can continue to deal with the issues that he is dealing with, I stand as partner with him to make that happen.

We can always stand here and talk about what is not in the General Fund budget, and that is easy to do because we all would like to be Santa Claus and give everybody a little bit of everything, and that would be great. Christmastime is fun and Santa Claus is fun. I am a father of three. Playing Santa Claus is great. But unfortunately, at the end of the day, we have to be responsible and spend what we have. I think we have done the right job of taking a fiscally responsible approach during this weakened economy that the nation is going through. I think this budget reflects that. If you ask the people of Pennsylvania, are they interested in paying more in taxes to fund State government? I think that would not poll particularly well. So we are trying to react to that, and the Governor is trying to react to that. This budget does keep responsible spending, but it does make significant investments.

I have to mention to my good friend who represents Adams County, next week is the 150th anniversary of the Battle of Gettysburg and the Lincoln Address, and there is money in the budget for security because the nation's eyes are going to be on Pennsylvania. We may think the nation's eyes are on us here at the Capitol a lot, but trust me, they are not. Right down the road here, this week, the nation's eyes will be on Pennsylvania, and it is a great time for Gettysburg to trumpet all the things that it has there. If you have not had a chance to be there, I would highly recommend it. I know I am getting off point, Mr. President, I am sorry, but we did make an investment here to try to help out with security needs and issues so that all of our guests from around the world who are coming to Pennsylvania later this week can do so in a safe way. So I am thrilled this General Fund budget includes that as well.

So, Mr. President, this is a budget that meets a lot of the needs of the people of Pennsylvania, and it is a budget that meets the fiscal responsibility that I think the people of Pennsylvania demand. I ask my colleagues for an affirmative vote.

Thank you, Mr. President.

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Montgomery, Senator Rafferty.

Senator RAFFERTY. Mr. President, I hope the gentleman from Centre County closes after we do our little presentation here, and I thank him for the opportunity to speak.

One of the basic responsibilities and tenets of government is to provide for the health, safety, and welfare of its residents.

It is the reason why government was created in this great land of ours, and we are doing that in this budget. And we are really doing it with bipartisan support. I am very happy with the increases we have seen in the Attorney General's budget and the Pennsylvania State Police budget. The President knows of my relationship with the Pennsylvania State Police and my history of having worked for a period of time in the Attorney General's Office. With this budget, the Pennsylvania State Police are seeing three cadet classes of almost 300 cadets. Three cadet classes will be funded. This is something that Senator Tartaglione and I worked on with a Senate bill last year to help find funding for these cadet classes, and now we have the commitment for three cadet classes for the Pennsylvania State Police. That is big at a time when we are putting more and more demands on the Pennsylvania State Police for what they should do. We have also continued to fund the forensic lab, to make sure that the State Police have the resources available to assist not only statewide investigations, but assist the local district attorney's offices as well. But that \$15 million for the three cadet classes is at a time when we recognize that the Pennsylvania State Police are short on personnel, and it will go a long way to start moving up the number in the ranks of the Pennsylvania State Police.

Additionally, with the Attorney General's Office, I took special interest in this item of the budget as well and worked very closely with the people in leadership on my side of the aisle and with a number of people on the other side of the aisle, on particular items within the Attorney General's Office. Senator Yudichak and I were very interested in the mobile street crimes unit that Attorney General Kathleen Kane wants to use. I thought it was a fantastic idea, as did Senator Yudichak, and we wanted to make sure that the resources were available to the Attorney General's Office so that the people of the Commonwealth of Pennsylvania would benefit from the efficiency and proficiency of the agents in her office detecting crimes.

We have increased the child predator unit by \$3 million, at a time when we are seeing organizations in this Commonwealth having their foundations rocked by allegations of child predators and, in some instances, founded allegations of child predators. I am very happy that we have been able to beef up the Attorney General's Office and that particular unit to protect our most vulnerable citizens, our children.

The drug strike task force, which was wanted every year from Jerry Pappert through today with Kathleen Kane, I am always interested in seeing the dollars there to make sure that we have the resources there to combat the growth of drugs within the Commonwealth of Pennsylvania. These are highly-trained, highly-efficient agents working in cooperation with our counties and other law enforcement agencies to make sure that we curb the growth and the stem of drugs coming into the Commonwealth of Pennsylvania.

The witness relocation line item was increased. This is one that we have seen a necessity for in certain areas of our State, to make sure that witnesses are being protected and taken out of harm's way so they can testify in particularly capital murder cases within this Commonwealth. We have increased that. This General Assembly increased that.

The tobacco law enforcement program, which is one that in my first year in the Senate of Pennsylvania had two pieces of

legislation passed to enhance and to strengthen the tobacco law enforcement program, and I am very happy to see that we have, the General Assembly has, again, increased that amount of money going to tobacco law enforcement to help the Attorney General's Office. And by the way, the more that the Attorney General's Office and Kathleen Kane can do, the more dollars will be returned the Tobacco Settlement Fund here in the Commonwealth of Pennsylvania to be used for health needs throughout the Commonwealth. So it is a really beneficial aspect of the Commonwealth. Additionally, what people should realize, not only in this Chamber but throughout the Commonwealth, is that the Attorney General's Office, because of their prosecutions and because of going after people who are skirting the law, returns more dollars to the Commonwealth of Pennsylvania than is actually expended by the Attorney General's Office.

So, it is our obligation to make sure that the residents' health, safety, and welfare are protected. It is our duty as legislators to step up to the plate, as we have done under this budget, and adequately fund the Office of Attorney General, under Attorney General Kathleen Kane, and the Pennsylvania State Police, under Commissioner Frank Noonan. I am happy to stand in support of today's budget, and I ask for an affirmative vote on its passage.

Thank you, Mr. President.

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Lebanon, Senator Folmer.

Senator FOLMER. Mr. President, I would like to speak as chair of the Committee on Education. I am looking at today, and it is actually my Sabbath day, a day that I probably should be at home with my family and my grandchildren, worshipping my Savior. But we are here today and we have to be here today, and I understand that. I also want to throw out a point here to our chairmen of the Committee on Appropriations. In putting this budget together, they not only thought about this year, but they are looking into next year as well. And that is, I believe as a fiscal conservative, a fiscally responsible thing to do. So I commend our chairmen and their staffs for what they have been attempting to do here.

Mr. President, it is easy to spend time looking for areas where we could spend enough money. But my question is, what would be enough? Even in this time of difficulty, we have still managed to maintain and increase the funding for education in this budget. We have increased funding for basic education by 2.2 percent, but let me put it into more practical terms. That would put it at about, if my calculations are correct, about \$354 each second. We have funded our libraries, we have provided stable funding for higher education, and received historic commitments from our public institutions to hold tuition costs.

We have also looked to the future and have driven money to areas that we know our students will need. We have supported math and science initiatives to our students so that they are ready for these fields. We have advanced opportunities for career and technical students to have access to state-of-the-art learning opportunities so that they are prepared for family-sustaining jobs and educational opportunities once they graduate. We have allowed our higher education students to take more classes online and be able to receive a State grant to do so. We have made sure that even the youngest children are

receiving opportunities for early childhood education so they are ready to enter our school systems.

Mr. President, we will never have enough money to fund every priority or sincere need each system needs. But we can provide support to make sure our students have opportunities and are ready for the future. I say vote "yes" for this well-thought-out budget. Thank you very much.

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Montgomery, Senator Leach.

Senator LEACH. Mr. President, I just want to make a couple of broad points. There has been a lot of discussion about individual line items in the budget, and I do not want people's eyes to glaze over with that. There is a lot to say, a lot of things that I object to, but I would confine my remarks to just sort of broad strokes.

Number one, when people say we only can spend what we have, it is an odd thing to say because we control what we have. It is not like we are given an amount of money from some source from outside and that is what we can spend. We decide what the tax rates are, we decide what the fee rates are, we decide what the tax breaks are, we decide all that. So we make the decision as to what we can spend and what we have. So to say that we can only spend what we have ignores the fact that we control that. And it also implies that we have no choice in what we do. That the policies that are made in this Chamber and the effects that they have on people are something that are just forced on us and we are sort of innocent vehicles for realities beyond our control. Again, we all know that is not true.

Now, previous speakers have said, well, no one wants to pay more to the State government. If you take a poll and ask someone, do you want to pay more taxes? The answer would be no. I agree that is probably the answer you would get. I have spent a lot of time in politics, as most of us have in our life, I know a lot about polling. I know a lot about how you get answers to questions. Of course, if you ask someone, do you want to spend more money out of your pocket in a vacuum? People are going to say no.

What is interesting is when you ask people, do you think we should neglect our schools? Do you think we should shred our safety net? Do you think we should not provide adequate funds to protect our air and water? You know what, people say no to that too. Those are the same polls that people say no to. The fact is then, when you juxtapose the two issues, would you pay more taxes if you knew it would make schools better? People say yes. So, of course people are not going to say they want to pay more money to the government with no apparent purpose, but they will spend money to make our schools and our roads better.

The people of Pennsylvania and the people of the United States I believe are not hard-hearted people. They are not people who are indifferent to the condition of their society. If you ask people in my district, and I can only go by my district, do you want to invest in the public schools? They say yes. When you ask people in my district, do you want to hire enough water quality inspectors and others who will go out and make sure that the industries that are providing energy in the State are doing so safely and in a way that does not harm people or animals or wildlife or the environment? Generally, they will say yes. They will say yes, overwhelmingly. If you ask people,

is it a good idea to cut off all cash assistance for the poorest people of Pennsylvania? They do not like that. That is what they say. If you ask people--there are 800,000 people in Pennsylvania who right now do not have health insurance. We have increased that number by eliminating adultBasic and other policies. Is that a good idea? The people say no. So I think if we are going to make the argument that we are doing what the people of Pennsylvania want, we should be accurate about what the people of Pennsylvania want.

I would also say--someone said we cannot play Santa Claus. I think frankly, with due respect, that is demeaning. We are not playing Santa Claus. We are not giving gifts on Christmas morning. When you provide healthcare for a sick child, that is not Santa Claus. When you provide enough money for someone to be able to afford a lousy flop room to sleep so they do not have to sleep on the streets at night, that is not Santa Claus. That is not some Christmas morning thing. When you tell a kid who lives in a poor neighborhood that we are going to give you an education that will enable you to someday get out of this poor neighborhood, that is not Christmas morning. That is not Santa Claus. The idea that the people of Pennsylvania are saying, not one penny, not one more penny for schools, not one more penny for any of these things if it comes out of my pocket, is just not accurate.

Beyond that, people keep quoting the private sector. The private sector does not want that. The private sector does not want us to neglect education because those are the people who are going to be working in the jobs in the next 5, 10, 15, 20 years. They do not want us to neglect roads and bridges because that is how they get to work and that is how they move their products.

So, I would just say, as we consider this budget, and as we consider future budgets, that we should really not fall for the idea that we are forced to neglect basic roles of government and forced to neglect our society in a way that is harmful to our society.

There is one more thing that troubled me when someone said, you know, some family is struggling so we are going to do with less. I do not know what that means, we are going to do with less. The money, just so everyone is clear, does not go to us. We are not spending this money on beer and knockwurst or whatever it is for legislators. This money is going to poor people, this money is going to kids all across the Commonwealth, this money is going to roads, this money is going to law enforcement. But more than that, it is going to programs that would make it unnecessary to spend money on law enforcement because they are proven to reduce crime.

When we say we are doing with less, what we are saying is framed in such a way that somehow we are doing something noble. When we say we are doing with less, what we really mean is that poor kids are doing with less, and people who are sick are doing with less, and people who are handicapped, or people who are elderly are doing with less, or people who have a road in front of their house that has not been fixed for a long time and cannot get to work, those are the people who are doing with less. We are fine either way. It is not us who have anything at stake in this budget, it is the people in Pennsylvania who desperately need the services that, in my view, we are not funding adequately. I just wanted to make it clear that that is really what is at stake here.

Thank you, Mr. President.

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Allegheny, Senator Ferlo, for the second time.

Senator FERLO. Mr. President, I only rise to ask permission to enter my comments into the public record.

The PRESIDENT pro tempore. The Chair thanks you and the whole Chamber thanks you. Without objection, the remarks will be spread upon the record.

(The following prepared remarks were made part of the record at the request of the gentleman from Allegheny, Senator FERLO:)

Mr. President, there are major problems with the Governor's budget plans in regard to education, job creation, and hiding dollars in reserve that could be used now to address critical budget needs. The budget relies on gimmicks and maneuvers to take \$90 million in spending offline. The \$28.375 billion budget is rudderless and lacks the focus on priorities that meet the needs of all Pennsylvanians. The plan simply pushes forward the Governor's idea that stripped-down government is all that can be done amid economic difficulties. The plan is heavy on politics and light on policy. It is a flatline plan that flattens the citizens of Pennsylvania for the third year in a row. Senate Democrats produced spending plans and priorities that proved there is a better path available.

Education: While the plan adds \$120 million to be spread around, it does not earmark extra funds for economically hard-hit school districts that face deep cuts, local tax increases, and more hardship. The plan does little to recover the lost ground from nearly \$1 billion in education budget cuts that were engineered by the Corbett administration over the last 2 years. All told, between last year's budget and this Corbett spending plan, Pennsylvania schools are still down at least \$750 million. The budget takes care of a small number of school districts with a large pool of money. The extra \$33 million in that pool should have been used for distressed schools, not for growing schools that have resources. The budget adds \$120 million to the basic subsidy that was originally proposed plus an extra \$33 million for a handful of school districts in Republican areas. Giving a handful of school districts in Republican areas \$33 million to address the needs of growing districts while failing to provide additional assistance for other economically struggling schools is just wrong. There are at least 33 school districts in both Republican and Democratic areas identified by Senate Democrats that are in real economic distress and need an immediate infusion of cash. Senate Democrats proposed additional funding for all distressed schools using an objective formula that would have distributed \$39 million among 33 schools.

Economic Development and Job Creation: The budget does not include investments in job creation programs that will cut into unemployment. There is a discernible lack of direction or priority from this administration about job creation. The budget flat-funds important job creation assistance programs such as Regional Economic Partnerships, Discovered in PA, or infrastructure facilities grants.

Budget Policy: The budget carries over \$500 million for next year when we have immediate needs now. The plan uses budget gimmicks and shifts of funds offline, at least \$90 million, to produce an ill-defined plan that fails to meet needs today and does not address budget woes going forward. Job creation programs, education and social safety netlines need significant investments now. These items could be adequately funded if the Governor would reverse his budget policy and use the funds that are stashed away in this budget's reserve. While the Republican budget carries \$500 million over into the next year, it puts zero dollars into the Rainy Day Fund.

General Points About General Fund Spending Plan: While the budget fails to insert extra dollars into selected distressed schools, all school districts will receive an increase as a result of the inclusion of an extra \$120 million in the basic subsidy line. The plan provides additional dollars for the Attorney General including a substantial increase in the Child Predatory Interception Unit. That line is increased by \$3 million in this plan. The Auditor General also gets a boost from this plan. The overall spending number is marginally in-

creased, but there is an infusion of \$1.75 million for modernizing technology. The judiciary gets a 3-percent increase and State Police lines are funded a bit above the level suggested by the Governor. Changes in the Tax Code include important increases in the Film Tax Credit, with \$3 million set aside for video gaming.

While the plan does not go as far as Senate Democrats have suggested, the plan does address the planned phase-out of the capital stock and franchise tax by freezing it for 2 years in order to recapture \$54 million in revenue that can be used for this budget plan. The budget adds \$2.25 million to fund designated Heritage Parks but makes few other noteworthy new investments in our environment or environmental protection programs. The Welfare Code changes include the Senate Democratic policy priority of Medicaid expansion to individuals who earn up to 138 percent of the Federal poverty level. Medicaid expansion allows more than 500,000 Pennsylvanians to gain access to healthcare, and is estimated to create 35,000-40,000 jobs and leverage billions in Federal dollars for Pennsylvania.

And the question recurring,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-33

Alloway	Erickson	Rafferty	Waugh
Argall	Ferlo	Robbins	White
Baker	Folmer	Scarnati	Williams
Boscola	Gordner	Smucker	Wozniak
Browne	Greenleaf	Tomlinson	Yaw
Brubaker	Hutchinson	Vance	Yudichak
Corman	McIlhinney	Vogel	
Costa	Mensch	Vulakovich	
Eichelberger	Pileggi	Ward	

NAY-17

Blake	Hughes	Schwank	Tartaglione
Brewster	Kasunic	Smith	Teplitz
Dinniman	Kitchen	Solobay	Washington
Farnese	Leach	Stack	Wiley
Fontana			

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same with amendments in which concurrence of the House is requested.

BILL OVER IN ORDER

HB 25 -- Without objection, the bill was passed over in its order at the request of Senator PILEGGI.

BILL ON THIRD CONSIDERATION
AND FINAL PASSAGE

HB 82 (Pr. No. 2154) -- The Senate proceeded to consideration of the bill, entitled:

An Act providing for actions for costs of care of seized animals.

Considered the third time and agreed to,
And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-47

Alloway	Erickson	Pileggi	Vogel
Argall	Farnese	Rafferty	Vulakovich
Baker	Ferlo	Scarnati	Ward
Blake	Fontana	Schwank	Washington
Boscola	Gordner	Smith	Waugh
Brewster	Greenleaf	Smucker	White
Browne	Hughes	Solobay	Wiley
Brubaker	Kasunic	Stack	Williams
Corman	Kitchen	Tartaglione	Wozniak
Costa	Leach	Teplitz	Yaw
Dinniman	McIlhinney	Tomlinson	Yudichak
Eichelberger	Mensch	Vance	

NAY-3

Folmer	Hutchinson	Robbins
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A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same with amendments in which concurrence of the House is requested.

BILL OVER IN ORDER

SB 100 -- Without objection, the bill was passed over in its order at the request of Senator PILEGGI.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 163 (Pr. No. 2175) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of August 9, 1955 (P.L.323, No.130), known as The County Code, in prothonotary, clerks of courts, clerk of orphans' court, register of wills, recorder of deeds, further providing for how offices to be held.

Considered the third time and agreed to,
And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-50

Alloway	Farnese	Pileggi	Vogel
Argall	Ferlo	Rafferty	Vulakovich
Baker	Folmer	Robbins	Ward
Blake	Fontana	Scarnati	Washington
Boscola	Gordner	Schwank	Waugh
Brewster	Greenleaf	Smith	White

Browne	Hughes	Smucker	Wiley
Brubaker	Hutchinson	Solobay	Williams
Corman	Kasunic	Stack	Wozniak
Costa	Kitchen	Tartaglione	Yaw
Dinniman	Leach	Teplitz	Yudichak
Eichelberger	McIlhinney	Tomlinson	
Erickson	Mensch	Vance	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same with amendments in which concurrence of the House is requested.

The PRESIDENT (Lieutenant Governor Jim Cawley) in the Chair.

CONSIDERATION OF CALENDAR RESUMED

THIRD CONSIDERATION CALENDAR RESUMED

BILL LAID ON THE TABLE

SB 391 (Pr. No. 433) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for expungement of criminal history record.

Upon motion of Senator PILEGGI, and agreed to by voice vote, the bill was laid on the table.

SB 391 TAKEN FROM THE TABLE

Senator PILEGGI. Mr. President, I move that Senate Bill No. 391, Printer's No. 433, be taken from the table and placed on the Calendar.

The motion was agreed to by voice vote.
The PRESIDENT. The bill will be placed on the Calendar.

BILL OVER IN ORDER

SB 401 -- Without objection, the bill was passed over in its order at the request of Senator PILEGGI.

BILL LAID ON THE TABLE

SB 428 (Pr. No. 359) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 20 (Decedents, Estates and Fiduciaries) of the Pennsylvania Consolidated Statutes, further providing for pooled trusts for persons with disabilities.

Upon motion of Senator PILEGGI, and agreed to by voice vote, the bill was laid on the table.

SB 428 TAKEN FROM THE TABLE

Senator PILEGGI. Mr. President, I move that Senate Bill No. 428, Printer's No. 359, be taken from the table and placed on the Calendar.

The motion was agreed to by voice vote.
The PRESIDENT. The bill will be placed on the Calendar.

BILL LAID ON THE TABLE

HB 493 (Pr. No. 771) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, in capital facilities, further providing for definitions, for legislative procedures, for reports related to redevelopment assistance capital projects and for appropriations and limitations on projects; providing for review of proposals; and further providing for funding and administration of projects.

Upon motion of Senator PILEGGI, and agreed to by voice vote, the bill was laid on the table.

BILLS OVER IN ORDER

HB 925 and **SB 984** -- Without objection, the bills were passed over in their order at the request of Senator PILEGGI.

BILL OVER IN ORDER TEMPORARILY

HB 1075 -- Without objection, the bill was passed over in its order temporarily at the request of Senator PILEGGI.

BILL OVER IN ORDER

HB 1177 -- Without objection, the bill was passed over in its order at the request of Senator PILEGGI.

BILLS ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 1190 (Pr. No. 2090) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act, in licensing of health care facilities, further providing for definitions, for administration, for licensure, for term and content of license and for reliance on accrediting agencies and Federal Government; and providing for reliance on national accreditation organizations for hospitals.

Considered the third time and agreed to,
And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-50

Alloway	Farnese	Pileggi	Vogel
Argall	Ferlo	Rafferty	Vulakovich
Baker	Folmer	Robbins	Ward
Blake	Fontana	Scarnati	Washington
Boscola	Gordner	Schwank	Waugh
Brewster	Greenleaf	Smith	White
Browne	Hughes	Smucker	Wiley
Brubaker	Hutchinson	Solobay	Williams

Corman	Kasunic	Stack	Wozniak
Costa	Kitchen	Tartaglione	Yaw
Dinniman	Leach	Teplitz	Yudichak
Eichelberger	McIlhinney	Tomlinson	
Erickson	Mensch	Vance	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same with amendments in which concurrence of the House is requested.

HB 1490 (Pr. No. 2138) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, further providing for definitions, for driver certification program and for budget and fees; providing for assessment notice and hearings; further providing for fund and for transfer of money from fund; providing for fees; further providing for special funds in cities of the first class, for power of authority to issue certificates of public convenience and for restrictions; and making an appropriation.

Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-50

Alloway	Farnese	Pileggi	Vogel
Argall	Ferlo	Rafferty	Vulakovich
Baker	Folmer	Robbins	Ward
Blake	Fontana	Scarnati	Washington
Boscola	Gordner	Schwank	Waugh
Brewster	Greenleaf	Smith	White
Browne	Hughes	Smucker	Wiley
Brubaker	Hutchinson	Solobay	Williams
Corman	Kasunic	Stack	Wozniak
Costa	Kitchen	Tartaglione	Yaw
Dinniman	Leach	Teplitz	Yudichak
Eichelberger	McIlhinney	Tomlinson	
Erickson	Mensch	Vance	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same without amendments.

SECOND CONSIDERATION CALENDAR

BILLS OVER IN ORDER

SB 332, SB 360, SB 497, SB 551, SB 555, HB 668, HB 669, SB 684, SB 699, SB 813, SB 901, SB 902, SB 975, SB 994 and SB 1013 -- Without objection, the bills were passed over in their order at the request of Senator PILEGGI.

BILLS REREFERRED

SB 1030 (Pr. No. 1242) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in preliminary provisions, providing for religious educational facilities.

Upon motion of Senator PILEGGI, and agreed to by voice vote, the bill was rereferred to the Committee on Appropriations.

SB 1040 (Pr. No. 1277) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in financial responsibility, further providing for manner of providing proof of financial responsibility, for required financial responsibility and for availability of uninsured, underinsured, bodily injury liability and property damage coverages and mandatory deductibles.

Upon motion of Senator PILEGGI, and agreed to by voice vote, the bill was rereferred to the Committee on Appropriations.

SB 1042 (Pr. No. 1278) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of September 26, 1951 (P.L.1539, No.389), known as The Clinical Laboratory Act, further providing for definitions, for inspection, for unlawful conduct and for penalty.

Upon motion of Senator PILEGGI, and agreed to by voice vote, the bill was rereferred to the Committee on Appropriations.

BILLS OVER IN ORDER

HB 1438, HB 1439 and HB 1440 -- Without objection, the bills were passed over in their order at the request of Senator PILEGGI.

BILLS REREFERRED

HB 1480 (Pr. No. 2159) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for manner of providing proof of financial responsibility, for required financial responsibility and for availability of uninsured, underinsured, bodily injury liability and property damage coverages and mandatory deductibles.

Upon motion of Senator PILEGGI, and agreed to by voice vote, the bill was rereferred to the Committee on Appropriations.

HB 1483 (Pr. No. 1934) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of July 5, 2012 (P.L.995, No.112), known as the Portable Electronics Insurance Act, further providing

for authority of vendors of portable electronics and for termination of portable electronics insurance.

Upon motion of Senator PILEGGI, and agreed to by voice vote, the bill was rereferred to the Committee on Appropriations.

BILL REPORTED FROM COMMITTEE

Senator PILEGGI, from the Committee on Rules and Executive Nominations, reported the following bill:

SB 351 (Pr. No. 1222) (Rereported) (*Concurrence*)

An Act amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in municipal authorities, further providing for purposes and powers.

**COMMUNICATIONS FROM THE GOVERNOR
REPORT FROM COMMITTEE ON RULES
AND EXECUTIVE NOMINATIONS**

Senator ROBBINS, from the Committee on Rules and Executive Nominations, reported the following nominations made by His Excellency, the Governor of the Commonwealth, which were read by the Clerk as follows:

**MEMBER OF THE COMMONWEALTH OF
PENNSYLVANIA COUNCIL ON THE ARTS**

April 23, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Lee M. Steadman, 4800 South Hill Road, McKean 16426, Erie County, Forty-ninth Senatorial District, for appointment as a member of the Commonwealth of Pennsylvania Council on the Arts, to serve until July 1, 2014, and until his successor is appointed and qualified, vice Susan Breon, Northeast, whose term expired.

TOM CORBETT
Governor

**MEMBER OF THE COUNCIL OF TRUSTEES OF
BLOOMSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION**

May 23, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Ramona H. Alley, 311 Foundryville Road, Berwick 18603, Columbia County, Twenty-seventh Senatorial District, for reappointment as a member of the Council of Trustees of Bloomsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until her successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
BLOOMSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 23, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, The Honorable Mary Jane Bowes, 2600 Grant Building, 310 Grant Street, Pittsburgh 15219, Allegheny County, Forty-second Senatorial District, for appointment as a member of the Council of Trustees of Bloomsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until her successor is appointed and qualified, vice Charles C. Housenick, Bloomsburg, whose term expired.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
BLOOMSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 23, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Charles E. Schlegel, Jr., 1280 Market Street, Sunbury 17801, Northumberland County, Twenty-seventh Senatorial District, for reappointment as a member of the Council of Trustees of Bloomsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
BLOOMSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 23, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, The Honorable John E. Wetzel, 2520 Lisburn Road, Camp Hill 17011, Cumberland County, Thirty-first Senatorial District, for appointment as a member of the Council of Trustees of Bloomsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified, vice David W. Klingerman, Sr., Bloomsburg, whose term expired.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
BLOOMSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 23, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Patrick M. Wilson, 810 Rural Avenue, Williamsport 17701, Lycoming County, Twenty-third Senatorial District, for reappointment as a member of the Council of Trustees of Bloomsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE STATE BOARD OF CHIROPRACTIC

June 14, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Dr. John E. McCarrin, 605 W. State Street, First Floor, Media 19063, Delaware County, Ninth Senatorial District, for appointment as a member of the State Board of Chiropractic, to serve for a term of four years or until his successor is appointed and qualified, but not longer than six months beyond that period, vice Steven Karp, D.C., Garnet Valley, resigned.

TOM CORBETT
Governor

MEMBER OF THE STATE CIVIL
SERVICE COMMISSION

May 22, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Scott A. Rainey, 325 E. Main Street, Mechanicsburg 17055, Cumberland County, Thirty-first Senatorial District, for appointment as a member of the State Civil Service Commission, to serve until April 9, 2016, or until his successor is appointed and qualified, vice John E. Stevens, State College, resigned.

TOM CORBETT
Governor

MEMBER OF THE STATE BOARD
OF CRANE OPERATORS

June 12, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Anthony J. Lusi, Jr., 65 Stratford Avenue, Aldan 19018, Delaware County, Twenty-sixth Senatorial District, for reappointment as a member of the State Board of Crane Operators, to serve until December 8, 2016, or until his successor is appointed and qualified, but not longer than six months beyond that period.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF EAST
STROUDSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 31, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Dr. Vincent De Franco, 35 Club Court, Stroudsburg 18360, Monroe County, Eighteenth Senatorial District, for reappointment as a member of the Council of Trustees of East Stroudsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF EAST
STROUDSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 31, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Harry F. Lee, Esquire, 100 Coach Road, Stroudsburg 18360, Monroe County, Fourteenth Senatorial District, for reappointment as a member of the Council of Trustees of East Stroudsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF EAST
STROUDSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 31, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Marcus S. Lingenfelter, 2420 Beech Street, Harrisburg 17110, Dauphin County, Fifteenth Senatorial District, for reappointment as a member of the Council of Trustees of East Stroudsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF EAST
STROUDSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 31, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, L. Patrick Ross, PO Box 161, Tannersville 18372, Monroe County, Fourteenth Senatorial District, for reappointment as a member of the Council of Trustees of East Stroudsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF EAST
STROUDSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 31, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, The Honorable Mario M. Scavello, 1431 Pocono Boulevard, Suite 101, Mount Pocono 18344, Monroe County, Twenty-second Senatorial District, for appointment as a member of the Council of Trustees of East Stroudsburg University of Pennsylvania of the State System of Higher Education, to serve until January 20, 2015, and until his successor is appointed and qualified, vice Hussain G. Malik, MD, Stroudsburg, resigned.

TOM CORBETT
Governor

MEMBER OF THE BOARD OF DIRECTORS OF
THE PENNSYLVANIA HIGHER EDUCATION
ASSISTANCE AGENCY

May 22, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, D. Raja, 640 Osage Road, Pittsburgh 15243, Allegheny County, Thirty-seventh Senatorial District, for appointment as a member of the Board of Directors of the Pennsylvania Higher Education Assistance Agency, to serve until June 30, 2015, and until his successor is appointed and qualified, vice A. William Schenck, Pittsburgh, whose term expired.

TOM CORBETT
Governor

MEMBER OF THE PROFESSIONAL STANDARDS
AND PRACTICES COMMISSION

June 11, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, David W. Shutter, 2425 Rolling Farms Road, Glenshaw 15116, Allegheny County, Fortieth Senatorial District, for appointment as a member of the Professional Standards and Practices Commission, to serve until the third Tuesday of January 2016, and until his successor is appointed and qualified, vice Shauna D'Alessandro, Jefferson Hills, whose term expired.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

June 5, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Matthew J. Lautman, Esquire, 105 Ramey Avenue, Pittsburgh 15220, Allegheny County, Forty-second Senatorial District, for appointment as a member of the Council of Trustees of Slippery Rock University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified, vice John Hicks, Slippery Rock, whose term expired.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

June 5, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, The Honorable William L. McCarrier, 175 Evans Road, Butler 16001, Butler County, Twenty-first Senatorial District, for appointment as a member of the Council of Trustees of Slippery Rock University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified, vice Grace O. Hawkins, Cranberry Township, whose term expired.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

June 5, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Matthew Shaner, 529 Pine Road, Sewickley 15143, Allegheny County, Thirty-seventh Senatorial District, for appointment as a member of the Council of Trustees of Slippery Rock University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified, vice Eric Holmes, Pittsburgh, whose term expired.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

June 5, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Jeffrey Smith, 428 North McKean Street, Butler 16001, Butler County, Twenty-first Senatorial District, for appointment as a member of the Council of Trustees of Slippery Rock University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified, vice John K. Thornburgh, Wexford, resigned.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

June 5, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Robert S. Taylor, 760 Tower View Circle, New Hope 18938, Bucks County, Tenth Senatorial District, for reappointment as a member of the Council of Trustees of Slippery Rock University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

June 5, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, The Honorable Mary Jo White, 471 Rockmere Road, Oil City 16301, Venango County, Twenty-first Senatorial District, for appointment as a member of the Council of Trustees of Slippery Rock University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until her successor is appointed and qualified, vice Joshua B. Young, Coatesville, whose term expired.

TOM CORBETT
Governor

NOMINATIONS LAID ON THE TABLE

Senator ROBBINS. Mr. President, I request that the nominations just read by the Clerk be laid on the table.

The PRESIDENT. The nominations will be laid on the table.

EXECUTIVE NOMINATIONS

EXECUTIVE SESSION

Motion was made by Senator ROBBINS,

That the Senate do now resolve itself into Executive Session for the purpose of considering certain nominations made by the Governor.

Which was agreed to by voice vote.

NOMINATIONS TAKEN FROM THE TABLE

Senator ROBBINS. Mr. President, I call from the table certain nominations and ask for their consideration.

The Clerk read the nominations as follows:

JUSTICE, SUPREME COURT OF PENNSYLVANIA

June 14, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, The Honorable Correale F. Stevens, 300 Laurel Professional Building, Hazleton 18202, Luzerne County, Fourteenth Senatorial District, for appointment as Justice, Supreme Court of Pennsylvania, to serve until the first Monday of January 2016, vice The Honorable Joan Orié Melvin, resigned.

TOM CORBETT
Governor

**MEMBER OF THE PENNSYLVANIA
TURNPIKE COMMISSION**

June 14, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, The Honorable Sean Logan, 1135 Balkan Drive, Pittsburgh 15239, Allegheny County, Forty-fifth Senatorial District, for appointment as a member of the Pennsylvania Turnpike Commission, to serve for a term of four years or until his successor is appointed and qualified, vice The Honorable J. William Lincoln, Connellsville, resigned.

TOM CORBETT
Governor

On the question,
Will the Senate advise and consent to the nominations?

The yeas and nays were required by Senator ROBBINS and were as follows, viz:

YEA-50

Alloway	Farnese	Pileggi	Vogel
Argall	Ferlo	Rafferty	Vulakovich
Baker	Folmer	Robbins	Ward
Blake	Fontana	Scarnati	Washington
Boscola	Gordner	Schwank	Waugh
Brewster	Greenleaf	Smith	White
Browne	Hughes	Smucker	Wiley
Brubaker	Hutchinson	Solobay	Williams
Corman	Kasunic	Stack	Wozniak
Costa	Kitchen	Tartaglione	Yaw
Dinniman	Leach	Teplitz	Yudichak
Eichelberger	McIlhinney	Tomlinson	
Erickson	Mensch	Vance	

NAY-0

A constitutional two-thirds majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Governor be informed accordingly.

NOMINATIONS TAKEN FROM THE TABLE

Senator ROBBINS. Mr. President, I call from the table certain nominations and ask for their consideration.

The Clerk read the nominations as follows:

**MEMBER OF THE COMMONWEALTH OF
PENNSYLVANIA COUNCIL ON THE ARTS**

April 23, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Lee M. Steadman, 4800 South Hill Road, McKean 16426, Erie County, Forty-ninth Senatorial District, for appointment as a member of the Commonwealth of Pennsylvania Council on the Arts, to serve until July 1, 2014, and until his successor is appointed and qualified, vice Susan Breon, Northeast, whose term expired.

TOM CORBETT
Governor

**MEMBER OF THE COUNCIL OF TRUSTEES OF
BLOOMSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION**

May 23, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Ramona H. Alley, 311 Foundryville Road, Berwick 18603, Columbia County, Twenty-seventh Senatorial District, for reappointment as a member of the Council of Trustees of Bloomsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until her successor is appointed and qualified.

TOM CORBETT
Governor

**MEMBER OF THE COUNCIL OF TRUSTEES OF
BLOOMSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION**

May 23, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, The Honorable Mary Jane Bowes, 2600 Grant Building, 310 Grant Street, Pittsburgh 15219, Allegheny County, Forty-second Senatorial District, for appointment as a member of the Council of Trustees of Bloomsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until her successor is appointed and qualified, vice Charles C. Housenick, Bloomsburg, whose term expired.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
BLOOMSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 23, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Charles E. Schlegel, Jr., 1280 Market Street, Sunbury 17801, Northumberland County, Twenty-seventh Senatorial District, for reappointment as a member of the Council of Trustees of Bloomsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
BLOOMSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 23, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, The Honorable John E. Wetzel, 2520 Lisburn Road, Camp Hill 17011, Cumberland County, Thirty-first Senatorial District, for appointment as a member of the Council of Trustees of Bloomsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified, vice David W. Klingerman, Sr., Bloomsburg, whose term expired.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
BLOOMSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 23, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Patrick M. Wilson, 810 Rural Avenue, Williamsport 17701, Lycoming County, Twenty-third Senatorial District, for reappointment as a member of the Council of Trustees of Bloomsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE STATE BOARD OF CHIROPRACTIC

June 14, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Dr. John E. McCarrin, 605 W. State Street, First Floor, Media 19063, Delaware County, Ninth Senatorial District, for appointment as a member of the State Board of Chiropractic, to serve for a term of four years or until his successor is appointed and qualified, but not longer than six months beyond that period, vice Steven Karp, D.C., Garnet Valley, resigned.

TOM CORBETT
Governor

MEMBER OF THE STATE CIVIL
SERVICE COMMISSION

May 22, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Scott A. Rainey, 325 E. Main Street, Mechanicsburg 17055, Cumberland County, Thirty-first Senatorial District, for appointment as a member of the State Civil Service Commission, to serve until April 9, 2016, or until his successor is appointed and qualified, vice John E. Stevens, State College, resigned.

TOM CORBETT
Governor

MEMBER OF THE STATE BOARD
OF CRANE OPERATORS

June 12, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Anthony J. Lusi, Jr., 65 Stratford Avenue, Aldan 19018, Delaware County, Twenty-sixth Senatorial District, for reappointment as a member of the State Board of Crane Operators, to serve until December 8, 2016, or until his successor is appointed and qualified, but not longer than six months beyond that period.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF EAST
STROUDSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 31, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Dr. Vincent De Franco, 35 Club Court, Stroudsburg 18360, Monroe County, Eighteenth Senatorial District, for reappointment as a member of the Council of Trustees of East Stroudsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF EAST
STROUDSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 31, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Harry F. Lee, Esquire, 100 Coach Road, Stroudsburg 18360, Monroe County, Fourteenth Senatorial District, for reappointment as a member of the Council of Trustees of East Stroudsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF EAST
STROUDSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 31, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Marcus S. Lingenfelter, 2420 Beech Street, Harrisburg 17110, Dauphin County, Fifteenth Senatorial District, for reappointment as a member of the Council of Trustees of East Stroudsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF EAST
STROUDSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 31, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, L. Patrick Ross, PO Box 161, Tannersville 18372, Monroe County, Fourteenth Senatorial District, for reappointment as a member of the Council of Trustees of East Stroudsburg University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF EAST
STROUDSBURG UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

May 31, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, The Honorable Mario M. Scavello, 1431 Pocono Boulevard, Suite 101, Mount Pocono 18344, Monroe County, Twenty-second Senatorial District, for appointment as a member of the Council of Trustees of East Stroudsburg University of Pennsylvania of the State System of Higher Education, to serve until January 20, 2015, and until his successor is appointed and qualified, vice Hussain G. Malik, MD, Stroudsburg, resigned.

TOM CORBETT
Governor

MEMBER OF THE BOARD OF DIRECTORS
OF THE PENNSYLVANIA HIGHER
EDUCATION ASSISTANCE AGENCY

May 22, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, D. Raja, 640 Osage Road, Pittsburgh 15243, Allegheny County, Thirty-seventh Senatorial District, for appointment as a member of the Board of Directors of the Pennsylvania Higher Education Assistance Agency, to serve until June 30, 2015, and until his successor is appointed and qualified, vice A. William Schenck, Pittsburgh, whose term expired.

TOM CORBETT
Governor

MEMBER OF THE PROFESSIONAL STANDARDS
AND PRACTICES COMMISSION

June 11, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, David W. Shutter, 2425 Rolling Farms Road, Glenshaw 15116, Allegheny County, Fortieth Senatorial District, for appointment as a member of the Professional Standards and Practices Commission, to serve until the third Tuesday of January 2016, and until his successor is appointed and qualified, vice Shauna D'Alessandro, Jefferson Hills, whose term expired.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF
SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

June 5, 2013

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Matthew J. Lautman, Esquire, 105 Ramey Avenue, Pittsburgh 15220, Allegheny County, Forty-second Senatorial District, for appointment as a member of the Council of Trustees of Slippery Rock University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified, vice John Hicks, Slippery Rock, whose term expired.

TOM CORBETT
Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA OF THE STATE SYSTEM OF HIGHER EDUCATION

June 5, 2013

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, The Honorable William L. McCarrier, 175 Evans Road, Butler 16001, Butler County, Twenty-first Senatorial District, for appointment as a member of the Council of Trustees of Slippery Rock University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified, vice Grace O. Hawkins, Cranberry Township, whose term expired.

TOM CORBETT Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA OF THE STATE SYSTEM OF HIGHER EDUCATION

June 5, 2013

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Matthew Shaner, 529 Pine Road, Sewickley 15143, Allegheny County, Thirty-seventh Senatorial District, for appointment as a member of the Council of Trustees of Slippery Rock University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified, vice Eric Holmes, Pittsburgh, whose term expired.

TOM CORBETT Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA OF THE STATE SYSTEM OF HIGHER EDUCATION

June 5, 2013

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Jeffrey Smith, 428 North McKean Street, Butler 16001, Butler County, Twenty-first Senatorial District, for appointment as a member of the Council of Trustees of Slippery Rock University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified, vice John K. Thornburgh, Wexford, resigned.

TOM CORBETT Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA OF THE STATE SYSTEM OF HIGHER EDUCATION

June 5, 2013

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, Robert S. Taylor, 760 Tower View Circle, New Hope 18938, Bucks County, Tenth Senatorial District, for reappointment as a member of the Council of Trustees of Slippery Rock University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until his successor is appointed and qualified.

TOM CORBETT Governor

MEMBER OF THE COUNCIL OF TRUSTEES OF SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA OF THE STATE SYSTEM OF HIGHER EDUCATION

June 5, 2013

To the Honorable, the Senate of the Commonwealth of Pennsylvania:

In conformity with law, I have the honor hereby to nominate for the advice and consent of the Senate, The Honorable Mary Jo White, 471 Rockmere Road, Oil City 16301, Venango County, Twenty-first Senatorial District, for appointment as a member of the Council of Trustees of Slippery Rock University of Pennsylvania of the State System of Higher Education, to serve for a term of six years and until her successor is appointed and qualified, vice Joshua B. Young, Coatesville, whose term expired.

TOM CORBETT Governor

On the question, Will the Senate advise and consent to the nominations?

The yeas and nays were required by Senator ROBBINS and were as follows, viz:

YEA-50

Table with 4 columns of names: Alloway, Argall, Baker, Blake, Boscola, Brewster, Browne, Brubaker, Corman, Costa, Dinniman, Eichelberger, Erickson, Farnese, Ferlo, Folmer, Fontana, Gordner, Greenleaf, Hughes, Hutchinson, Kasunic, Kitchen, Leach, McIlhinney, Mensch, Pileggi, Rafferty, Robbins, Scarnati, Schwank, Smith, Smucker, Solobay, Stack, Tartaglione, Teplitz, Tomlinson, Vance, Vogel, Vulakovich, Ward, Washington, Waugh, White, Wiley, Williams, Wozniak, Yaw, Yudichak

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Governor be informed accordingly.

EXECUTIVE SESSION RISES

Senator ROBBINS. Mr. President, I move that the Executive Session do now rise.

The motion was agreed to by voice vote.

RECESS

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I request a recess of the Senate for purposes of meetings of the Committee on Finance to be held in the Rules room immediately, to be followed by the Committee on Appropriations also to be held in the Rules room.

The PRESIDENT. For purposes of meetings of the Committee on Finance, to be followed by the Committee on Appropriations, without objection, the Senate stands in recess.

AFTER RECESS

The PRESIDING OFFICER (Senator John C. Rafferty, Jr.) in the Chair.

The PRESIDING OFFICER. The time of recess having expired, the Senate will come to order.

CONSIDERATION OF CALENDAR RESUMED**THIRD CONSIDERATION CALENDAR RESUMED****HB 1075 CALLED UP**

HB 1075 (Pr. No. 2189) -- Without objection, the bill, which previously went over in its order temporarily, was called up, from page 5 of the Third Consideration Calendar, by Senator PILEGGI.

BILL AMENDED

HB 1075 (Pr. No. 2189) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, changing the name of the Department of Public Welfare to the Department of Human Services and providing for a transition period; in general powers and duties of the Department of Public Welfare, further providing for county human services consolidated planning and reporting; in public assistance, further providing for medical assistance payments for institutional care and for medical assistance benefit packages, coverage, copayments, premiums and rates; in children and youth, further providing for payments to counties for services to children and providing for provider submissions; in intermediate care facilities assessments, further providing for time periods and making editorial changes; in hospital assessments, further providing for authorization and for time period; in Statewide quality care assessment, further defining "net inpatient revenue," providing for implementation, for administration, for limitations and for expiration; in Pennsylvania Trauma Systems Stabilization, further providing for funding; in kinship care, further providing for scope and for definitions; providing for family finding; and, in human services block grant pilot program, further providing for establishment of human services block grant pilot program, for powers and duties of the department, for powers and duties of counties, for allocation and for use of block grant funds.

On the question,

Will the Senate agree to the bill on third consideration?

Senator VANCE offered the following amendment No. A3203:

Amend Bill, page 1, line 17, by inserting after "ASSESSMENT,":

reenacting and

Amend Bill, page 25, lines 25 through 30; pages 26 through 28, lines 1 through 30; page 29, lines 1 through 18, by striking out all of said lines on said pages and inserting:

Section 12. The heading of Article VIII-G of the act, added July 9, 2010 (P.L.336, No.49), is reenacted to read:

ARTICLE VIII-G**STATEWIDE QUALITY CARE ASSESSMENT**

Section 12.1. Section 801-G of the act, added or amended July 9, 2010 (P.L.336, No.49) and June 30, 2011 (P.L.89, No.22), is reenacted and amended to read:

Section 801-G. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Assessment." The fee, known as the Quality Care Assessment, authorized to be implemented under this article on every covered hospital.

"Bad debt expense." The cost of care for which a hospital expected payment from the patient or a third-party payer, but which the hospital subsequently determines to be uncollectible, as further described in the Medicare Provider Reimbursement Manual published by the United States Department of Health and Human Services.

"Charity care expense." The cost of care for which a hospital ordinarily charges a fee but which is provided free or at a reduced rate to patients who cannot afford to pay but who are not eligible for public programs, and from whom the hospital did not expect payment in accordance with the hospital's charity care policy, as further described in the Medicare Provider Reimbursement Manual published by the United States Department of Health and Human Services.

"Contractual allowance." The difference between what a hospital charges for services and the amounts that certain payers have agreed to pay for the services as further described in the Medicare Provider Reimbursement Manual published by the United States Department of Health and Human Services.

"Covered hospital." A hospital other than an exempt hospital.

"Critical access hospital." Any hospital that has qualified under section 1861(mm)(1) of the Social Security Act (49 Stat. 620, 42 U.S.C. § 1395x(mm)(1)) as a critical access hospital under Medicare.

"Exempt hospital." Any of the following:

- (1) A Federal veterans' affairs hospital.
- (2) A hospital that provides care, including inpatient hospital services, to all patients free of charge.
- (3) A private psychiatric hospital.
- (4) A State-owned psychiatric hospital.
- (5) A critical access hospital.
- (6) A long-term acute care hospital.

"Hospital." A facility licensed as a hospital under 28 Pa.Code Pt. IV Subpt. B (relating to general and special hospitals).

"Long-term acute care hospital." A hospital or unit of a hospital whose patients have a length of stay of greater than 25 days and that provides specialized acute care of medically complex patients who are critically ill.

"Medical assistance managed care organization." A Medicaid managed care organization as defined in section 1903(m)(1)(a) of the Social Security Act (49 Stat. 620, 42 U.S.C. § 1396b(m)(1)(a)) that is a party to a Medicaid managed care contract with the department. The term shall not include a behavioral health managed care organization that is a party to a Medicaid managed care contract with the department.

"Net inpatient revenue." Gross charges for facilities for inpatient services less any deducted amounts for bad debt expense, charity care expense and contractual allowances as reported on forms specified by the department and:

- (1) as identified in the hospital's records for the State fiscal year commencing July 1, [2007] 2010; or
- (2) as identified in the hospital's records for the most recent State fiscal year, or part thereof, if amounts are not available under paragraph (1).

"Program." The Commonwealth's medical assistance program as authorized under Article IV.

Section 12.2. Section 802-G of the act, added July 9, 2010,

(P.L.336, No.49), is reenacted to read:

Section 802-G. Authorization.

In order to generate additional revenues for the purpose of assuring that medical assistance recipients have access to hospital services, the department shall implement a monetary assessment, known as the Quality Care Assessment, on each covered hospital subject to the conditions and requirements specified in this article, including section 813-G.

Section 12.3. Section 803-G of the act, added or amended July 9, 2010 (P.L.336, No.49) and June 30, 2011 (P.L.89, No.22), is reenacted and amended to read:

Section 803-G. Implementation.

(a) Health care-related fee.--The assessment authorized under this article, once imposed, shall be implemented as a health care-related fee as defined under section 1903(w)(3)(B) of the Social Security Act (49 Stat. 620, 42 U.S.C. § 1396b(w)(3)(B)) or any amendments thereto and may be collected only to the extent and for the periods that the secretary determines that revenues generated by the assessment will qualify as the State share of program expenditures eligible for Federal financial participation.

(b) Assessment percentage.--Subject to subsection (c), each covered hospital shall be assessed as follows:

(1) for fiscal year 2010-2011, each covered hospital shall be assessed an amount equal to 2.69% of the net inpatient revenue of the covered hospital; and

(2) for fiscal years 2011-2012 [and] , 2012-2013, 2013-2014, 2014-2015 and 2015-2016, an amount equal to 3.22% of the net inpatient revenue of the covered hospital.

(c) Adjustments to assessment percentage.--The secretary may adjust the assessment percentage specified in subsection (b), provided that, before adjusting, the secretary shall publish a notice in the Pennsylvania Bulletin that specifies the proposed assessment percentage and identifies the aggregate impact on covered hospitals subject to the assessment. Interested parties shall have 30 days in which to submit comments to the secretary. Upon expiration of the 30-day comment period, the secretary, after consideration of the comments, shall publish a second notice in the Pennsylvania Bulletin announcing the assessment percentage.

(d) Maximum amount.--In each year in which the assessment is implemented, the assessment shall be subject to the maximum aggregate amount that may be assessed under 42 CFR 433.68(f)(3)(i) (relating to permissible health care-related taxes) or any other maximum established under Federal law.

(e) Limited review.--Except as permitted under section 810-G, the secretary's determination of the assessment percentage pursuant to subsection (b) shall not be subject to administrative or judicial review under 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action) or any other provision of law; nor shall any assessments implemented under this article or forms or reports required to be completed by covered hospitals pursuant to this article be subject to the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law, the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act, and the act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

Section 12.4. Section 804-G of the act, amended June 30, 2011 (P.L.89, No.22), is reenacted and amended to read:

Section 804-G. Administration.

(a) Calculation and notice of assessment amount.--Using the assessment percentage established under section 803-G and covered hospitals' net inpatient revenue, the department shall calculate and notify each covered hospital of the assessment amount owed for the fiscal year. Notification pursuant to this subsection may be made in writing or electronically at the discretion of the department.

(a.1) Calculation of assessment with changes of ownership.--

(1) If a single covered hospital changes ownership or control, the department will continue to calculate the assessment amount using the hospital's net inpatient revenue for State fiscal year [2008-2009] 2010-2011 or for the most recent State fiscal year, or part thereof, if the State fiscal year [2008-2009] 2010-2011 amounts are not available. The covered hospital is liable for any outstanding assessment amounts, including outstanding amounts related to periods prior to the change of ownership or control.

(2) If two or more hospitals merge or consolidate into a single covered hospital as a result of a change in ownership or control, the department will calculate the covered hospital assessment amount using the combined net inpatient revenue for State fiscal year [2008-2009] 2010-2011 or for the most recent State fiscal year, or part thereof, if the State fiscal year [2008-2009] 2010-2011 amounts are not available, of any covered hospitals that were merged or consolidated into the single covered hospital. The single covered hospital is liable for any outstanding assessment amounts, including outstanding amounts related to periods prior to the change of ownership or control, of any covered hospital that was merged or consolidated.

(a.2) Calculation of assessment with closures or other changes in operation.--Except as provided in subsection (a.1)(2), a covered hospital that closes or that becomes an exempt hospital during a fiscal year is liable for both:

(1) The annual assessment amount for the fiscal year in which the closure or change occurs prorated by the number of days in the fiscal year during which the covered hospital was in operation.

(2) Any outstanding assessment amounts related to periods prior to the closure or change in operation.

(a.3) Calculation of assessment for new hospitals.--A hospital that begins operation as a covered hospital during a fiscal year in which an assessment is in effect shall be assessed as follows:

(1) During the State fiscal year in which a covered hospital begins operation or in which a hospital becomes a covered hospital, the covered hospital is not subject to the assessment.

(2) For the State fiscal year following the State fiscal year under paragraph (1), the department shall calculate the hospital's assessment amount using the net inpatient revenue from the State fiscal year in which the covered hospital began operation or became a covered hospital.

(3) For the State fiscal years following the first full State fiscal year under paragraph (2), the department shall calculate the hospital's assessment amount using the net inpatient revenue from the prior State fiscal year.

(b) Payment.--A covered hospital shall pay the assessment amount due for a fiscal year in four quarterly installments. Payment of a quarterly installment shall be made on or before the first day of the second month of the quarter or 30 days from the date of the notice of the quarterly assessment amount, whichever day is later.

(c) Records.--Upon request by the department, a covered hospital shall furnish to the department such records as the department may specify in order for the department to validate the net inpatient revenue reported by the hospital or to determine the assessment for a fiscal year or the amount of the assessment due from the covered hospital or to verify that the covered hospital has paid the correct amount due.

(d) Underpayments and overpayments.--In the event that the department determines that a covered hospital has failed to pay an assessment or that it has underpaid an assessment, the department shall notify the covered hospital in writing of the amount due, including interest, and the date on which the amount due must be paid, which shall not be less than 30 days from the date of the notice. In the event that the department determines that a covered hospital has overpaid an assessment, the department shall notify the covered hospital in writing of the overpayment and, within 30 days of the date of the notice of the overpayment, shall either refund the amount of the overpayment or offset the amount of the overpayment against any amount that may be owed to the department from the covered hospital.

Section 12.5. Section 805-G of the act, amended or added July 9, 2010 (P.L.336, No.49) and June 30, 2011 (P.L.89, No.22), is reenacted and amended to read:

Section 805-G. Restricted account.

(a) Establishment.--There is established a restricted account, known as the Quality Care Assessment Account, in the General Fund for the receipt and deposit of revenues collected under this article. Funds in the account are appropriated to the department for the following:

(1) Making medical assistance payments to hospitals in accordance with section 443.1(1.1) and as otherwise specified in the Commonwealth's approved Title XIX State Plan.

(2) Making adjusted capitation payments to medical assistance managed care organizations for additional payments for inpa-

tient hospital services in accordance with section 443.1(1.2), (1.3) and (1.4).

(3) Any other purpose approved by the secretary for inpatient hospital, outpatient hospital and hospital-related services.

(b) Limitations.--

(1) For the first year of the assessment, the amount used for the medical assistance payments for hospitals and Medicaid managed care organizations may not exceed the aggregate amount of assessment funds collected for the year less \$121,000,000.

(2) For the second year of the assessment, the amount used for the medical assistance payments for hospitals and medical assistance managed care organizations may not exceed the aggregate amount of assessment funds collected for the year less \$109,000,000.

(4) For the third year of the assessment, the amount used for the medical assistance payment for hospitals and medical assistance managed care organizations may not exceed the aggregate amount of the assessment funds collected for the year less \$109,000,000.

(4.1) For State fiscal years 2013-2014 and 2014-2015, the amount used for the medical assistance payment for hospitals and medical assistance managed care organizations may not exceed the aggregate amount of the assessment funds collected for the year less \$150,000,000.

(4.2) For State fiscal year 2015-2016, the amount used for the medical assistance payment for hospitals and medical assistance managed care organizations may not exceed the aggregate amount of the assessment funds collected for the year less \$140,000,000.

(5) The amounts retained by the department pursuant to paragraphs (1), (2) [and], (4), (4.1) and (4.2) and any additional amounts remaining in the restricted accounts after the payments described in subsection (a)(1) and (2) are made shall be used for purposes approved by the secretary under subsection (a)(3).

(c) Lapse.--Funds in the Quality Care Assessment Account shall not lapse to the General Fund at the end of a fiscal year. If this article expires, the department shall use any remaining funds for the purposes stated in this section until the funds in the Quality Care Assessment Account are exhausted.

Section 13. Sections 806-G, 807-G, 808-G, 809-G, 810-G, 811-G and 812-G of the act, added July 9, 2010, (P.L.336, No.49), are reenacted to read:

Section 806-G. No hold harmless.

No covered hospital shall be directly guaranteed a repayment of its assessment in derogation of 42 CFR 433.68(f) (relating to permissible health care-related taxes), except that, in each fiscal year in which an assessment is implemented, the department shall use the funds received under this article for the purposes outlined under section 805-G to the extent permissible under Federal and State law or regulation and without creating an indirect guarantee to hold harmless, as those terms are used under 42 CFR 433.68(f)(i). The secretary shall submit to the United States Department of Health and Human Services any State Medicaid plan amendments that are necessary to make the payments authorized under section 805-G.

Section 807-G. Federal waiver.

To the extent necessary in order to implement this article, the department shall seek a waiver under 42 CFR 433.68(e) (relating to permissible health care-related taxes) from the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services. The department shall not implement the assessment until approval of the waiver is obtained. Upon approval of the waiver, the assessment shall be implemented retroactive to the first day of the fiscal year to which the waiver applies.

Section 808-G. Tax exemption.

(a) General rule.--Notwithstanding any exemptions granted by any other Federal, State or local tax or other law, no covered hospital other than an exempt hospital shall be exempt from the assessment.

(b) Interpretation.--The assessment imposed under this article shall be recognized by the Commonwealth as uncompensated goods and services under the act of November 26, 1997 (P.L.508, No.55), known as the Institutions of Purely Public Charity Act, and shall be considered a community benefit for purposes of any required or voluntary community benefit report filed or prepared by a covered hospital.

Section 809-G. Remedies.

In addition to any other remedy provided by law, the department

may enforce this article by imposing one or more of the following remedies:

(1) When a covered hospital fails to pay an assessment or penalty in the amount or on the date required by this article, the department shall add interest at the rate provided in section 806 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, to the unpaid amount of the assessment or penalty from the date prescribed for its payment until the date it is paid.

(2) When a covered hospital fails to file a report or to furnish records to the department as required by this article, the department shall impose a penalty against the covered hospital in the amount of \$1,000, plus an additional amount of \$200 per day for each additional day that the failure to file the report or furnish the records continues.

(3) When a covered hospital that is a medical assistance provider, or that is related through common ownership or control as defined in 42 CFR 413.17(b) (relating to cost to related organizations) to a medical assistance provider, fails to pay all or part of an assessment or penalty within 60 days of the date that payment is due, the department may deduct the unpaid assessment or penalty and any interest owed thereon from any medical assistance payments due to the covered hospital or to any related medical assistance provider until the full amount is recovered. Any such deduction shall be made only after written notice to the covered hospital and medical assistance provider and may be taken in installments over a period of time, taking into account the financial condition of the medical assistance provider.

(4) Within 60 days after the end of each calendar quarter, the department shall notify the Department of Health of any covered hospital that has assessment, penalty or interest amounts that have remained unpaid for 90 days or more. The Department of Health shall not renew the license of any such covered hospital until the department notifies the Department of Health that the covered hospital has paid the outstanding amount in its entirety or that the department has agreed to permit the covered hospital to repay the outstanding amount in installments and that, to date, the covered hospital has paid the installments in the amount and by the date required by the department.

(5) The secretary may waive all or part of the interest or penalties assessed against a covered hospital pursuant to this article for good cause as shown by the covered hospital.

Section 810-G. Request for review.

A covered hospital that is aggrieved by a determination of the department as to the amount of the assessment due from the covered hospital or a remedy imposed pursuant to section 809-G may file a request for review of the decision of the department by the Bureau of Hearings and Appeals, which shall have exclusive jurisdiction in such matters. The procedures and requirements of 67 Pa.C.S. Ch. 11 (relating to medical assistance hearings and appeals) shall apply to requests for review filed pursuant to this section, except that in any such request for review, a covered hospital may not challenge an assessment percentage determined by the secretary pursuant to section 803-G(b) but only whether the department correctly determined the assessment amount due from the covered hospital using the assessment percentage in effect for the fiscal year. A notice of review filed pursuant to this section shall not operate as a stay of the covered hospital's obligation to pay the assessment amount due for a fiscal year as specified in section 804-G(b).

Section 811-G. Liens.

Any assessments implemented and interest and penalties assessed against a covered hospital under this article shall be a lien on the real and personal property of the covered hospital in the manner provided by section 1401 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, may be entered by the department in the manner provided by section 1404 of The Fiscal Code and shall continue and retain priority in the manner provided in section 1404.1 of The Fiscal Code.

Section 812-G. Regulations.

The department may issue such regulations and orders as may be necessary to implement the Quality Care Assessment program in accordance with the requirements of this article.

Section 14. Section 813-G of the act, amended June 30, 2011 (P.L.89, No.22), is reenacted to read:

Section 813-G. Conditions for payments.

The department shall not be required to make payments as specified in section 443.1(1.1), (1.2), (1.3) and (1.4) and a covered hospital shall not be required to pay the Quality Care Assessment as specified in section 804-G(b) unless all of the following have occurred:

(1) The department receives Federal approval of a waiver under 42 CFR 433.68(e) (relating to permissible health care-related taxes) authorizing the department to implement the Quality Care Assessment as specified in this article.

(2) The department receives Federal approval of a State plan amendment authorizing the changes to its payment methods and standards specified in § 443.1(1.1)(ii).

(3) The department receives Federal approval of amendments to its medical assistance managed care organization contracts authorizing adjustments to its capitation payments funded in accordance with section 805-G.

Section 15. Section 814-G of the act, added July 9, 2010 (P.L.336, No.49), is reenacted to read:
Section 814-G. Report.

Not later than 180 days prior to the expiration date specified in section 815-G, the department shall prepare and submit a report to the chair and minority chair of the Public Health and Welfare Committee of the Senate, the chair and minority chair of the Appropriations Committee of the Senate, the chair and minority chair of the Health and Human Services Committee of the House of Representatives and the chair and minority chair of the Appropriations Committee of the House of Representatives. The report shall include the following:

(1) The name, address and amount of assessment for each covered hospital subject to the Quality Care Assessment.

(2) The total amount of assessment revenue collected for each year.

(3) The amount of assessment paid by each covered hospital, including any interest and penalties paid.

(4) The name and address of each hospital receiving supplemental payments instituted as a result of the Quality Care Assessment.

(5) The payment amount and type of supplemental payment received by each hospital.

(6) The total amount of fee-for-service inpatient acute care payment made to each hospital.

(7) The number of medical assistance patient days and discharges by hospital.

(8) Any proposed changes to the payment methodologies and standards.

Section 15.1. Section 815-G of the act, added July 9, 2010 (P.L.336, No.49), is reenacted and amended to read:
Section 815-G. Expiration.

This article shall expire June 30, [2013] 2016.

Section 16. Section 814-G of the act, added July 9, 2010 (P.L.336, No.49), is reenacted to read:
Section 816-G. Retroactive applicability.

This article shall apply retroactively to July 1, 2010.

Amend Bill, page 40, line 30; page 41, lines 1 through 3, by striking out all of said lines on said pages and inserting:

(vi) The reenactment and amendment of Article VIII-G of the act.

On the question,

Will the Senate agree to the amendment?

It was agreed to.

Without objection, the bill, as amended, was passed over in its order at the request of Senator PILEGGI.

RECESS

The PRESIDING OFFICER. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I request a recess of the Senate.

The PRESIDING OFFICER. Without objection, the Senate stands in recess.

AFTER RECESS

The PRESIDING OFFICER. The time of recess having expired, the Senate will come to order.

BILLS REPORTED FROM COMMITTEE

Senator CORMAN, from the Committee on Appropriations, reported the following bills:

SB 1043 (Pr. No. 1321) (Amended) (Rereported)

An Act amending the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, in preliminary provisions, further providing for method of payment and method of filing; in Department of Revenue, further providing for transmission of money; in agents for collection, further providing for corporate treasurers; in bonus and tax records, further providing for corporate loans and tax, for municipal loans and tax and for monthly statements by registers of wills; in collections other than by settlement, further providing for driver's license fees and for amounts payable to State institutions; in procedure for disbursement of money from State Treasury, providing for reimbursement for administrative costs; in special funds, further providing for funding and for transfer and providing for other grants; providing for additional special funds; in general budget implementation, providing for the Motor License Fund; in 2012-2013 budget implementation, further providing for the Department of Public Welfare; in 2012-2013 restrictions on appropriations, further providing for Veterans' Trust Fund; providing for 2013-2014 budget implementation; providing for 2013-2014 restrictions on appropriations for funds and accounts; in audits, further providing for Race Horse Development Funds; and making related repeals.

HB 465 (Pr. No. 2199) (Amended) (Rereported)

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, in tax for education, further providing for definitions, for exclusions from tax, for credit against tax, for licenses and for local receivers of use tax; providing for remote sales reports; providing for special taxing authority; in personal income tax, further providing for definitions, for classes of income and for taxability of partners; providing for tax treatment determined at partnership level and for tax imposed at partnership level; further providing for income of a Pennsylvania S Corporation, for income taxes imposed by other states and for operational provisions; providing for contributions for the Children's Trust Fund and for contributions for American Red Cross; further providing for general rule, for return of Pennsylvania S Corporation, for requirements concerning returns, notices, records and statements and for additions, penalties and fees; providing for citation authority; in corporate net income tax, further providing for definitions and for reports and payment of tax; in corporate stock and franchise tax, further providing for imposition and for expiration; in bank and trust company shares tax, further providing for imposition of tax, ascertainment of taxable amount and exclusion of United States obligations, for apportionment and for definitions; in realty transfer tax, further providing for definitions, for excluded transactions, for imposition of tax and for acquired company; providing for nonlicensed corporation pari-mutuel wagering tax; in film production tax credit, further providing for definitions, and for credit for qualified film production expenses; in educational opportunity scholarship tax credit, further providing for scholarships; repealing provisions relating to coal waste removal and ultraclean fuels tax credit; making an editorial change; in job creation tax credit, further providing for tax credits; providing for city revitalization and improvement zones, for mobile telecommunications broadband investment tax credit, for the innovate in PA Program, for neighborhood improvement zones and for Keystone Special Development Zone program; in inheritance tax, further providing for transfers not subject to tax and for exemption for poverty; in inheritance tax, further providing for liabilities and for deductions not allowed; in procedure and administration, further providing for definitions and for petition

for reassessment; providing for the Board of Finance and Revenue; further providing for review by the Board of Finance and Revenue; providing for a report concerning the significant changes in the structure and regulatory environment within the banking industry; and making related repeals.

HB 1141 (Pr. No. 2200) (Amended) (Rereported)

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in preliminary provisions, further providing for the Special Education Funding Commission; in school finances, providing for reopening of school district annual budget and further providing for annual budget, additional or increased appropriations and transfer of funds; in grounds and buildings, further providing for limitation on new applications for Department of Education approval of public school building projects; in certification of teachers, further providing for disqualification and providing for professional educator discipline fee; in community colleges, further providing for financial program and reimbursement of payments; in community education councils, further providing for State funding; in school districts of the first class, providing for budget reports; and in reimbursements by Commonwealth and between school districts, providing for basic education funding for 2012-2013 school year and for payment on account of equipment purchased for area vocational-technical schools and school districts, further providing for payments to intermediate units and for special education payments to school districts; providing for assistance to school districts in financial recovery or financial watch status; further providing for Pennsylvania Accountability Grants; and providing for Distance Education Program.

LEGISLATIVE LEAVE

The PRESIDING OFFICER. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I request a legislative leave for Senator White.

The PRESIDING OFFICER. Senator Pileggi requests a legislative leave for Senator White. Without objection, the leave will be granted.

**SPECIAL ORDER OF BUSINESS
SUPPLEMENTAL CALENDAR No. 1**

BILL ON CONCURRENCE IN HOUSE AMENDMENTS

SENATE CONCURS IN HOUSE AMENDMENTS

SB 351 (Pr. No. 1222) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in municipal authorities, further providing for purposes and powers.

On the question,
Will the Senate concur in the amendments made by the House to Senate Bill No. 351?

The PRESIDING OFFICER. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I move that the Senate do concur in the amendments made by the House to Senate Bill No. 351.

On the question,
Will the Senate agree to the motion?

The yeas and nays were required by Senator PILEGGI and were as follows, viz:

YEA-49

Alloway	Farnese	Rafferty	Vulakovich
Argall	Ferlo	Robbins	Ward
Baker	Folmer	Scarnati	Washington
Blake	Fontana	Schwank	Waugh
Boscola	Gordner	Smith	White
Brewster	Greenleaf	Smucker	Wiley
Browne	Hughes	Solobay	Williams
Brubaker	Kasunic	Stack	Wozniak
Corman	Kitchen	Tartaglione	Yaw
Costa	Leach	Teplitz	Yudichak
Dinniman	McIlhinney	Tomlinson	
Eichelberger	Mensch	Vance	
Erickson	Pileggi	Vogel	

NAY-1

Hutchinson

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate inform the House of Representatives accordingly.

MOTION PURSUANT TO SENATE RULE 12

The PRESIDING OFFICER. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I move that the Senate proceed to consider Senate Supplemental Calendars No. 2, 3, 4, and 5 notwithstanding Senate Rule 12(m)(2).

The PRESIDING OFFICER. Senator Pileggi moves that notwithstanding the provisions of Senate Rule 12(m)(2), the Senate continue to consider the bills contained on Senate Supplemental Calendars No. 2, 3, 4, and 5.

On the question,
Will the Senate agree to the motion?
A voice vote having been taken, the question was determined in the affirmative.

The PRESIDENT (Lieutenant Governor Jim Cawley) in the Chair.

**SPECIAL ORDER OF BUSINESS
SUPPLEMENTAL CALENDAR No. 2**

BILL AMENDED

HB 465 (Pr. No. 2199) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, in tax for education, further providing for definitions, for exclusions from tax, for credit against tax, for licenses and for local receivers of use tax; providing for remote sales reports; providing for special taxing authority; in personal income tax, further providing for definitions, for classes of income and for taxability of partners; providing for tax treatment determined at partnership level and for tax imposed at partnership level; further providing for income of a Pennsylvania S Corporation, for income taxes imposed by other states and for operational provisions; providing for contributions for the Children's Trust Fund and for contributions for

American Red Cross; further providing for general rule, for return of Pennsylvania S Corporation, for requirements concerning returns, notices, records and statements and for additions, penalties and fees; providing for citation authority; in corporate net income tax, further providing for definitions and for reports and payment of tax; in corporate stock and franchise tax, further providing for imposition and for expiration; in bank and trust company shares tax, further providing for imposition of tax, ascertainment of taxable amount and exclusion of United States obligations, for apportionment and for definitions; in realty transfer tax, further providing for definitions, for excluded transactions, for imposition of tax and for acquired company; providing for nonlicensed corporation pari-mutuel wagering tax; in film production tax credit, further providing for definitions, and for credit for qualified film production expenses; in educational opportunity scholarship tax credit, further providing for scholarships; repealing provisions relating to coal waste removal and ultraclean fuels tax credit; making an editorial change; in job creation tax credit, further providing for tax credits; providing for city revitalization and improvement zones, for mobile telecommunications broadband investment tax credit, for the innovate in PA Program, for neighborhood improvement zones and for Keystone Special Development Zone program; in inheritance tax, further providing for transfers not subject to tax and for exemption for poverty; in inheritance tax, further providing for liabilities and for deductions not allowed; in procedure and administration, further providing for definitions and for petition for reassessment; providing for the Board of Finance and Revenue; further providing for review by the Board of Finance and Revenue; providing for a report concerning the significant changes in the structure and regulatory environment within the banking industry; and making related repeals.

On the question,

Will the Senate agree to the bill on third consideration?

Senator PILEGGI offered the following amendment No. A3222:

Amend Bill, page 166, line 13, by striking out all of said line

Amend Bill, page 166, by inserting between lines 26 and 27:

(5.1) The addition of Article II-B of the act shall take effect July 1, 2014, or immediately, whichever is later.

On the question,

Will the Senate agree to the amendment?

It was agreed to.

Without objection, the bill, as amended, was passed over in its order at the request of Senator PILEGGI.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 1141 (Pr. No. 2200) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in preliminary provisions, further providing for the Special Education Funding Commission; in school finances, providing for reopening of school district annual budget and further providing for annual budget, additional or increased appropriations and transfer of funds; in grounds and buildings, further providing for limitation on new applications for Department of Education approval of public school building projects; in certification of teachers, further providing for disqualification and providing for professional educator discipline fee; in community colleges, further providing for financial program and reimbursement of payments; in community education councils, further providing for State funding; in school districts of the first class, providing for budget reports; and in reimbursements by Commonwealth and between school districts, providing for basic education funding for 2012-2013 school year and for payment on account of equipment purchased for

area vocational-technical schools and school districts, further providing for payments to intermediate units and for special education payments to school districts; providing for assistance to school districts in financial recovery or financial watch status; further providing for Pennsylvania Accountability Grants; and providing for Distance Education Program.

Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,

Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Chester, Senator Dinniman.

Senator DINNIMAN. Mr. President, I am just exercising my responsibility as Minority chair of the Senate Committee on Education. I am not trying to be troublesome. This time, I will speak about individual school districts and not be called out of order.

Here is the point, and I think it is important for the citizens who are watching us on PCN to understand this. We all understand politics and it takes place in here, it takes place in the Federal government, it takes place anywhere. But when it comes to education, over the last several years, there really has been a movement to say that education should be above politics. As you know, last year, Senator Piccola and I worked as a team in education. This year, I am looking forward to doing the same thing with Senator Folmer, because education is something special. Every child in this Commonwealth is special. Every parent wants their child to be educated to the top of the curriculum. But, if you look at the School Code and the supplementals in the School Code, Mr. President, the problem that you find is that--

POINT OF ORDER

Senator PILEGGI. Mr. President, point of order.

The PRESIDENT. The gentleman will state his point of order.

Senator PILEGGI. Mr. President, I am having difficulty hearing the gentleman.

The PRESIDENT. The Chair thanks the gentleman.

Members will please take their seats.

Senator DINNIMAN. Mr. President, I thank the gentleman for the point of order. I appreciate it. Thank you.

Here is the difficulty, it is the way we do business here when it comes to education. The Democrats, when they were in control of this body probably did it no better than the Majority party today. All right? So it is equal, but understand how it works. For example, we all have lots of students who are non-English learners and many of us would like to get the supplements to help our students. We all have students who were overwhelmed by charter school enrollment, and we would all like supplements to help us with charter school. But let me, if I may, Mr. President, just read to you how this works. It says, for example, "To qualify a small school district supplement..." calculating for a qualifying school district as follows, now understand this leaves most of us out if you are in a small school district, but it does eventually help one or two people here. It

says, "To qualify for a small school district supplement, a school district's 2012-2013 market value/income aid ratio must be less than five thousand ten-thousandths (0.5000), its 2011-2012 average daily membership must be less than one thousand six hundred (1,600)..." and so on. So it discreetly describes certain schools, small district schools that will get the extra money and the rest of us sit here maybe in great need, and maybe some schools are in more need. We in the suburbs, we give it but we do not get it back.

Now, let me read this, if I may. On the other hand, you can also talk about cyber charter funding, and I am not going to say the districts that these are going to, because then I just aggravate people, and that is not my goal here. My goal is to question the way we do the School Code, and that is why I am urging a "no" vote on it. Let me read this one, and I will not be too long, I promise. This is also another way you can get, if you have a lot of charter kids, you can get money. But to qualify for this, you have to have a charter and cyber charter school with an extraordinary enrollment supplement. A school district has to have an MV/PI AR ratio greater than 0.8, and its charter and cyber charter concentration must be greater than 20 percent and its market value/income ratio must have increased from the 1991-92 school year to the 2012-13 school year by more than 10 percent. That involves around three school districts. It does not involve Philadelphia, which also has a severe charter problem, and it does not involve other schools that have the same. And I can go on with this list.

Here is my point, if I may, Mr. President. I rise to urge a "no" vote, and I realize it is simply symbolic. But, you know, there comes a time when we in the legislature have to say, this is not the way to do business when it comes to the children of Pennsylvania. Certain kids do not deserve a supplement and other kids do not get a supplement. And you should not get supplements simply because you happen to have a Majority Senator and you get less with a Minority Senator, in terms of Democrat and Republican. Or if someone has a certain power in the legislature, even with the Minority Caucus, they get more than someone else. It just does not make sense to me.

Also, I rise, Mr. President, to object to the School Code because when I look at some of my own school districts, for example, the increase that would go with these ratio increases, let us look at the Great Valley School District, one of the best in this Commonwealth. Do you know how much money they are getting out of this? They will receive \$65,027. Let us, for a second, look at Oxford Area School District. By the way, Oxford is better, but in the Democratic rankings, it would be in the top 15 percent that we were trying to get funded. Or, Mr. President, let us for a second go down, if we can, to the Phoenixville Area School District. They actually get less than Great Valley. They are actually only getting \$61,414. Or, I share Tredyffrin-Easttown School District with another Member of the Majority, and they are only getting \$104,000.

So my point, Mr. President, is that for those of us who represent suburban districts, we usually do not show up on the supplementals, we give all this money, and we get nothing back. For many years, this would have been okay because we were prosperous, but we feel the recession. We feel the difficulties just as much as other school districts. Our school districts are also in need. We have school districts cutting art,

cutting music because they cannot afford them. And so our citizens are saying, is it not time that we get our equal share of the ratio formula as well?

Second, Mr. President, and this is where I object to and urge us for next year, and I am making my symbolic objection now, I urge us to forget these supplementals. If there are going to be supplementals, put a criteria that every school district can apply for. Let it be fair, let it be equal. Do not do these definitions where we know that one, or two, or possibly three school districts are going to be the only ones to get this extra money. It is not fair to the constituents, it is not fair to the students. Remember, we do not want to create a separate but unequal system of education in this Commonwealth, either based on your ZIP Code or based on your political connections. That should not be how we fund education. I hope we can work together to make sure that in future years, this will not be how we fund education, because those districts that are not on that supplemental list or those districts that are getting very little money, we will have an increase in our property tax because we were not the chosen few. That is what I object to, Mr. President. Thank you so much.

The PRESIDENT. The Chair recognizes the gentleman from Bucks, Senator Tomlinson.

Senator TOMLINSON. Mr. President, I want to apologize to the gentleman from Chester County because he did not get these printouts. Most of us who were at the hearing of the Committee on Appropriations got printouts. We got the Committee on Appropriations printout from, I guess, the Republican side, and I actually got two printouts from the Democratic side passed out by their staff. It is my understanding that our staff goes onto the computer, gets the code, and our staff themselves print this and then they hand it to us. So I apologize for the gentleman not getting this, but I actually got three of them that day. Then it was updated, and we actually put \$10 million more into public education.

But when I got the Democratic one I looked at it and I thought, wow, they really took care of my school districts. You guys must really like me a lot because you gave Bensalem another \$200,000 that we did not give them. I went down through all my Bucks County school districts and I said, this is amazing how much more money you gave them. I thought, where did it come from? And it says Senate Democratic Appropriations Committee Medicaid Expansion Proposal. Now, where is this money coming from? I went to my Committee on Appropriations people and they said, well, even if we had Medicaid expansion and we would do it--and I know we are going to be voting on something like that soon--that money would not be available for at least another year, and the first year we go to Medicaid expansion it will cost us money. So I really appreciate you giving me extra money, but you really did not give me any money. You just gave me a printout that had a lot of money on it. But I appreciate getting that. And I also want to make the point that it is not whether you are Republican or Democrat, Senator, it is the poverty of your school district. The gentleman and I have been fighting about the ESBE formula for a long time. As a matter of fact, when I did the gaming bill I wanted the gaming revenues to go into the ESBE formula, which would have funded the poor districts actually more than--

POINT OF ORDER

Senator WILLIAMS. Point of order, Mr. President.

The PRESIDENT. The gentleman will yield.

The Chair recognizes the gentleman from Philadelphia, Senator Williams. For what purpose does the gentleman rise?

Senator WILLIAMS. Mr. President, we have been here for 8 days straight, and I recognize that emotions can get pretty testy, whether you are in the same party or different parties. But one of the things I love about the Senate is that we actually suggest that we have order and comportment. To that end, I suggest that the two gentlemen who are debating this issue, quite passionately, refer to the President and not personally. That is the first point, before we decline into throwing spitballs and chairs across the room.

The PRESIDENT. I can assure you, Senator, I will step in before that happens.

Senator WILLIAMS. Mr. President, I suggest also that we contain ourselves to the subject at hand and not the parties at hand. That is just my friendly reference. I am sure you will direct us down that path.

Thank you, Mr. President.

The PRESIDENT. Senator Tomlinson, as I am sure you know, during debate, if you could direct your comments to the Chair, that would be appreciated.

Sir, you may continue.

Senator TOMLINSON. Mr. President, I was just turning to address the gentleman as he addressed me, as we were speaking before, since we are such good friends and we are usually on the same side on the educational issue. I was really trying to back up his argument. It is not a political side he is on, it is actually the poverty factor. The ESBE formula is a very important factor and I was such a supporter of it when we were doing the gaming proceeds, I drove the money into the ESBE formula, which was actually away from some of my school districts. But because we are from somewhat like counties, we do suffer, many of us, from not getting near as much money. I am going to get about \$200,000 in my local school district and he is going to get probably less into some of his, Mr. President.

But, Mr. President, it is not whether you are Republican or Democrat, it is not whether you have power or not, many of the times it is the characteristic of the school district, the poverty factor, the aid ratio, what kind of income you have, property values, those kind of things are the things that do more than, I think, whether you have the muscle or do not have the muscle. My district got a very little bit of money but actually the Philadelphia School District, and I love to listen to my friends from Philadelphia, the Senators asking for more. And I agree, we should try to get them more if we can get it, but they are getting about 17.8 percent of the total budget on education with about 11 percent of the children. That is not bad, and I know we have to do more because they have special problems, but in my school district, Bensalem, we have an English as a second language problem, we have a lot of apartments, we have a lot of that, but because we are in Bucks County, we do not qualify for as much money as I would like to. I am backing up my good friend from Chester County, who is a great teacher and a great professor from a great university, that it is the formula that drives this more than we drive it. I have

worked here for many years trying to drive more money into my poor school districts, but because the district happens to be in Bucks County, it is not treated the same as a district in Schuylkill County. So it is the poverty, it is the property value, it is the school district. We are going to give, I guess, \$983 million to Philadelphia, which is another \$15 million in this budget. And I know you need more. I know you have a lot of problems, but there is only so much to go around. It is a formula we have been using for years and years. We try to do what we can to get it in here.

I am going to support this budget because I think it is the best that we can do with what we have today. I have stood on this floor, probably, I guess, 3 years ago now, and said, when we got that stimulus money from Washington, D.C., and there was about \$8 billion, I said be careful how you spend your money in your school district because this money is going to go away. It is borrowed money, it is not a funding stream. It was wonderful, but some districts hired counselors, some hired teachers, and did other things with it. When that money went away, unfortunately, we do not have the wherewithal, we do not have a funding stream to carry that level of funding. So this budget is doing the best job I think it can. We are putting a lot more money into the budget this year than we did last year, and I support this budget.

Thank you, Mr. President, and thank you, the gentleman and my friend from Chester County.

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Hughes.

Senator HUGHES. Mr. President, I rise to try to see if we can bring some of this conversation together and move on with the agenda of the evening. You are right, we have been here for, I guess, 8 straight days and tensions are wearing. Many of us want to be back home with our families and that kind of thing, and even in the spirit of collegiality that we try to operate in, things can get kind of rough.

I think the difference that may exist, Mr. President, is the priorities that our proposal, the Senate Democratic proposal, evidenced in our concept of how we should fund education, what the direction should be, who should be the beneficiaries, and which districts are struggling the most, and how they should be thought about in a way to kind of assist them as they continue to go through what clearly is an ongoing budget crisis at the local level. Many of these school districts, these distressed school districts which we focus intensely upon in our proposal, have little ability to respond to the fiscal crisis that they are in, and so consequently our proposal tried to address their needs in a much more aggressive fashion different than the Senate Republican proposal that is in front of us right now evidenced in the School Code. So, you know, we took what we thought would be appropriate savings from the expansion of Medicaid and drove those dollars into education. Specifically, we discussed this in a budget amendment in the Committee on Appropriations. Folks knew publicly for a long time --when I say a long time, I am talking about months, not days or hours--folks knew exactly where we were going with our agenda in this area. Unfortunately, it has not necessarily been the case as we approach this evening at this hour with the proposal that is in front of us as we have been kind of scrambling to determine exactly who benefits in this concept. It is clear that distressed school districts do not benefit to the extent that

they should, but most school districts that are benefitting fall outside of the distressed category.

So, I think what we have tried to evidence as we tried to work through laying out a proposal on our side and as we try to respond to the proposal in front of us right now, is what our focus would have been if we had the opportunity to prevail. That is going to be our focus as we go forward in this conversation, after this budget is done, and as we go forward in days and months down the path. We have to be responsive to these communities that are struggling and are falling in greater and greater crisis. I do not need to remind the Members of the pain that many of these districts are evidencing now through extensive layoffs, reductions in programs, and things of that nature. Our Senate Democratic proposal would have taken care of them and have been more thoughtful of them and provided more resources for them than I think the proposal that is in front of us at this point.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Chester, Senator Dinniman, for the second time.

Senator DINNIMAN. Mr. Present, I will be very quick. First of all, there are no tempers flaring. The gentleman from Bucks County, I always say, is an excellent friend, as he always will be, as is our Leader.

POINT OF ORDER

Senator WILLIAMS. Mr. President.

The PRESIDENT. The gentleman will suspend.

Senator Williams, for what purpose do you rise?

Senator WILLIAMS. Mr. President, now clearly, I have a bias in this activity toward the personalities, but I want to ask my friend, let us respect the order of this Chamber. We need to refrain from using personal references as we go through this discussion because it will escalate to places we do not want to escalate. So I am asking politely. I know that these gentlemen are buddies, but I am doing it for a reason, because sometimes this is our only formal process of expressing our opinions.

The PRESIDENT. The gentleman's point is well taken.

Senator Dinniman, if you would reserve yourself to addressing the Chair, please.

Senator DINNIMAN. Mr. President, I will, and I was addressing the Chair. I was simply trying to say to the Chair that I do not see tempers flaring. I see a good debate. I see the Senator from Bucks County rising and making excellent points, and I appreciate the points he made. The Senator from Bucks County, as well as Senator Folmer, our chairman, and the other Senators have concerns about the ESBE formula, and we have been discussing this and we will continue to discuss it.

The only case I am trying to make is two points. One is that we in the suburbs have some concerns about how little money we get. That is a legitimate concern. I am sure my Republican colleagues from the counties that surround me agree. My second point is, yes, the chairman is right -- excuse me, yes, both my chairman and the Senator from Bucks County are right in that it is based on formulas. But I just hope that next year, we can figure out a better system than these supplementals, which have these very discrete definitions so that we all, in a very equitable, fair manner, can make sure that the schools that most need it get it. They are my only points.

I thank you for indulging me, as well as the Majority Leader for indulging my comments.

Thank you, Mr. President.

And the question recurring,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-34

Alloway	Eichelberger	Pileggi	Ward
Argall	Erickson	Rafferty	Waugh
Baker	Ferlo	Robbins	White
Blake	Folmer	Scarnati	Williams
Boscola	Gordner	Smucker	Wozniak
Browne	Greenleaf	Tomlinson	Yaw
Brubaker	Hutchinson	Vance	Yudichak
Corman	McIlhinney	Vogel	
Costa	Mensch	Vulakovich	

NAY-16

Brewster	Hughes	Schwank	Tartaglione
Dinniman	Kasunic	Smith	Teplitz
Farnese	Kitchen	Solobay	Washington
Fontana	Leach	Stack	Wiley

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same with amendments in which concurrence of the House is requested.

RECONSIDERATION OF HB 465

BILL ON THIRD CONSIDERATION

HB 465 (Pr. No. 2199) -- Senator PILEGGI. Mr. President, I move that the Senate do now reconsider the vote by which House Bill No. 465, Printer's No. 2199, went over in its order as amended.

A voice vote having been taken, the question was determined in the affirmative.

And the question recurring,

Will the Senate agree to the bill on third consideration, as amended?

TEPLITZ AMENDMENT OFFERED

Senator TEPLITZ offered the following amendment No. A3221:

Amend Bill, page 89, lines 6 through 30; pages 90 through 103, lines 1 through 30; page 104, lines 1 through 26, by striking out all of said lines on said pages and inserting:

Section 1802-C. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Baseline year." The calendar year in which a zone was established.

"Bond." The term includes any note, instrument, refunding note or other evidence of indebtedness or obligation.

"City." A city of the second class A or third class.

"City revitalization and improvement zone." An area of not more than 130 acres, comprised of parcels designated by the contracting authority, which will provide economic development and job creation within a city.

"Contracting authority." An authority established under 53 Pa.C.S. Ch. 56 (relating to municipal authorities) by a city or home rule county for the purpose of:

- (1) designating zones; and
- (2) engaging in the construction, including related site preparation and infrastructure, reconstruction or renovation of facilities.

"Department." The Department of Revenue of the Commonwealth.

"Earned income tax." A tax imposed on earned income within a zone under the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, which a city, or a school district contained entirely within the boundaries of or coterminous with the city, is entitled to receive.

"Eligible tax." Any of the following taxes:

- (1) Corporate net income tax, capital stock and franchise tax, bank shares tax or business privilege tax, calculated and apportioned as to amount attributable to the location within the zone and calculated under section 1904 - B(b) and (c).
- (2) Amusement tax, only to the extent the tax is related to the activity of a qualified business within the zone.
- (3) Sales and use tax, only to the extent the tax is related to the activity of a qualified business within the zone.
- (4) Personal income tax withheld from its employees by a qualified business for work performed in the zone.
- (5) Local services tax withheld from its employees by a qualified business for work performed in the zone.
- (6) Earned income tax withheld from its employees by a qualified business for work performed in the zone.
- (7) Tax paid to the Commonwealth on the sale of liquor, wine or malt or brewed beverages in the zone.

The term does not include cigarette tax.

"Facility." A structure or complex of structures to be used for commercial, sports, exhibition, hospitality, conference, retail, community, office, recreational or mixed-use purposes.

"Office." The Office of the Budget.

"Pilot zone." An area of not more than 130 acres designated by the authority following application and approval by the Department of Community and Economic Development, the office and the department which will provide economic development and job creation within a township or borough, with a population of at least 3,000 based on the most recent Federal decennial census.

"Qualified business." As follows:

- (1) An entity located or partially located in a zone which meets the requirements of all of the following:
 - (i) Has conducted an active trade or business in the zone.
 - (ii) Appears on the timely filed list under section 1807-

C(a).

(2) A construction contractor engaged in construction, including infrastructure or site preparation, reconstruction or renovation of a facility located in or partially in the zone.

(3) The term does not include an agent, broker or representative of a business.

"Zone." Any of the following:

- (1) A city revitalization and improvement zone.
- (2) A pilot zone.

"Zone Fund." A city revitalization and improvement fund established under section 1808-C.

Section 1803-C. Establishment of contracting authority.

(a) Cities.--Except as set forth in subsection (b), a city may establish a contracting authority to designate a zone under this article.

(b) Distressed cities.--A city that is a distressed city under the act of July 10, 1987 (P.L.246, No.47), known as the Municipalities Financial Recovery Act, and is located in a home rule county may not establish a contracting authority under this article.

(c) Counties.--The home rule county where a distressed city under the Municipalities Financial Recovery Act is located may establish a contracting authority to designate a zone under this article within the distressed city.

Section 1804-C. Approval.

(a) Submission.--A contracting authority may apply to the De-

partment of Community and Economic Development for approval of a zone plan. The application must include all of the following:

(1) A plan to establish one or more facilities which will promote economic development.

(2) An economic development plan.

(3) Specific information relating to the facility which will be constructed, including infrastructure and site preparation, reconstructed or renovated as part of the plan.

(4) Other information as required by the Department of Community and Economic Development, the office or the department.

(5) A designation of the specific geographic area, including parcel numbers and a map of the zone with parcel numbers, of which the zone will consist.

(b) Agencies.--The Department of Community and Economic Development, the office and the department must approve each application.

(c) Approval schedule.--The Department of Community and Economic Development shall develop a schedule for the approval of applications under this section as follows:

(1) Following the effective date of this paragraph, applications for two initial zones may be approved.

(2) Beginning in 2016, applications for two additional zones may be approved each calendar year.

(3) Following the effective date of this paragraph, the Department of Community and Economic Development, the office and the department, may approve one pilot zone.

(d) Time.--An application under this section shall be approved or disapproved within 90 days of the postmark date of submission. An application which is not disapproved within the time period under this subsection shall be deemed to be approved.

(e) Reapplication.--If an application is not approved under this section, the applicant may revise the application and plan and reapply for approval.

Section 1805-C. Exclusions.

A part of a zone may not include a keystone opportunity zone, keystone opportunity expansion zone, keystone opportunity improvement zone, keystone innovation zone, keystone special development zone, neighborhood improvement zone or strategic development area.

Section 1806-C. Functions of contracting authorities.

(a) Powers.--The contracting authority may do all of the following:

(1) Designate a zone where a facility may be constructed, including infrastructure and site preparation, reconstructed or renovated.

(2) Provide or borrow money for any of the following purposes:

(i) Development or improvement within a zone.

(ii) Construction, including infrastructure and site preparation, reconstruction or renovation of a facility within a zone which will result in economic development in accordance with the contracting authority's plan.

(b) Money from fund.--A member of the contracting authority may not receive money directly or indirectly from the fund.

Section 1807-C. Qualified businesses.

(a) List.--By June 1 following the end of the baseline year, and for every year thereafter, each contracting authority shall file with the department a complete list of all businesses located in the zone and all construction contractors engaged in construction, reconstruction or renovation of a facility in the zone in the prior calendar year. The list shall include for each business address, State tax identification number and parcel number and a map of the zone with parcel numbers.

(b) Time.--If the list under subsection (a) is not timely provided to the department, no eligible State tax shall be certified by the department for the prior calendar year.

(c) Audit.--The contracting authority shall hire an independent auditing firm to perform an annual audit verifying all of the following:

(1) The correct amount of the eligible local tax was submitted to the local taxing authorities.

(2) The local taxing authorities transferred the correct amount of eligible local tax to the State Treasurer.

(3) The moneys transferred to the fund were properly expended.

(4) Verify the correct amount was requested under section 1812-C(c).

Section 1808-C. Funds.

(a) Notice.--Following the designation of a zone, the contracting authority shall notify the State Treasurer.

(b) Establishment.--Upon receipt of notice under subsection (a), the State Treasurer shall establish for each zone a special fund for the benefit of the contracting authority to be known as the City Revitalization and Improvement Zone Fund. Interest income derived from investment of money in a fund shall be credited by the State Treasury to the fund.

Section 1809-C. Reports.

(a) State zone report.--By June 15 following the baseline year and each year thereafter, each qualified business shall file a report with the department in a form or manner required by the department which includes all of the following:

(1) Amount of each eligible tax which was paid to the Commonwealth by the qualified business in the prior calendar year.

(2) Amount of each eligible tax refund received from the Commonwealth in the prior calendar year by the qualified business.

(b) Local zone report.--By June 15 following the baseline year and for each year thereafter, each qualified business shall file a report with the local taxing authority which includes all of the following:

(1) Amount of each eligible tax which was paid to the local taxing authority by the qualified business in the prior calendar year.

(2) Amount of each eligible tax refund received from the local taxing authority in the prior calendar year by the qualified business.

(c) Penalties.--

(1) Failure to file a timely and complete report under subsection (a) or (b) may result in the imposition of a penalty of the lesser of:

(i) ten percent of all eligible tax due the taxing authority in the prior calendar year; or

(ii) one thousand dollars.

(2) A penalty for a violation of subsection (a) shall be imposed, assessed and collected by the department under procedures set forth in Article II. Money collected under this paragraph shall be deposited in the General Fund.

(3) A penalty for a violation of subsection (b) shall be imposed, assessed and collected by the political subdivision under procedures for imposing penalties under local tax collection laws.

(4) If a local taxing authority imposes the penalty, the money shall be transferred to the State Treasurer for deposit in the fund of the contracting authority.

Section 1810-C. Calculation of baseline.

(a) Baseline tax.--By October 15 following the end of the baseline year and for each year thereafter, the department shall verify the State baseline tax amount which consists of the following:

(1) For qualified businesses that file timely zone State reports under section 1809-C(a), the amount of eligible State tax paid, less eligible State tax refunds.

(2) For qualified businesses not included under paragraph (1) but located or partially located in the zone as determined by the department or included in the information received by the department under section 1809-C(a), the amount of eligible State tax paid, less eligible State tax refunds.

(b) Moves and noninclusions.--

(1) This subsection applies to a qualified business that:

(i) moves into a zone from within this Commonwealth after the baseline year; or

(ii) is in a zone but not included in the calculation of the State baseline tax under subsection (a).

(2) A qualified business subject to paragraph (1) shall file a State zone report under section 1809-C following the end of the first full calendar year in which the qualified business conducted business in the zone and each calendar year thereafter. The amount of eligible State tax verified by the department for the qualified business for the prior calendar year shall be added to the State baseline tax amount for the zone for the prior calendar year and each year thereafter.

(3) The calculation under this section may not include the eligible taxes of a qualifying business moving into the zone from out-

side this Commonwealth.

Section 1811-C. Certification.

(a) Amounts.--By the October 15 following the baseline year, and each year thereafter, the department shall do all of the following for the prior calendar year:

(1) Make the following calculation for qualified businesses which file State zone reports under section 1809-C(a), separately for each zone:

(i) Subtract:

(A) the amount of eligible State tax refunds received; from

(B) the amount of eligible State tax paid.

(ii) Subtract:

(A) the State tax baseline amount for the zone; from

(B) the difference under subparagraph (i).

(2) Certify to the office the difference under paragraph

(1)(i).

(b) Content.-

(1) The certification may include the following:

(i) Adjustment made to timely filed zone reports by the department for eligible State tax actually paid by a qualified business in the prior calendar year.

(ii) Eligible State tax refunds paid to a qualified business in the zone in a prior calendar year.

(iii) State tax penalties paid by a qualified business in the prior year under section 1809-C(c).

(2) The certification shall not include the following:

(i) Tax paid by a qualified business that did not file a timely State zone report under section 1809-C(a).

(ii) Tax paid by a qualified business whose tax was not included in the State tax baseline amount calculation under section 1810-C.

(iii) Tax paid by a qualifying business not appearing on a timely filed list under section 1807-C(a).

(c) Submission.--The following shall apply:

(1) An entity collecting an eligible local tax within the zone shall, by October 15 following the baseline year, and each year thereafter, submit the following to the State Treasurer for transfer to the fund:

(i) the eligible local tax collected in the prior calendar year;

(ii) less the amount of eligible local tax refunds issued in the prior calendar year; and

(iii) less the amount of local baseline tax for the zone.

(2) The information under this subsection shall also be certified by the local taxing authority to the Department of Community and Economic Development, the office and the department.

Section 1812-C. Transfers.

(a) Office.--Within ten days of receiving the certification from the department under section 1811-C, the office shall direct the State Treasurer to transfer the amount of certified eligible State zone tax from the General Fund to each fund of a contracting authority.

(b) State Treasurer.--Within ten days of receiving direction under subsection (a), the State Treasurer shall pay into the fund the amount directed under subsection (a) until bonds issued to finance the construction, including related infrastructure and site preparation, reconstruction or renovation of a facility or other eligible project in the zone are retired.

(c) Notification.--The following shall apply:

(1) If the transfers under subsection (a) and section 1811-C(c) are insufficient to make payments on the bonds issued under section 1813-C(a)(1) for the calendar year when the transfers are made, the contracting authority shall notify the Department of Community and Economic Development, the office and the department of the amount of additional money necessary to make payments on the bonds.

(2) The notification under paragraph (1) must be accompanied by a detailed account of the contracting authority's expenditures and the calculation which resulted in the request for additional money. The Department of Community and Economic Development, the office or the department may request additional information from the contracting authority and shall jointly verify the proper amount of money necessary to make the payments on the bonds.

(3) Notwithstanding 53 Pa.C.S. § 5607(e), (relating to purposes and powers), within 90 days of the date of the notification request, the office shall direct the State Treasurer to establish a re-

stricted account within the General Fund. The office shall direct the State Treasurer to transfer the amount verified under paragraph (2) from the General Fund to the restricted account for the use of the contracting authority to make payments on the bonds issued under section 1813-C(a)(1).

(4) Money transferred under paragraph (3):

(i) shall be limited to 50% of the State tax baseline amount for the calendar year prior to the date the amount is verified under paragraph (2), not to exceed \$10,000,000; and

(ii) must occur in the first seven calendar years following the baseline year.

(4.1) Under extraordinary circumstances, a contracting authority may request money in excess of the limitations in paragraph (4)(i). The Department of Community and Economic Development, the office and the department shall determine whether the circumstances merit additional money and the amount to be transferred. The money shall be transferred under the procedure under this section.

(5) Money transferred under paragraph (4) shall be repaid to the General Fund by the contracting authority. If money transferred under paragraph (3) is not repaid to the General Fund by the contracting authority by the date of the final payment on the bonds originally issued under section 1813-C(a)(1), the city or county which established the contracting authority shall pay the money not repaid to the General Fund plus an additional penalty of 10% of the amount outstanding on the date of the final payment on the bonds originally issued under section 1813-C(a)(1).

Section 1813-C. Restrictions.

(a) Utilization.--If the use was approved in an application filed under section 1804-C, money transferred under section 1812-C may only be utilized for the following:

(1) Payment of debt service on bonds issued for the construction, including related infrastructure and site preparation, reconstruction or renovation of a facility in the zone.

(2) Construction, including related infrastructure and site preparation, reconstruction or renovation of all or a part of a facility.

(3) Replenishment of amounts in debt service reserve funds established to pay debt service on bonds.

(4) Employment of an independent auditing firm to perform the duties under section 1807-C(c).

(5) Improvement or development of all or part of a zone.

(6) Improvement projects, including fixtures and equipment for a facility owned by a public authority.

(b) Prohibition.--Money transferred under section 1812-C may not be utilized for maintenance or repair of a facility.

(c) Excess money.--

(1) If the amount of money transferred to the fund under sections 1811-C(c) and 1812-C in any one calendar year exceeds the money utilized under this section in that calendar year, the contracting authority shall submit by January 15 following the end of the calendar year the excess money to the State Treasurer for deposit into the General Fund.

(2) At the time of submission to the State Treasurer, the contracting authority shall submit to the State Treasurer, the office and department a detailed accounting of the calculation resulting in the excess money.

(3) The excess money shall be credited to the contracting authority and applied to the amount required to be repaid under section 1812-C(c)(5) until there is full repayment.

(d) Matching funds.--

(1) The amount of money transferred from the fund utilized for the construction, including related site preparation and infrastructure, reconstruction or renovation of facilities shall be matched by private money at a ratio of five fund dollars to one private dollar.

(2) By April 1, following the baseline year and for each year thereafter, the contracting authority shall file an annual report with the Department of Community and Economic Development, the office and the department that contains detailed account of the fund money expenditures and the private money expenditures and a calculation of the ratio in paragraph (1) for the prior calendar year. The agencies shall determine whether sufficient private money was utilized.

(3) If it is determined that insufficient private money was utilized under paragraph (1), the amount of fund money utilized under paragraph (1) in the prior calendar year shall be deducted from

the next transfer of the fund.

Section 1814-C. Transfer of property.

(a) Property.--Portions of a zone where a facility has not been constructed, reconstructed or renovated using money under this article may be transferred out of the zone. Additional acreage, not to exceed the acreage transferred out of the zone, may be added to the zone.

(b) Approval.--A transfer under subsection (a) must be approved by the Department of Community and Economic Development, in consultation with the office and the department.

Section 1815-C. Duration.

A zone shall be in effect for a period equal to the length of time for the repayment of debt incurred for the zone, including bonds issued. Bonds shall be paid, and all zones shall cease no later than 30 years following the initial issuance of the bonds.

Section 1816-C. Commonwealth pledges.

(a) Pledge.--If and to the extent the contracting authority pledges amounts required to be transferred to its fund under section 1812-C for payment of bonds issued by the contracting authority, until all bonds secured by the pledge of the contracting authority, together with interest on the bonds, are fully paid or provided for, the Commonwealth pledges to and agrees with any person, firm, corporation or government agency, in this Commonwealth or elsewhere, and pledges to and agrees with any Federal agency subscribing to or acquiring the bonds of the contracting authority that the Commonwealth itself will not, nor will it authorize any government entity to, do any of the following:

(1) Abolish or reduce the size of the zone.

(2) Amend or repeal section 1810-C or 1811-C ????.[sic]

(3) Limit or alter the rights vested in the contracting authority in a manner inconsistent with the obligations of the contracting authority with respect to the bonds issued by the contracting authority.

(4) Impair revenue to be paid under this article to the contracting authority necessary to pay debt service on bonds.

(b) Limitation.--Nothing in this section shall limit the authority of the Commonwealth or a political subdivision government entity to change the rate, base or subject of a specific tax or to repeal or enact any tax.

Section 1817-C. Confidentiality.

(a) Sole use.--A zone report or certification under this article shall only be used by the contracting authority to verify the amount of the State tax baseline amount calculated under section 1810-C and State tax certification under section 1811-C.

(b) Prohibition.--Use of a zone report other than as set forth in subsection (a) is prohibited and shall be subject to the law applicable to the confidentiality of tax records.

Section 1818-C. Guidelines.

By October 31, 2013, the Department of Community and Economic Development, the office and the department shall develop and publish guidelines necessary to implement this article.

On the question,

Will the Senate agree to the amendment?

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Teplitz.

Senator TEPLITZ. Mr. President, this relates to the CRIZ bill that was discussed in the meeting of the Committee on Appropriations earlier today. It is the same amendment that we offered then. We felt that it was critical that Members have a chance to reconsider this issue. To briefly recap, the CRIZ program is a new kind of economic development program authored by the gentleman from Lancaster County to help struggling cities create economic development zones and use the extra revenue that would be generated by those zones to pay off bond debt that could be used for investment. It is a great plan, it is something that all cities should have equal access to, and it is important to understand that it would be a competitive program for limited slots that would be decided by

DCED. So as we asked for expansion of the cities that are allowed in the program--to be very clear, we are asking for the ability to simply compete. We are not asking to be designated as winners in this program, we are not asking for any special treatment. We are asking for the ability to compete. What we are asking for is to allow all third class cities into this program, plus the second class A city, which is the city of Scranton.

I have a special interest in this because unlike every other city in the State, Harrisburg is singled out to be excluded from this program. The population parameters defined in the current bill would include the city of Harrisburg. But, there was a special effort made to exclude the city of Harrisburg by defining the word "city" to include cities that are under receivership. Harrisburg, unfortunately, is the only city that is under receivership. However, that should give, to the extent that the actual reason for excluding Harrisburg is that it is under receivership, that should give greater assurance that any inclusion in the program would be fiscally responsible because it is the Governor's receiver, the Governor's appointee, who would help supervise the program. So the receivership, I hope, would give greater assurance. Even beyond that, though, the way the language is written, it would exclude Harrisburg permanently even if and when it exits from receivership. Is that language a mistake? I do not know. But to permanently impose a scarlet letter on our capital city from even being allowed to compete for a program that has limited slots is unacceptable.

We have tried every which way to amend this. We have offered various ways to be fair to all of the cities that would like to participate in this program, and I am asking my colleagues on the other side, are there not three votes to put all of our cities on an equal playing field and allow our capital city to have a chance at getting through the financial circumstances that it is in? Or are we going to continue this destructive cycle that we have seen play out over the last week and that has been playing out over years, where the party in power pushes things through for its own benefit because it can. Then when the other party gets in power, it takes the same actions because it can. No one does anything simply because it is for the right reason, for the greater good, and is a matter of fairness. We have to break this cycle sooner or later. I am hoping that there are at least three Members on the other side of the aisle who can join us in fairness, simply as a matter of competing. Allow the market to decide, as it were, simply to compete for the limited number of slots in this program.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Smucker.

Senator SMUCKER. Mr. President, I thank my colleague, Senator Teplitz, for his interest in this program and I want to provide just a little background in response to some of the concerns that were raised. This program is modeled after the first program of its kind in the Commonwealth, the Neighborhood Investment Zone that we see in Allentown. Allentown, through the efforts of Senator Browne, was the first to participate in the investment zone and we have seen the success in that city. What the CRIZ, the Community Revitalization and Investment Zone, does is expand that pilot project to additional cities across the Commonwealth. The cities that were chosen to be part of this were developed in conjunction with the department, which was not ready at this point to allow it to

be applied to all third class cities in the State. There are 53 third class cities in the Commonwealth, and there is one second class A city. That would be 54 municipalities that would immediately become eligible for this program should they all be included.

We have seen some successes but we are still early on in Allentown. So the idea is to begin to expand that by broadening the communities that would be eligible, and then to allow a competitive process, two cities per year based on the application and the acceptance by the Department of Community and Economic Development by budget and by revenue. They would choose from the applicants in a competitive process and choose two cities per year to participate in this program.

In specific response to the charges of partisanship in the program, I would like to point out which cities are available or are eligible. There would be eight. The parameters are any third class city above a population of 30,000 that is not currently under receivership, and that includes eight communities: Altoona, represented by Senator Eichelberger; Bethlehem, represented by Senator Boscola; Chester, represented by Senator Pileggi; Erie, represented by Senator Wiley; Lancaster, represented by myself; Reading, represented by Senator Schwank; Wilkes-Barre, represented by Senator Yudichak; and York, represented by Senator Waugh. You will notice, again, in response to the charge, that those cities are represented by four Democrats and four Republicans. So we think that this will be a great program for these communities. I will agree with Senator Teplitz, I think this is a program that could benefit every municipality across the Commonwealth, and I hope that we get to the day when a program like this, after we see its success over time, when a program would be available to every municipality. But, at this point, this was carefully crafted with the department and we carefully chose the eight cities that we felt would benefit from this going forward.

So again, Mr. President, I think this is a wonderful program. I hope we will see two cities per year, so there will be some time even before those eight cities would all participate in this. As time goes along, I hope that we see more cities added to this list over time.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Lackawanna, Senator Blake.

Senator BLAKE. Mr. President, I will not speak too long, but I felt compelled to rise and speak about this amendment. I commend my colleague, Senator Teplitz, for bringing the amendment forward. Mr. President, I served for about 3 1/2 years in the executive branch at DCED as an executive deputy secretary before I came to the Senate. In all my years there, when the General Assembly advanced legislation that was signed into law by the Governor that appropriated dollars or created programs that were going to be new and available to our Commonwealth, they were available on a merit selection basis and they were not arbitrarily limited to a set of the population or a set of our communities and prohibited to others. So this is somewhat different than my past experience when it relates to particularly community and economic development programs.

I have to rise also out of deep concern for the fact that I preside over a city which happens to have a different classification than third class but is often spoken to in the same terms

as a third class city because of its attributes and because of its demographics, population, and its economic climate and circumstances. The city of Scranton is statutorily classified as a second-class A city. Of the cities, 53 cities, and if I include my city of Scranton, I would call 54, of the cities in the Commonwealth of Pennsylvania that have populations above 30,000 that would otherwise be considered as eligible for this, the only two that are omitted are the two that were represented by the speakers on this side, Senator Teplitz in Harrisburg and me in Scranton. The issue for me is this: this program, as my esteemed colleague, Senator Smucker, pointed out, is a very powerful and a very good community and economic development program. It has virtually no impact on the General Fund. In the very language of the bill, it articulates rather rigid controls over who, Mr. President, would in fact be designated for a Community Revitalization and Improvement Zone. They would be approved only by the Office of the Budget, by the Department of Community and Economic Development, and the Department of Revenue.

So it is a very limited and very controlled circumstance as to who would be designated. But it would appear to me that the rather arbitrary prohibition of the balance of our cities basically has them on the outside looking in, Mr. President. They cannot compete. They cannot even step up on the merits even if they have great strategic plans, even if they have private developers interested in making investment in their cities, they cannot compete for the designation. They are locked out, and I think that is not good business for the Commonwealth of Pennsylvania. It is certainly not equitable.

So I appeal for the consideration on the other side to open up the playing field and allow these things to be decided on their merits. Aliquippa, Arnold, Beaver Falls, Bradford, Butler, Carbondale, Clairton, Coatesville, Connellsville, Corry, DuBois, Duquesne, Easton, Farrell, Franklin, Greensburg, Hazleton, Hermitage, Jeannette, Johnstown, Lebanon, Lock Haven, McKeesport, Meadville, Monessen, Monongahela, Nanticoke, New Castle, New Kensington, Oil City, Parker City, I could continue down the list, Mr. President. The developers and community officials in these towns can put up as much of a request, I think, to decide on the merits as to whether or not they deserve such a designation. I seek support from my colleagues in the Senate for the amendment to this Tax Code.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Erickson.

Senator ERICKSON. Mr. President, will the maker of the amendment stand for interrogation?

The PRESIDENT. The gentleman indicates that he will.

Senator Erickson, you may proceed.

Senator ERICKSON. Mr. President, I am asking for clarification on the amendment as to whether it relates to just the city of Harrisburg.

Senator TEPLITZ. Mr. President, no, what the amendment would do is change the definition of the term "city" in the bill. Right now, the term "city" includes municipalities of the third class within certain population ranges and has specific language. Even though Harrisburg would fall naturally within that range, it has specific language that says, except for a city that has been put into receivership. So it would exclude Harrisburg

as well as Scranton because Scranton is a second class A city. All our language does is change that definition of city to say all cities of the third class and second class A so that any city has the right to compete. No guarantee as to outcome, but just the right to compete for these limited slots.

Senator ERICKSON. Mr. President, I appreciate that explanation.

If I may, I would like to speak on the amendment.

The PRESIDENT. The gentleman is in order.

Senator ERICKSON. Mr. President, I have a municipality in my district which is not a city but is a township that has 85,000 people in it. It is an inner-ring suburb and it has many of the same problems that our third class and second class A cities have. So the definition then is very limiting and prohibits or prevents a municipality such as Upper Darby from being included. In the future, and we are not going to do it tonight, I recognize that, but we really should take a look across our Commonwealth at the shape, financial shape, fiscal shape of a number of our municipalities and see whether or not this program can be expanded to them. Thank you.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Brewster.

Senator BREWSTER. Mr. President, I stand in support of my colleague's amendment and I would like to remind my colleagues on both sides of the aisle that I represent six third class cities. All of those cities have been benefitted by the KOZ programs, the TIFF program, enterprise zones, and in the last Session support of the land banking bill. I believe they need to at least be in the mix, and I think the application process would accommodate the author of the bill's intention, and that it is to not overly burden the budget. I hearken back to the Elm Street Project when 400 applications came in and only 18 communities were chosen and they were chosen on the merit of the application. So there is no budgetary issue here. It is really inclusion of, as Senator Teplitz mentioned, 53 third class cities. I would bring to your attention one in particular, the city of Clairton, where a large corporation, U.S. Steel, just invested \$1 billion in their coke plant. It is a prime opportunity for that city to make application and be a participant, and if the application has merit, I do not think they should be ignored. I do not think that is the intention of the maker, but to not include everybody, I think, is really the wrong direction. So I would support my colleague's amendment. Thank you.

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Teplitz.

Senator TEPLITZ. Mr. President, would the gentleman from Lancaster stand for interrogation?

The PRESIDENT. The gentleman indicates that he will.

Senator Teplitz, you may continue.

Senator TEPLITZ. Mr. President, I want to begin by, again, complimenting the gentleman from Lancaster for developing this program. It was probably my first month in office when we met. At the time, when he came into my office and explained this innovative program, listed the cities that would benefit from it, including the city of Harrisburg, and asked me for my support, which I gladly gave, without hesitation.

At some point, the city of Harrisburg was excluded from the bill, not just definitionally the way that the city of Scranton was, but intentionally, because Harrisburg clearly falls within the population parameters. So my question is simple: Why was

Harrisburg written out of the ability just to compete in this program?

Senator SMUCKER. Mr. President, again, as I have said previously, this program was discussed and negotiated with the department and the administration over a period of many months. During that time, the definition of cities that will be included changed a number of times. And, in fact, I was not sure until just recently exactly what the definition would be in the bill. So as I stated earlier, and in fact, as I have said to others who have asked me about this program, I think it is a program that would work well in any of the third class cities and in other municipalities across the Commonwealth as well. But it is an expansion of what you could refer to as a pilot program in Allentown and it expands it to a few more cities.

The definition was arrived at with the department, it was a definition that they were comfortable with. They would like to see--they would like to go slowly on it, both for the purpose of potential fiscal impact, I think it would be a net gain to the State. But in any event, they would like to go slowly for that reason, and as well for the administrative side of it. It does take a considerable amount of work from the department to administer the program for each municipality, each city that is a part of it. So I am quite confident that over time the program will grow and I think at one point Harrisburg will potentially be put in, but this was the definition that was arrived at and agreed to.

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Teplitz, for the second time.

Senator TEPLITZ. Mr. President, to conclude, this body saw fit last year to put Harrisburg into receivership, our capital city, which is struggling financially. We have cities and municipalities of all types and classes across this State that are struggling financially. When Harrisburg was put into receivership, a receiver was appointed by the Governor, and that receiver has asked for this program because it would benefit the city. It would help bring it out of the crisis that it is in. This body, earlier today, answered one of the receiver's calls, which was for full funding of the fire and emergency services that the city provides to the Capitol. And I am profoundly grateful for that, particularly to the Majority chairman of the Committee on Appropriations for addressing that concern. This is another piece of that puzzle.

I agree with Senator Erickson, I did not develop the criteria as to cities versus townships or boroughs or otherwise, but I certainly sympathize and agree that it should be open to more than just third class cities or even third class plus second class A. But the situation we are dealing with tonight is whether all third class cities have the ability to compete, and then let DCED decide. That is why it does not make sense to me that DCED would have decided not to include Harrisburg, or rather to exclude Harrisburg, from the definition when it could simply reject an application later on down the line.

So again, I plead with my colleagues. This capital city, the one that we are in right now and the one that we spend so much time in, is struggling and just deserves the right to compete as a matter of fairness. I would hope that at least three Members of the other side could join us and give us that ability. Thank you very much.

The PRESIDENT. The Chair recognizes the gentleman from Cambria, Senator Wozniak.

Senator WOZNIAK. Mr. President, I rise and talk to the good Senator from Lancaster, and I understand that he was willing to work with us, but I have to ask, I have to ask one time, only two cities will be eligible? So whether there are 7 or 10 or 53 in this language, only 2 are chosen. But at least if we accept this amendment, we know that somewhere down the line, if this project is successful, these other municipalities have a crack at it. So I am imploring, I am asking, I am engaging, I am begging, if we could please have a positive vote and allow the rest of the third class cities. Because in reality, Johnstown is not ready to be teed up to do this. It will take a couple of years. But I know how things work around here. It might take me 7 years just to get the language in the bill even though we have been ready to go for a couple of years. So I am asking my colleagues--it has been a long struggle--to include the rest of the third class cities in this effort. Thank you very much.

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Smucker, for the second time.

Senator SMUCKER. Mr. President, just a point of correction. As written, the program would allow two cities to qualify initially, and then starting in 2016, two cities per year could be added, again, based on that competitive process. So it is more than two. It is two initially, and then two per year after that.

And the question recurring,
Will the Senate agree to the amendment?

The yeas and nays were required by Senator TEPLITZ and were as follows, viz:

YEA-23

Blake	Ferlo	Schwank	Washington
Boscola	Fontana	Smith	Wiley
Brewster	Hughes	Solobay	Williams
Costa	Kasunic	Stack	Wozniak
Dinniman	Kitchen	Tartaglione	Yudichak
Farnese	Leach	Teplitz	

NAY-27

Alloway	Erickson	Pileggi	Vogel
Argall	Folmer	Rafferty	Vulakovich
Baker	Gordner	Robbins	Ward
Browne	Greenleaf	Scarnati	Waugh
Brubaker	Hutchinson	Smucker	White
Corman	McIlhinney	Tomlinson	Yaw
Eichelberger	Mensch	Vance	

Less than a majority of the Senators having voted "aye," the question was determined in the negative.

Without objection, the bill, as amended, was passed over in its order at the request of Senator PILEGGI.

**SPECIAL ORDER OF BUSINESS
SUPPLEMENTAL CALENDAR No. 3**

**BILL ON THIRD CONSIDERATION
AND FINAL PASSAGE**

SB 1043 (Pr. No. 1321) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, in preliminary provisions, further provid-

ing for method of payment and method of filing; in Department of Revenue, further providing for transmission of money; in agents for collection, further providing for corporate treasurers; in bonus and tax records, further providing for corporate loans and tax, for municipal loans and tax and for monthly statements by registers of wills; in collections other than by settlement, further providing for driver's license fees and for amounts payable to State institutions; in procedure for disbursement of money from State Treasury, providing for reimbursement for administrative costs; in special funds, further providing for funding and for transfer and providing for other grants; providing for additional special funds; in general budget implementation, providing for the Motor License Fund; in 2012-2013 budget implementation, further providing for the Department of Public Welfare; in 2012-2013 restrictions on appropriations, further providing for Veterans' Trust Fund; providing for 2013-2014 budget implementation; providing for 2013-2014 restrictions on appropriations for funds and accounts; in audits, further providing for Race Horse Development Funds; and making related repeals.

Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-50

Alloway	Farnese	Pileggi	Vogel
Argall	Ferlo	Rafferty	Vulakovich
Baker	Folmer	Robbins	Ward
Blake	Fontana	Scarnati	Washington
Boscola	Gordner	Schwank	Waugh
Brewster	Greenleaf	Smith	White
Browne	Hughes	Smucker	Wiley
Brubaker	Hutchinson	Solobay	Williams
Corman	Kasunic	Stack	Wozniak
Costa	Kitchen	Tartaglione	Yaw
Dinniman	Leach	Teplitz	Yudichak
Eichelberger	McIlhinney	Tomlinson	
Erickson	Mensch	Vance	

NAY-0

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate present said bill to the House of Representatives for concurrence.

LEGISLATIVE LEAVES

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I request a temporary Capitol leave for Senator Folmer.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Costa.

Senator COSTA. Mr. President, I request temporary Capitol leaves for Senator Tartaglione and Senator Washington.

The PRESIDENT. Senator Pileggi requests a temporary Capitol leave for Senator Folmer.

Senator Costa requests temporary Capitol leaves for Senator Tartaglione and Senator Washington.

Without objection, the leaves will be granted.

SPECIAL ORDER OF BUSINESS
SUPPLEMENTAL CALENDAR No. 4

BILL ON THIRD CONSIDERATION
AND FINAL PASSAGE

HB 1075 (Pr. No. 2201) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, changing the name of the Department of Public Welfare to the Department of Human Services and providing for a transition period; in general powers and duties of the Department of Public Welfare, further providing for county human services consolidated planning and reporting; in public assistance, further providing for medical assistance payments for institutional care and for medical assistance benefit packages, coverage, copayments, premiums and rates; in children and youth, further providing for payments to counties for services to children and providing for provider submissions; in intermediate care facilities assessments, further providing for time periods and making editorial changes; in hospital assessments, further providing for authorization and for time period; in Statewide quality care assessment, reenacting and further defining "net inpatient revenue," providing for implementation, for administration, for limitations and for expiration; in Pennsylvania Trauma Systems Stabilization, further providing for funding; in kinship care, further providing for scope and for definitions; providing for family finding; and, in human services block grant pilot program, further providing for establishment of human services block grant pilot program, for powers and duties of the department, for powers and duties of counties, for allocation and for use of block grant funds.

Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-40

Baker	Ferlo	Rafferty	Tomlinson
Blake	Fontana	Robbins	Vance
Boscola	Gordner	Scarnati	Vogel
Brewster	Greenleaf	Schwank	Washington
Browne	Hughes	Smith	Waugh
Corman	Kasunic	Smucker	Wiley
Costa	Kitchen	Solobay	Williams
Dinniman	Leach	Stack	Wozniak
Erickson	Mensch	Tartaglione	Yaw
Farnese	Pileggi	Teplitz	Yudichak

NAY-10

Alloway	Eichelberger	McIlhinney	Ward
Argall	Folmer	Vulakovich	White
Brubaker	Hutchinson		

A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same with amendments in which concurrence of the House is requested.

**UNFINISHED BUSINESS
BILL REPORTED FROM COMMITTEE**

Senator BRUBAKER, from the Committee on Finance, reported the following bill:

HB 440 (Pr. No. 1716)

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, in sales tax, further providing for definitions, for credit against tax and for local receivers of use tax; in personal income tax, further providing for definitions, for classes of income and for taxability of partners; providing for tax treatment determined at partnership level and for tax imposed at partnership level; further providing for income of a Pennsylvania S corporation, for income taxes imposed by other states, for general rule, for return of Pennsylvania S corporation and for requirements concerning returns, notices, records and statements; in corporate net income tax, further providing for definitions, for imposition of tax and for reports and payment of tax; and, in realty transfer tax, further providing for definitions, for imposition and for acquired company; further providing for coal waste removal and ultraclean fuels tax credit; and, in inheritance tax, further providing for exemption for poverty.

CONGRATULATORY RESOLUTIONS

The PRESIDENT laid before the Senate the following resolutions, which were read, considered, and adopted by voice vote:

Congratulations of the Senate were extended to Mr. and Mrs. James Strausser and to Mr. and Mrs. Norbert E. Moyer by Senator Argall.

Congratulations of the Senate were extended to Les Petras and to Rose Artuso by Senator Brewster.

Congratulations of the Senate were extended to Cole Rinehart by Senator Brubaker.

Congratulations of the Senate were extended to Abby Traxler by Senator Corman.

Congratulations of the Senate were extended to Mary Louise Lee Glasser Smith and to the Senior Companion Program of the Allegheny County Area Agency on Aging by Senator Costa.

Congratulations of the Senate were extended to the Honorable Jolene Kopriva by Senator Eichelberger.

Congratulations of the Senate were extended to Michael Swantek and to Brian Michael Janas by Senator Fontana.

Congratulations of the Senate were extended to Robert A. Stark, Jr., by Senator Gordner.

Congratulations of the Senate were extended to Willard Hayes by Senator Hutchinson.

Congratulations of the Senate were extended to Joyce T. Brown and to James T. Harris III by Senator Pileggi.

Congratulations of the Senate were extended to Mark Andrew Woodard, Aaron Joseph Funaiock and to William Robert Ruschel by Senator Smith.

Congratulations of the Senate were extended to Kevin James Littrell by Senator Smucker.

Congratulations of the Senate were extended to William McCoy and to Paul David Hill by Senator Vance.

Congratulations of the Senate were extended to Colonel James A. Georges by Senator Washington.

Congratulations of the Senate were extended to Mr. and Mrs. John Slocum and to Mr. and Mrs. Gary Babcock by Senator Yaw.

Congratulations of the Senate were extended to Mason Everett by Senators Yudichak and Argall.

Congratulations of the Senate were extended to Michael Novrocki by Senators Yudichak and Baker.

CONDOLENCE RESOLUTIONS

The PRESIDENT laid before the Senate the following resolutions, which were read, considered, and adopted by voice vote:

Condolences of the Senate were extended to the family of the late Jesse G. Nace by Senators Alloway and Waugh.

Condolences of the Senate were extended to the family of the late Thomas Patrick Walsh and to the late Kathryn A. Kazarick by Senator Solobay.

BILL ON FIRST CONSIDERATION

Senator RAFFERTY. Mr. President, I move that the Senate do now proceed to consideration of a bill reported from committee for the first time at today's Session.

The motion was agreed to by voice vote.

The bill was as follows:

HB 440.

And said bill having been considered for the first time,
Ordered, To be printed on the Calendar for second consideration.

HOUSE MESSAGES

**HOUSE CONCURS IN SENATE AMENDMENTS
TO HOUSE BILLS**

The Clerk of the House of Representatives informed the Senate that the House has concurred in amendments made by the Senate to **HB 602**, **HB 784**, **HB 1112** and **HB 1482**.

HOUSE CONCURS IN SENATE BILL

The Clerk of the House of Representatives returned to the Senate **SB 914**, with the information the House has passed the same without amendments.

HOUSE BILLS FOR CONCURRENCE

The Clerk of the House of Representatives presented to the Senate the following bills for concurrence, which were referred to the committees indicated:

June 30, 2013

HB 79 -- Committee on Judiciary.

HB 939 -- Committee on Consumer Protection and Professional Licensure.

HB 1263 -- Committee on Transportation.

BILLS SIGNED

The PRESIDENT (Lieutenant Governor Jim Cawley) in the presence of the Senate signed the following bills:

SB 259, **SB 351**, **SB 914**, **HB 22**, **HB 602**, **HB 784**, **HB 1112**, **HB 1119**, **HB 1121**, **HB 1275**, **HB 1276**, **HB 1277**, **HB**

1278, HB 1279, HB 1280, HB 1281 HB 1282 HB 1359, HB 1478 and HB 1482.

LEAVE CHANGED

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I request that Senator Folmer's leave be changed from temporary Capitol leave to personal leave.

The PRESIDENT. Senator Pileggi requests that Senator Folmer's leave be changed from temporary Capitol leave to personal leave. Without objection, the leave will be changed.

SPECIAL ORDER OF BUSINESS SUPPLEMENTAL CALENDAR No. 5

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 465 (Pr. No. 2202) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, in tax for education, further providing for definitions, for exclusions from tax, for credit against tax, for licenses and for local receivers of use tax; providing for remote sales reports; providing for special taxing authority; in personal income tax, further providing for definitions, for classes of income and for taxability of partners; providing for tax treatment determined at partnership level and for tax imposed at partnership level; further providing for income of a Pennsylvania S Corporation, for income taxes imposed by other states and for operational provisions; providing for contributions for the Children's Trust Fund and for contributions for American Red Cross; further providing for general rule, for return of Pennsylvania S Corporation, for requirements concerning returns, notices, records and statements and for additions, penalties and fees; providing for citation authority; in corporate net income tax, further providing for definitions and for reports and payment of tax; in corporate stock and franchise tax, further providing for imposition and for expiration; in bank and trust company shares tax, further providing for imposition of tax, ascertainment of taxable amount and exclusion of United States obligations, for apportionment and for definitions; in realty transfer tax, further providing for definitions, for excluded transactions, for imposition of tax and for acquired company; providing for nonlicensed corporation pari-mutuel wagering tax; in film production tax credit, further providing for definitions, and for credit for qualified film production expenses; in educational opportunity scholarship tax credit, further providing for scholarships; repealing provisions relating to coal waste removal and ultraclean fuels tax credit; making an editorial change; in job creation tax credit, further providing for tax credits; providing for city revitalization and improvement zones, for mobile telecommunications broadband investment tax credit, for the innovate in PA Program, for neighborhood improvement zones and for Keystone Special Development Zone program; in inheritance tax, further providing for transfers not subject to tax and for exemption for poverty; in inheritance tax, further providing for liabilities and for deductions not allowed; in procedure and administration, further providing for definitions and for petition for reassessment; providing for the Board of Finance and Revenue; further providing for review by the Board of Finance and Revenue; providing for a report concerning the significant changes in the structure and regulatory environment within the banking industry; and making related repeals.

Considered the third time and agreed to,

And the amendments made thereto having been printed as required by the Constitution,

On the question,
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Ferlo.

Senator FERLO. Mr. President, it is late in the hour, and I certainly would not want to delay any proceedings. But, as I look quickly through this very lengthy document, I do not see what I thought was in the earlier document relative to reform of the realty transfer tax. Basically, it was something worked out with the administration. I do not see it in the language. I was wondering if someone could stand for interrogation. I do not know if Senator Corman is still here or if another illustrious person can comment on that.

Senator PILEGGI. Mr. President, I will try to answer the gentleman's question, if he could pose the question maybe more precisely.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Ferlo.

Senator FERLO. Mr. President, with the great cooperation of the Secretary of Revenue, his staff, and up until this point Senator Scarnati, Senator Corman, Senator Hughes, certainly my office, we had worked out the closing of a loophole relative to the realty transfer tax, something that was referred to previously as the 89-11, which was corrected. We had to go further because, with all due respect to creative lawyers, they found yet another way to get another loophole, and I believe this loophole was to be closed. If it is in the document, I had to thumb through it quickly just right now, we just received it and I just want to make sure it is actually in there because as I thumb through the 80- or 60-page document, I do not see it. Could we be at ease for one minute?

Senator PILEGGI. Mr. President, I believe that the gentleman is referring to the 89-11 loophole, that is the phrase, and it was certainly the intent that it would be included in this bill. If we could be at ease for just one second, I will get a page and line reference.

The PRESIDENT. The Senate will be at ease.

Senator FERLO. Thank you.

(The Senate was at ease.)

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Ferlo.

Senator FERLO. Mr. President, I apologize for the delay, reading this quickly, 100 pages, it is actually on a couple of pages, roughly around page 67. It is obscurely written, probably because it is legalese, but in any event, it is in there. My apologies, and obviously I want to speak in favor of the code and I will defer my comments by submitting them for the public record. Thank you.

The PRESIDENT. Without objection, the remarks will be spread upon the record.

(The following prepared remarks were made part of the record at the request of the gentleman from Allegheny, Senator FERLO:)

Mr. President, as many of you know, I have been trying for several years to close the so-called "89-11" loophole. The 89-11 loophole allowed companies to structure a real estate transaction that transferred a real estate company in two parts. The first 89 percent of

the company would be sold to the buyer, and then after a 3-year waiting period, the seller would transfer the remaining 11 percent. It was simply sleight-of-hand. In last year's Tax Code amendments, we were able to adopt provisions that made significant changes to help the State and local governments close the loophole. However, as crafty lawyers are prone to do, another loophole quickly took its place. Within 6 months of having passed the new legislation, two Pittsburgh office structures were purchased employing the new loophole.

This year, we are taking another step toward making sure that fairness and equity are embedded in our tax structure by addressing this new loophole. By defining tiered corporate structures and more broadly detailing the types of contractual relationships that trigger the collection of the realty transfer tax as it relates to real estate companies, we will be leveling the tax playing field. Families purchasing a home have always been paying the freight, companies buying and selling a corporate skyscraper should have to do the same. Large corporations will no longer be able to hide behind shell companies in order to transfer property from one owner to the next. The Department of Revenue projects that the State's 1-percent tax will raise \$4.3 million in fiscal year 2013-14, and \$11.5 million in 2014-15, which is often matched on the local level, helping to balance budgets. For instance, in Pittsburgh, the city collects a 2-percent tax and the school district collects a 1-percent tax.

I want to thank Department of Revenue Secretary Meuser and the staffs of Senator Scarnati, Senator Corman, and Senator Hughes for working with me to achieve more equity in the Tax Code and help State and local governments collect taxes that should have always been due.

The PRESIDENT. The Chair recognizes the gentleman from Dauphin, Senator Teplitz.

Senator TEPLITZ. Mr. President, I am going to vote for House Bill No. 465 notwithstanding the earlier failure of my amendment. I would not want to deprive any municipality from competing for a worthwhile economic development program, period.

I do have a couple of concerns about the bill, separate concerns that I would just like to get on the record briefly. I think there are a lot of good things in here: the Innovate PA, the tax checkoffs for the Children's Trust Fund, and the American Red Cross. I saw there was a veterans program in there. But there are two things that do not make sense to me that are not enough to cause me to vote against the bill, but that I just want to get on the record.

The first is the reform to the Pennsylvania Board of Finance and Revenue. For the benefit of the Members, this is a tax appeals board. After a taxpayer receives an unfavorable decision from the Department of Revenue, they can appeal to the Board of Finance and Revenue. I sat on that board on and off for several years. It is being changed from an entity that would provide an independent check and balance on the Department of Revenue to a board that would be controlled by the Governor with two appointees by the Governor. It does not seem to make sense to me why one would replace an independent check and balance with a board that would be controlled by the Governor when you are appealing the Governor's own administration. Apparently, the Auditor General, who is now on the board; the State Treasurer, who is on the board; and perhaps others have agreed to this. It does not make sense to me. No one talked to me about it. It would seem to me that we would want to make sure that the corporate taxpayers and the individual taxpayers can get a fair chance by an unbiased body, but so be it.

The other question that I have or the other concern that I have, rather, in the State budget that we passed earlier today, there was \$550 million--

POINT OF ORDER

Senator BRUBAKER. Mr. President, point of order.

The PRESIDENT. For what purpose does the gentleman rise?

Senator BRUBAKER. Mr. President, if the Member would permit me, I would like to take his responses one at a time, if he believes that would be in order.

Senator TEPLITZ. Mr. President, sure.

Senator BRUBAKER. Mr. President, thank you. The gentleman brings up the tax appeals reform issue, it is the Board of Finance and Revenue. It reorganizes the existing Board of Finance and Revenue to include three full-time members, as the gentleman stated. The Auditor General, the Attorney General, and the Governor signed off on this modification. It is two members nominated by the Governor and approved by this very body. The Treasurer also signed off on these modifications.

Thank you, Mr. President.

Senator TEPLITZ. Mr. President, I appreciate that. I was aware of that much. And I do not want to belabor this. The rationale is just beyond me because the whole purpose of the board, originally, was to make sure there is an independent check on decisions by the Department of Revenue. What is going to happen is, you appeal a decision by the Department of Revenue to a further body controlled by the same administration that controls the Department of Revenue. This was an issue that came up probably 7 or 8 years ago that I fought hard against and I was successful and did not have the opportunity to fight against it this year. Again, it is not going to determine my vote.

The other point, just to get on the record, that does not make sense to me, as I was saying, there is \$550 million in the State budget that was passed earlier. It does not go into the Rainy Day Fund but it just gets carried over into the next fiscal year. And so I am not sure why we are slowing down the phaseout of the capital stock and franchise tax in order to keep revenue from a corporate taxpayer or this would apply to any taxpayer, only to hold on to that money and not do anything with it. That does not make any sense to me. I would be interested in an answer to that question. I am not asking for it. But I wanted to get those two points on the record, and I appreciate the opportunity.

Senator BRUBAKER. Mr. President, just a point of clarification on the capital stock and franchise tax, the gentleman is correct. There is a modification in the tax bill that is before us. It adjusts the capital stock and franchise rate: 2014 year to 0.67 mills. In 2015, it goes to 0.45 mills, and then there is a retirement of the capital stock and franchise tax after the year 2016.

Senator TEPLITZ. Just to briefly address that point, I have always been consistent in wanting to phase out the capital stock and franchise tax. It has been ongoing over many years. It has been started and stopped and started and put on hold and stopped. I was supportive of my Caucus's position and remain supportive of it when that money was intended to invest in

certain priorities, but to slow down the phaseout and hold on to that money as part of the \$550 million that sits unspent in this budget makes no sense to me. Whether it is for a corporate taxpayer or other taxpayer, to keep their money and do nothing with it makes no sense to me as a matter of fairness to the taxpayers and fiscal responsibility. Thank you.

LEAVE CANCELLED

The PRESIDENT. Senator Folmer has returned, and his personal leave is cancelled.

And the question recurring,
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Philadelphia, Senator Williams.

Senator WILLIAMS. Mr. President, obviously, I have been preoccupied with the major initiatives that confront us in this budgetary season, but I have also been preoccupied with events in part of my district, and that is Philadelphia. As many of you know, the district is in severe financial crisis. The issues that are before them will not be solved simply by what we do in this budgetary season but will allow them to begin to address some of their own problems. For the benefit of the record, for those Members who have been watching and frankly have been quite helpful in this Chamber, I think a somewhat full report is appropriate.

Philadelphia, of its own accord, has reduced half of its administrative staff, central office staff over the last 2 years. The last 3 years, the Philadelphia community has raised its own property tax, the city council has raised its own property tax 3 years in a row. Further, they have reduced and right-sized the public school system by closing approximately 28 schools. But in addition to that, last year, they borrowed \$304 million, they borrowed the entire amount, with the debt to be paid this year. And so city council took it upon itself to provide approximately \$60 million to address that problem, and there was another large portion that the school district there, which is under State direction called the SRC, came to Harrisburg to request.

The Governor and Members of this Senate have been aggressively involved in providing solutions to that situation. While there may be debate about how it should be done and what we would prefer, it should be acknowledged that the Governor and Members of the Republican Leadership and Members of the Democratic Leadership, and certainly rank-and-file Members have paid countless hours of paying attention to those details, most significantly to the 3,800 people who will be laid off, but more importantly to the almost 200,000 schoolchildren who will be significantly affected.

This particular bill addresses a significant portion of that, provides one mechanism in terms of a solution, and I thank the Members of this Chamber who brought us to this moment in opportunity. For those reasons, and obviously other opportunities presented in this code, I will be supporting it. My hope is that it will reach the House and will be likely favored, it will make it to the Governor's desk, and some portion of what our responsibility as a Commonwealth will be addressed as we move this code forward.

Thank you, Mr. President.

Senator BRUBAKER. Mr. President, may I respond?

The PRESIDENT. The Chair recognizes the gentleman from Lancaster, Senator Brubaker, for the second time.

Senator BRUBAKER. Mr. President, the gentleman just made numerous valid points. Within House Bill No. 465 as amended on the tax bill summary, notes--and this is for the viewers, everyone in the Chamber is fully aware of this--we have a sales tax of 6 percent across the Commonwealth of Pennsylvania, 7 percent in the city of Pittsburgh, and 8 percent in the city of the first class, Philadelphia. That sales tax was going to sunset sometime in the near future. This article removes the sunset provision for that sales tax for Philadelphia to utilize. It also provides \$120 million in revenue which will be earmarked for the Philadelphia school system, and \$15 million to be given to the city of Philadelphia to be used for debt service for up to 4 years.

Thank you, Mr. President.

And the question recurring,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-47

Alloway	Farnese	Rafferty	Vogel
Argall	Ferlo	Robbins	Vulakovich
Baker	Fontana	Scarnati	Ward
Blake	Gordner	Schwank	Washington
Boscola	Greenleaf	Smith	Waugh
Brewster	Hughes	Smucker	White
Browne	Kasunic	Solobay	Wiley
Brubaker	Kitchen	Stack	Williams
Corman	Leach	Tartaglione	Wozniak
Costa	McIlhinney	Teplitz	Yaw
Dinniman	Mensch	Tomlinson	Yudichak
Erickson	Pileggi	Vance	

NAY-3

Eichelberger	Folmer	Hutchinson
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A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same with amendments in which concurrence of the House is requested.

HOUSE MESSAGE

HOUSE CONCURS IN SENATE AMENDMENTS TO HOUSE BILL

The Clerk of the House of Representatives informed the Senate that the House has concurred in amendments made by the Senate to **HB 1437**.

BILLS SIGNED

The PRESIDENT (Lieutenant Governor Jim Cawley) in the presence of the Senate signed the following bills:

HB 1437 and **HB 1490**.

ANNOUNCEMENTS BY THE SECRETARY

The following announcements were read by the Secretary of the Senate:

SENATE OF PENNSYLVANIA

COMMITTEE MEETINGS

WEDNESDAY, JULY 10, 2013

1:00 P.M.	SPECIAL EDUCATION FUNDING FORMULA COMMISSION (to consider financing of special education)	Hrg. Rm. 1 North Off.
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FRIDAY, SEPTEMBER 13, 2013

2:00 P.M.	GAME AND FISHERIES (public hearing to gather information about: overview of elk herd in PA; elk viewing and economic development; overview of Keystone Elk County Alliance; and 100th Anniversary of the Reintroduction of the Elk Program in PA)	Elk County Visitors Ctr. Benzette
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MOTION TO RECESS, WITHDRAWN

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I move that the Senate recess to the call of the President pro tempore.

Senator COSTA. Mr. President, may we reconsider the vote in which the House Bill No. 465 just passed finally?

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I withdraw my motion to recess, at the request of my friend, the Minority Leader.

**SPECIAL ORDER OF BUSINESS
SUPPLEMENTAL CALENDAR No. 5 RESUMED**

RECONSIDERATION OF HB 465

BILL ON FINAL PASSAGE

HB 465 (Pr. No. 2202) -- Senator COSTA. Mr. President, I move to reconsider the vote by which the bill passed finally.

A voice vote having been taken, the question was determined in the affirmative.

And the question recurring,
Shall the bill pass finally?

The yeas and nays were taken agreeably to the provisions of the Constitution and were as follows, viz:

YEA-46

Alloway	Farnese	Robbins	Vulakovich
Argall	Ferlo	Scarnati	Ward
Baker	Fontana	Schwank	Washington
Blake	Gordner	Smith	Waugh
Boscola	Greenleaf	Smucker	White
Browne	Hughes	Solobay	Wiley
Brubaker	Kitchen	Stack	Williams
Corman	Leach	Tartaglione	Wozniak
Costa	McIlhinney	Teplitz	Yaw

Dinniman	Mensch	Tomlinson	Yudichak
Eichelberger	Pileggi	Vance	
Erickson	Rafferty	Vogel	

NAY-4

Brewster	Folmer	Hutchinson	Kasunic
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A constitutional majority of all the Senators having voted "aye," the question was determined in the affirmative.

Ordered, That the Secretary of the Senate return said bill to the House of Representatives with information that the Senate has passed the same with amendments in which concurrence of the House is requested.

RECESS

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I move that the Senate do now recess to the call of the President pro tempore.

The motion was agreed to by voice vote.

AFTER RECESS

The PRESIDENT. The time of recess having expired, the Senate will come to order.

RECESS

The PRESIDENT. The Chair recognizes the gentleman from Delaware, Senator Pileggi.

Senator PILEGGI. Mr. President, I move that the Senate do now recess until Wednesday, July 3, 2013, at 12 noon, Eastern Daylight Saving Time, unless sooner recalled by the President pro tempore.

The motion was agreed to by voice vote.

The Senate recessed at 11:59 p.m., Eastern Daylight Saving Time.