

COMMONWEALTH OF PENNSYLVANIA

Legislative Journal

TUESDAY, JUNE 30, 2015

SESSION OF 2015 199TH OF THE GENERAL ASSEMBLY

No. 47

SENATE

TUESDAY, June 30, 2015

The Senate met at 10:30 a.m., Eastern Daylight Saving Time.

The PRESIDENT (Lieutenant Governor Mike Stack) in the Chair.

PRAYER

The Chaplain, Reverend CRISTOVAL WRIGHT, Bishop of Bruderhof Church Communities, Farmington, offered the following prayer:

Good morning, Senators. Thank you, Senator Stefano, for inviting me. We wish you all the courage as you face the serious problems of today.

Let us pray.

Our Father in heaven, hallowed be Your name. Your kingdom come, Your will be done, on earth as it is in heaven. Thank You, Lord, that we can gather today in the Commonwealth of Pennsylvania that so many years ago was founded by those who put their trust in You. Let us always have reverence for what is sacred and remember Your words from Psalm 33: Blessed is a nation whose God is the Lord. Give us the strength and the wisdom to do what is right, to trust You, and to seek Your will in all we do, regardless of the cost.

Direct our words, our work, and our decisions. Give us the courage to be peacemakers in this world, which is so full of hate, grief, and misfortune. We know that even as the blood of evil breaks around us, You will uphold us. We put our trust in You, almighty God. Protect us during the summer break. Be with our families and our children. Be with all children. In the words of our Founding Father George Washington: Bless, O Lord, the whole race of mankind, and let the world be filled with the knowledge of Thee and Thy son, Jesus Christ. We praise and honor Your name and thank You for Your many blessings. In Jesus' name we pray. Amen.

The PRESIDENT. The Chair thanks Bishop Wright, who is the guest today of Senator Stefano.

PLEDGE OF ALLEGIANCE

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

COMMUNICATION FROM THE GOVERNOR

CORRECTION TO CORRECTION TO NOMINATION REFERRED TO COMMITTEE

The PRESIDENT laid before the Senate the following communication in writing from His Excellency, the Governor of the Commonwealth, which was read as follows and referred to the Committee on Rules and Executive Nominations:

MAGISTERIAL DISTRICT JUDGE

June 30, 2015

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

Please note that the letter and the correction dated June 26, 2015, for Jacob M. Maldonado, 133 State Street, #2, Harrisburg 17101, Dauphin County, Fifteenth Senatorial District, for appointment as Magisterial District Judge, in and for the County of Northampton, Magisterial District 03-3-03, to serve until the first Monday of January 2016, vice The Honorable Todd Strohe, deceased, should be corrected to read:

Jacob M. Maldonado, 133 State Street, #2, Harrisburg 17101, Dauphin County, Fifteenth Senatorial District, for appointment as Magisterial District Judge, in and for the County of Northampton, Magisterial District 03-3-03, to serve until the first Monday of January 2018, vice The Honorable Todd Strohe, deceased.

TOM WOLF
Governor

HOUSE MESSAGES

SENATE BILL RETURNED WITH AMENDMENTS

The Clerk of the House of Representatives returned to the Senate **SB 655**, with the information the House has passed the same with amendments in which the concurrence of the Senate is requested.

The PRESIDENT. Pursuant to Senate Rule 13(c)(2)(i), the bill will be referred to the Committee on Rules and Executive Nominations.

HOUSE CONCURS IN SENATE BILLS

The Clerk of the House of Representatives returned to the Senate **SB 330**, **SB 687** and **SB 688** with the information the House has passed the same without amendments.

LEGISLATIVE LEAVE

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

Senator CORMAN. Mr. President, I request a legislative leave for Senator Argall.

The PRESIDENT. Senator Corman requests a legislative leave for Senator Argall. Without objection, the leave will be granted.

SENATE CONCURRENT RESOLUTION**WEEKLY RECESS**

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

In the Senate, June 30, 2015

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 21, 2015, 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 Tuesday, August 25, 2015, unless sooner recalled by the Speaker of the House of Representatives; and be it further

RESOLVED, Pursuant to Article II, Section 14, of the Pennsylvania Constitution, that when the House of Representatives recesses the week of August 25, 2015, it reconvene on Monday, September 21, 2015, 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 CORMAN and were as follows, viz:

YEA-49

Alloway	Eichelberger	Mensch	Vogel
Argall	Farnese	Pileggi	Vulakovich
Aument	Folmer	Rafferty	Wagner
Baker	Fontana	Sabatina	Ward
Bartolotta	Gordner	Scarnati	White
Blake	Greenleaf	Scavello	Wiley
Boscola	Haywood	Schwank	Williams
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Browne	Kitchen	Tartaglione	Yudichak
Corman	Leach	Teplitz	
Costa	McGarrigle	Tomlinson	
Dinniman	Mellhinney	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.

**GUEST OF SENATOR VINCENT J. HUGHES
PRESENTED TO THE SENATE**

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

Senator HUGHES. Mr. President, it does me a great honor to introduce to this body, the Senate of Pennsylvania, Miss Pennsylvania Teen USA, Jasmine Daniels. Eighteen-year-old Jasmine is a freshman at Immaculata University, majoring in fashion merchandising with plans to double minor in buying and marketing. With sewing and constructing designs being her strongest talents, Jasmine's career ambition is to become a fashion merchandiser, working as a buyer while also designing clothing and owning her own business. Ultimately, Jasmine is working toward building her own beauty and fashion empire. Not operation, Mr. President, an empire. Jasmine's current occupation is merchandising for Rachele Boutique. More notably, she is conducting an antibullying campaign offering advice, tips, and guidance to youth through school presentations, as well as her blog, B.R.A.V.O., Buddies Raising Awareness for Victims of bullying Online.

Aside from her job and service to young people, Jasmine enjoys shopping, as you would expect, and offers beauty and hair tips—which I do not need—on her fashion blog on YouTube. This humble, determined, optimistic young woman will represent Pennsylvania as she competes in the 2015 Miss Teen USA Pageant, which can be viewed via webcast from the Atlantis Resort in the Bahamas on Saturday, August 22. Her reign would give her a greater platform to use her voice to connect with teens regarding issues like bullying and self-esteem. Volunteer work with her key partners, like Best Buddies and Project Sunshine, would also be required of Miss Daniels, as well as interviews and appearances with local and national media outlets.

Mr. President, I ask that this body give Miss Pennsylvania Teen USA, that is right, I said it, Miss Pennsylvania Teen USA, Jasmine Daniels, a warm and welcome round of applause.

The PRESIDENT. Would the guest of Senator Hughes, Miss Pennsylvania Teen USA, Jasmine Daniels, please rise so that the Senate may welcome you and wish you luck. That was a fabulous Miss Pennsylvania Teen USA introduction and a fabulous Miss Pennsylvania Teen USA wave and presentation. Good luck, and we know you will win and make us proud.

(Applause.)

**GUESTS OF SENATOR PATRICK J. STEFANO
PRESENTED TO THE SENATE**

The PRESIDENT. The Chair recognizes the gentleman from Fayette, Senator Stefano.

Senator STEFANO. Mr. President, I give my heartfelt thanks to my constituent, Bishop Cristoval Wright, for serving as our guest Chaplain today in offering the opening prayer for Session. Bishop Wright is the Bishop of the Bruderhof Church Communities of Farmington, Fayette County. He has been Bishop for the past 5 years. He is also accompanied by his lovely wife, Erica Wright, and also many of the fifth- and sixth-grade boys and girls in the gallery from the community, along with their parents.

I would like to give them a warm Senate welcome for their journey here and all that they are going to learn as they watch our proceedings today.

The PRESIDENT. Would the guests of Senator Stefano please rise so that the Senate may welcome you. Thank you so much, Bishop Wright.

(Applause.)

GUESTS OF SENATOR JUDY SCHWANK PRESENTED TO THE SENATE

The PRESIDENT. The Chair recognizes the gentlewoman from Berks, Senator Schwank.

Senator SCHWANK. Mr. President, it is my pleasure to introduce two of the interns who are in my district office in Muhlenberg Township this summer. Mr. President, I really enjoy working with interns. They energize our office, they get the staff thinking in new and different ways, and we are able to accomplish some projects that otherwise we would not be able to. I have to tell you, the two young people who are here with us today and who are working back in my office are doing exactly that. They have been great and we are so proud to have them.

Emma Fishburn is going to be a senior in the fall at Kutztown University, where she is studying political science. Emma plans to work at Merrill Lynch. She knows what she is going to do after she graduates, until she gets further involved in politics and volunteering abroad. Emma aspires to volunteer with Global Vision International in Central America, where she will teach English and community development and will experience an intimate look into the communities and their culture, while learning Spanish and improving the education and support available to local children. Her plan is to go to Mexico, where she will volunteer at a children's center where their focus is to empower young children to know and apply their rights.

Also with me today is Carver Murphy. Carver is a junior in the Schreyer Honors College at Penn State, University Park. Mr. President, we know that is quite a distinctive position, to be in the Schreyer Honors College at the university. Carver is studying history and political science. He has extensive experience in youth philanthropy and is currently working to found a youth grant-making committee in Centre County with his twin brother, McQuillan. Carver and his family actually reside in Senator Argall's district, but I have known him since he was a young boy and was so delighted when he agreed to come and work at our office. I am very pleased to have the talents of both Emma and Carver as part of my staff, and I hope that their experience in my office will be a catalyst to rewarding careers for both of them. They are on to a bright future. I can see it, Mr. President. Thank you.

The PRESIDENT. Would the guests of Senator Schwank, two young, great Pennsylvanians, Emma and Carver, please rise so that we may welcome you to the Pennsylvania Senate.

(Applause.)

SPECIAL ORDER OF BUSINESS ANNOUNCEMENT BY THE SECRETARY

The SECRETARY. Permission has been granted for the Committee on Transportation to meet today off the floor in the Rules room to consider Senate Bill No. 765, Senate Bill No. 929, Senate Bill No. 931, House Bill No. 441, House Bill No. 605, House

Bill No. 735, House Bill No. 817, House Bill No. 870, House Bill No. 898, and House Bill No. 987.

CALENDAR

THIRD CONSIDERATION CALENDAR

HB 501 CALLED UP OUT OF ORDER

HB 501 (Pr. No. 1319) -- Without objection, the bill was called up out of order, from page 5 of the Third Consideration Calendar, by Senator CORMAN, as a Special Order of Business.

BILL AMENDED

HB 501 (Pr. No. 1319) -- The Senate proceeded to consideration of the bill, entitled:

An Act designating the Conodoguinet Bridge on that portion of State Route 641 over the Conodoguinet Creek, Hopewell Township, Cumberland County, as the Army Pfc. Harold "Sam" E. Barrick Memorial Bridge.

On the question,

Will the Senate agree to the bill on third consideration?

Senator RAFFERTY offered the following amendment No. A3029:

Amend Bill, page 1, line 4, by striking out the period after "Bridge" and inserting:

; designating the bridge located on that portion of State Route 865, over the railroad tracks and Main Street in Bellwood, Blair County, as the Dominec M. "Patsy" Padula Memorial Bridge; designating the bridge on that portion of State Route 940 over Tobyhanna Creek (Pocono Lake) in Tobyhanna Township, Monroe County, as the Sullivan Bridge; designating a bridge on that portion of State Route 155 over the Allegheny River, Port Allegany Borough and Liberty Township, McKean County, as the Port Allegany Veterans Memorial Bridge; designating a bridge on that portion of Local Route T-325 over the Allegheny River, Coudersport Borough, Potter County, as the Lt. William E. Daisley, Jr., Memorial Bridge; designating the bridge on that portion of State Route 3005 over the outlet of Lily Lake, Conyngham Township, Luzerne County, as the Senior Officer Eric J. Williams Memorial Bridge; designating the bridge on that portion of State Route 3005 over the West Branch of the Susquehanna River, Greenwood Township, Clearfield County, as the 1st Lieutenant Wendell Elbert Ross Memorial Bridge; designating a bridge on that portion of State Route 3007 over the Red-bank Creek, Summerville Borough, Jefferson County, as the Summerville Veterans Memorial Bridge; and renaming the bridge on that portion of U.S. Route 219 over U.S. Route 422 in Ebensburg Borough, Cambria County, as the Alexander Miller Abercrombie Memorial Bridge.

Amend Bill, page 2, by inserting between lines 14 and 15: Section 2. Dominec M. "Patsy" Padula Memorial Bridge.

(a) Findings and declarations.--The General Assembly finds and declares as follows:

(1) Technician 4th Grade Dominec Michele Padula served with Headquarters Company 629th Tank Destroyer Battalion, United States Army, in the European Theater during World War II.

(2) He was inducted into service on December 10, 1941, and served until honorably discharged on October 27, 1945. His foreign service was from January 9, 1944, until October 13, 1945.

(3) Dominec received five Bronze Stars during the following World War II campaigns:

- (i) Normandy, Omaha Beach.
- (ii) Northern France.
- (iii) Rhineland.
- (iv) Ardennes, Battle of the Bulge.
- (v) Central Europe.

(4) Additionally, he earned the following medals:

- (i) Good Conduct Medal.
- (ii) American Theater Service Medal.
- (iii) European-African-Middle Eastern Service Medal.

(5) Dominec was born in the Rieghtown section of Bellwood on February 23, 1919, of immigrant parents from Aquaviva D'Isernia, Italy. He married Evelyn Snyder and was the father of Michael Richard Padula and David Allen Padula, grandfather to Bethany Louise (nee) Padula Mallino and Benjamin David Padula and great-grandfather to Margaret Kathryn Mallino and Abigail Louise Mallino. He passed away May 5, 2008, in Altoona, Pennsylvania.

(6) He worked for the Pennsylvania Railroad at several locations, including the Juniata Shops, Altoona's Freight and Caboose shops and the Samuel Rea Shops in Hollidaysburg. He was employed from March 31, 1941, with a gap in employment for World War II, until he retired on May 27, 1980, with over 39 years of employment.

(b) Designation.--The bridge located on that portion of State Route 865, over the railroad tracks and Main Street in Bellwood, Blair County, is designated the Dominec M. "Patsy" Padula Memorial Bridge.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs to indicate the designation under subsection (b).

Section 3. Sullivan Bridge.

(a) Findings and declarations.--The General Assembly finds and declares as follows:

(1) In 1779, General George Washington ordered General John Sullivan to take approximately 30% of the Continental Army into Upstate New York. The purpose was to quash the aligned British and Six Nations of the Iroquois, who were invading Wilkes-Barre, killing hundreds of military and civilians. The ultimate goal of the British was to gain control of the Susquehanna River from Upstate New York to Baltimore, splitting the colonies to end the rebellion.

(2) As the Army gathered in Easton, there was no road over the Pocono Mountains to accommodate thousands of troops, horses, wagons, cannons and supplies. Two regiments of 500 military road builders accomplished the task in just six weeks, from Tannersville to Wilkes-Barre. It was a desolate area of forests and swamps, requiring a Herculean effort with just hand tools. The worst section, known as the Great Swamp, was located in what is now Tobyhanna Township. The only bridge the military road builders needed to construct for the new road was over the Tobyhanna Creek. It was immediately named Sullivan Bridge by the construction army. Through the years, the bridge naming was forgotten and should rightfully be restored.

(3) Sullivan's Expedition was a success, remarkably with fewer than 50 fatalities. It stopped the British in their tracks, contributing significantly to the birth of our nation. Equally impressive is that the new road, Sullivan's Trail over the Pocono Mountain, opened the region to settlement and development by connecting northeastern Pennsylvania and Upstate New York to the Philadelphia area and its port.

(4) Today, Sullivan Bridge continues to significantly serve the region. State Route 940 provides important access to western Monroe County and points beyond. It serves as the major alternative to Interstate 80 in cases of emergencies on the heavily traveled interstate highway. It is at the center of recreational tourism for the Poconos, allowing thousands to enjoy the streams, lakes, forests and all that abounds in the area.

(5) The bridge, named for General John Sullivan, represents the northeastern Pennsylvania region's vital role in preserving over time our nation's independence.

(b) Designation.--The bridge located on that portion of State Route 940, over Tobyhanna Creek (Pocono Lake) in Tobyhanna Township, Monroe County, is hereby designated the Sullivan Bridge.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs to indicate the designation under subsection (b).

Section 4. Port Allegany Veterans Memorial Bridge.

(a) Findings.--The General Assembly finds and declares that Port Allegany Borough and Liberty Township wish to honor their citizens who have served or are currently serving our nation in the armed forces.

(b) Designation.--The bridge located on State Route 155 at segment 0160 offset 2314 over the Allegheny River, Port Allegany Borough and Liberty Township, McKean County, is hereby designated as the Port Allegany Veterans Memorial Bridge.

(c) Signs.--The Department of Transportation shall erect and main-

tain appropriate signs displaying the name of the bridge to traffic in both directions on the bridge.

Section 5. Lieutenant William E. Daisley, Jr., Memorial Bridge.

(a) Findings.--The General Assembly finds and declares as follows:

(1) Lt. William E. Daisley, Jr., was an outstanding scholar, role model and athlete at Coudersport Area High School.

(2) Lt. Daisley accepted appointment to the U.S. Naval Academy and graduated with high honors.

(3) Lt. Daisley was an A-6 pilot and landing signal officer assigned to Attack Squadron 34.

(4) On March 15, 1993, Lt. Daisley and Lieutenant Commander Fred D. Dillingham were conducting an F-14 familiarization flight as part of a training exercise off the coast of North Carolina and their plane failed to return.

(5) Navy and Coast Guard aircraft started search and rescue operations and the wreckage from the F-14 was spotted later that afternoon 20 miles east of Nags Head, North Carolina, and the aviators' bodies were never recovered.

(6) Lt. Daisley is consistently referred to as an inspirational figure by his friends, classmates and others who knew him and is deeply missed by his community.

(b) Designation.--The bridge located on Local Route T-325 in Coudersport Borough, Potter County, over the Allegheny River is hereby designated the Lt. William E. Daisley, Jr., Memorial Bridge.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the bridge to traffic in both directions on the bridge.

Section 6. Senior Officer Eric J. Williams Memorial Bridge.

(a) Declaration of policy.--The General Assembly finds and declares as follows:

(1) Officer Eric J. Williams was dedicated to serving his country, his Commonwealth and his community.

(2) After graduating from King's College with a criminal justice degree, Officer Williams began serving his county as a Federal corrections officer on September 11, 2011.

(3) Officer Williams was tragically killed at the United States Penitentiary-Canaan by an inmate who assaulted him with a homemade weapon as he was preparing to lock up inmates.

(4) Officer Williams' courageous service to the people of this Commonwealth will never be forgotten.

(b) Designation.--The bridge located on S.R. 3005 in Conyngham Township, Luzerne County, over the outlet of Lily Lake is hereby designated as the Senior Officer Eric J. Williams Memorial Bridge.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the bridge to traffic in both directions on the bridge.

Section 7. Wendell Elbert Ross Memorial Bridge.

(a) Findings.--

(1) 1st Lieutenant Wendell Elbert Ross was born in Lumber City, Pennsylvania, and bravely served in Company B, 141st Infantry Regiment, 36th Infantry Division of the United States Army during World War II.

(2) While heroically serving his country, 1st Lieutenant Ross was killed by sniper fire in Italy on February 11, 1944.

(b) Designation.--The bridge located on State Route 3005 in Greenwood Township, Clearfield County, over the West Branch of the Susquehanna River is hereby designated the 1st Lieutenant Wendell Elbert Ross Memorial Bridge.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the bridge to traffic in both directions on the bridge.

Section 8. Summerville Veterans Memorial Bridge.

(a) Designation.--The bridge located on State Route 3007 in Summerville Borough, Jefferson County, over the Redbank Creek is hereby designated the Summerville Veterans Memorial Bridge to honor the 120 veterans buried in cemeteries in Summerville and the citizens of Summerville and Jefferson County who have served or are currently serving our nation in the armed forces.

(b) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the bridge to traffic in both directions on the bridge.

Section 9. Alexander Miller Abercrombie Memorial Bridge.

(a) Findings.--The General Assembly finds and declares as fol-

lows:

(1) The late Alexander Miller Abercrombie, Technician 5th Class, United States Army, of Revloc, Cambria County, was born May 7, 1921, in Kilsyth, Scotland.

(2) Technical Sergeant Abercrombie's family arrived in the United States April 23, 1923.

(3) Technical Sergeant Abercrombie attended Ebensburg-Cambria High School for one year before enlisting in the United States Army September 9, 1942.

(4) Technical Sergeant Abercrombie entered active military service September 20, 1942.

(5) Technical Sergeant Abercrombie completed Airborne training and served in Alaska before joining the Allied Campaign in Europe as a member of the 506th Parachute Infantry Regiment, 101st Airborne Division.

(6) While serving in the Ruhr Valley of Germany, Technical Sergeant Abercrombie and more than 100 members of his company came under attack during the course of a night raid launched April 11, 1945.

(7) Technical Sergeant Abercrombie, who was 24 years of age, was mortally wounded April 12, 1945, by German artillery after crossing the Rhine River into the village of Himmelgeist, Germany.

(8) Awarded the Purple Heart, Technical Sergeant Abercrombie was killed in action along with three other American paratroopers and is buried at Netherlands American Cemetery in Margraten, the Netherlands.

(b) Change of name.--The bridge on U.S. Route 219 which carries over to U.S. Route 422 in Ebensburg Borough, Cambria County, is hereby renamed the Alexander Miller Abercrombie Memorial Bridge.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs which shall display the name of the bridge designated in subsection (b).

Amend Bill, page 2, line 15, by striking out "2" and inserting:

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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 CORMAN.

PREFERRED APPROPRIATION BILL OVER IN ORDER TEMPORARILY

HB 1192 -- Without objection, the bill was passed over in its order temporarily at the request of Senator CORMAN.

NONPREFERRED APPROPRIATION BILLS OVER IN ORDER

SB 912, SB 913, SB 914, SB 915 and SB 916 -- Without objection, the bills were passed over in their order at the request of Senator CORMAN.

BILLS OVER IN ORDER

HB 14 and HB 60 -- Without objection, the bills were passed over in their order at the request of Senator CORMAN.

BILL AMENDED

HB 88 (Pr. No. 78) -- The Senate proceeded to consideration of the bill, entitled:

An Act designating a portion of State Route 309 North in Lynn Township, Lehigh County, between the intersections of Northwest Road and Long Court and Mosserville Road and Mountain Road, as the Lance Corporal Brandon J. Van Parys Memorial Road.

On the question,

Will the Senate agree to the bill on third consideration?

Senator RAFFERTY offered the following amendment No. A3031:

Amend Bill, page 1, line 4, by striking out the period after "Road" and inserting:

; designating a portion of State Route 2014 in Lycoming County as the Petty Officer Thomas Johnson Memorial Highway; designating a portion of State Route 61 in Schuylkill County, from State Route 443 to State Route 2014, as the Captain Jason B. Jones Memorial Highway; designating a portion of State Route 254 in Northumberland County as the Staff Sergeant Thomas Allen Baysore Memorial Highway; designating the portion of State Route 443 within the municipal boundaries of Orwigsburg Borough, Schuylkill County, as the Corporal David F. Heiser Memorial Highway; designating a portion of State Route 15 in Lycoming County as the Kelly Rae Mertes DUI Awareness Memorial Highway; designating a portion of State Route 153 from segment 80 to segment 310 in Clearfield County as the Austin M. Harrier Memorial Highway; designating a portion of State Route 422 in Lebanon County as the Officer Michael H. Wise II Memorial Highway; designating Exit 26 from the Mon-Fayette Expressway in Luzerne Township, Fayette County, as the Ronald F. DeSalvo Memorial Interchange; designating a portion of Davisville Road in Upper Moreland Township, Montgomery County, from State Route 611, also known as York Road, to Terwood Road as the PFC Robert S. Alexander Memorial Highway; and designating a portion of State Route 22/322 in Juniata County as the Honorable Daniel F. Clark Memorial Highway.

Amend Bill, page 2, by inserting between lines 24 and 25:

Section 2. Petty Officer Thomas Johnson Memorial Highway.

(a) Findings.--The General Assembly finds and declares as follows:

(1) On the morning of April 10, 1963, the USS Thresher began a deep diving test about 200 miles to the east of Cape Cod, Massachusetts, with the submarine rescue ship USS Skylark standing by overhead.

(2) The USS Thresher was less than two years old and was the lead boat in a new class of nuclear powered, fast attack submarines designed to be a weapon of deterrence at the height of the Cold War and was considered the most advanced naval vessel of its time.

(3) At 9:03 a.m., the USS Skylark received a garbled transmission over the underwater telephone reporting that the USS Thresher was experiencing minor difficulties.

(4) The USS Thresher and the 129 men it carried, including 17 civilians, never returned to the surface.

(5) The loss of the USS Thresher is one of the worst submarine disasters the world has ever known.

(6) After the tragedy, the Navy created SUBSAFE, a safety program that has ensured that no submarine passing through this process ever suffers a similar fate.

(7) Petty Officer Thomas Johnson was aboard the USS Thresher that day and sacrificed his life in service to his country.

(b) Designation.--The section of State Route 2014 in Lycoming County from Foresman Street in the city of Williamsport to State Route 220 in Woodward Township, is hereby designated the Petty Officer Thomas Johnson Memorial Highway.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the highway to traffic in both directions on the highway.

Section 3. Captain Jason B. Jones Memorial Highway.

(a) Findings.--

(1) Captain Jason B. Jones, a native of Orwigsburg, graduated with honors from Blue Mountain High School in 2003, having earned eight varsity letters.

(2) In 2007, Captain Jones graduated sixth in his class from West Point Military Academy with a degree in nuclear engineering.

(3) Captain Jones was awarded the Bronze Star for his performance during deployment to Iraq in 2008 to 2009.

(4) In May 2013, Captain Jones completed the Special Forces Qualification Course to join the ranks of the Army Special Forces, known as the Green Berets, and was deployed to Afghanistan in April 2014.

(5) While serving as commander of a 12-man Special Forces

A-Team in Jalalabad, Afghanistan, Captain Jones, age 29, made the ultimate sacrifice for his country when he was killed by small arms fire.

(b) Designation.--The section of State Route 61 in Schuylkill County, from State Route 443 to State Route 2014, is hereby designated the Captain Jason B. Jones Memorial Highway.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the highway to traffic in both directions on the highway.

Section 4. Staff Sergeant Thomas Allen Baysore Memorial Highway.

(a) Findings.--

(1) Staff Sergeant Thomas Allen Baysore was a native of Milton, Pennsylvania, and a graduate of Milton Senior High School.

(2) Upon graduation, Staff Sergeant Baysore enlisted in the United States Army.

(3) Staff Sergeant Baysore's distinguished 12-year career in the United States Army included three deployments to Afghanistan and one deployment to Iraq.

(4) Staff Sergeant Baysore's awards and citations include three Army Commendation Medals, five Army Achievement Medals, Valorous Unit Award, Army Superior Unit Award, four Army Good Conduct Medals, National Defense Service Medal, three Afghanistan Campaign Medals, Iraq Campaign Medal with Arrowhead, Global War on Terrorism Service Medal, two Noncommissioned Officer Professional Development Ribbons, Army Service Ribbon, Overseas Ribbon, NATO Defense Medal, U.S. Army Basic Recruiter Badge-Silver with two Gold Achievement Stars, three U.S. Army Basic Recruiter Badge-Gold with three Star Sapphires, Combat Infantryman's Badge, Expert Infantryman's Badge, Air Assault Badge, Parachutist Badge, Parachutist Badge with Distinguished Device, Bronze Service Star and Expert Marksman-ship Badge.

(5) Staff Sergeant Baysore was most recently assigned to Charlie Company, 1st Battalion, 506th Infantry Regiment, 4th Brigade Combat Team, 101st Airborne Division, at Fort Campbell, Kentucky, as a squad leader.

(6) On September 26, 2013, Staff Sergeant Baysore made the ultimate sacrifice in selfless service to his nation during combat operations in Paktya Province, Afghanistan.

(7) Staff Sergeant Baysore is remembered as a loving father to his son, Darren, a devoted husband to his wife, Jamie, and a cherished son and brother to his parents and sisters.

(b) Designation.--The section of State Route 254 in Northumberland County where it passes under State Route 147 to where it intersects with State Route 54 in Montour County is hereby designated the Staff Sergeant Thomas Allen Baysore Memorial Highway.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the highway to traffic in both directions on the highway.

Section 5. Corporal David F. Heiser Memorial Highway.

(a) Findings.--The General Assembly finds and declares as follows:

(1) Corporal David F. Heiser was born in Orwigsburg on September 2, 1947, and grew up in the borough. He graduated from Blue Mountain High School in 1965.

(2) In March 1968, Corporal Heiser answered the call of duty and enlisted in the United States Army to serve his country. He trained at Fort Benning, Georgia, as an infantryman and as an Army medic.

(3) In September 1968, he was promoted to the rank of corporal and was sent to Vietnam. His platoon was ambushed on February 2, 1969, in Binh Duong, Vietnam, and he was killed in action as a direct result of receiving enemy fire on that mission. He was serving as a medic for his platoon when his life was taken.

(4) Corporal Heiser received the Purple Heart medal for his fatal injuries in Binh Duong and the Bronze Star with Valor for his courageous actions that day. He is buried at Kimmels Church of God Cemetery in Orwigsburg, Schuylkill County.

(5) Corporal Heiser is remembered and honored on Panel 33W, Row 40 of the Vietnam Veterans Memorial in Washington, DC.

(b) Designation.--The section of State Route 443 from the eastern boundary of Orwigsburg Borough at State Route 443 and Faith Avenue through Orwigsburg Borough to the western boundary of Orwigsburg Borough at Seton Manor, Schuylkill County, is hereby designated the Corporal David F. Heiser Memorial Highway.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the highway to traffic in

both directions on the highway.

Section 6. Kelly Rae Mertes DUI Awareness Memorial Highway.

(a) Findings.--

(1) Born on January 23, 1986, in Williamsport, Kelly Rae Mertes was a lifetime member of St. Boniface Catholic Church, a recent honors graduate of Bishop Neumann High School and a gifted artist attending photography college in Lancaster.

(2) On February 5, 2005, Kelly Mertes' life was tragically cut short when, at 19 years of age, she was killed by a drunk driver nearly five times over the legal blood alcohol limit.

(3) Since the loss of their daughter, the Mertes family has for the last 10 years tirelessly supported the Lycoming County DUI Taskforce to prevent another tragedy from occurring.

(b) Designation.--The section of State Route 15 in Lycoming County from the Market Street/Hastings Street intersection to State Route 15/54 is hereby designated the Kelly Rae Mertes DUI Awareness Memorial Highway.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the highway to traffic in both directions on the highway.

Section 7. Austin M. Harrier Memorial Highway.

(a) Findings.--

(1) Austin M. Harrier was born on April 7, 1912, in Shiloh, Pennsylvania, and died on September 24, 2000.

(2) In 1930, Austin Harrier graduated from Clearfield High School, and in 1936 he graduated from Lock Haven State Teachers College.

(3) After working for 15 years as a teacher and later as an insurance agent and manager, Mr. Harrier was elected to represent the citizens of the 74th District of the House of Representatives.

(4) Representative Harrier served as State representative from 1962 through 1974, during which time he worked to secure funding for the construction of State Route 153.

(b) Designation.--The section of State Route 153 in Clearfield County from segment 80 to segment 310 is hereby designated the Austin M. Harrier Memorial Highway.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the highway to traffic in both directions on the highway.

Section 8. Officer Michael H. Wise II Memorial Highway.

(a) Designation.--The General Assembly finds and declares as follows:

(1) Officer Michael H. Wise II was born and raised in Lebanon County. He graduated in 1990 from Cedar Crest High School and in 1993 from the Center for Emergency Medicine in Pittsburgh.

(2) After serving as an EMT and paramedic in Lebanon, and later for six years in Pittsburgh, Officer Wise returned to his roots in Lebanon County and settled in Myerstown.

(3) In 2002, Officer Wise fulfilled his lifelong dream of a career in law enforcement when he was hired as a police officer by the City of Reading and graduated from the Reading Police Academy.

(4) Officer Wise was tragically killed in the line of duty on June 5, 2004.

(5) Officer Wise is survived by his wife, daughter, parents, sister and extended family.

(6) Officer Wise's memory lives on through the Michael H. Wise II Foundation.

(b) Designation.--The section of State Route 422 in Lebanon County from Ramona Road to the Lebanon/Berks County line is hereby designated the Officer Michael H. Wise II Memorial Highway.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the highway to traffic in both directions on the highway.

Section 9. Ronald F. DeSalvo Memorial Interchange.

(a) Findings.--The General Assembly finds and declares as follows:

(1) Ronald F. DeSalvo honorably served as a township supervisor in Luzerne Township, Fayette County, for 18 years.

(2) Supervisor DeSalvo was instrumental in leading the effort to have the Mon-Fayette Expressway completed, including a section that runs through Luzerne Township.

(3) Supervisor DeSalvo passed away on April 6, 2013.

(b) Designation.--Exit 26 from the Mon-Fayette Expressway in Luzerne Township, Fayette County, is hereby designated the Ronald F.

DeSalvo Memorial Interchange.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the interchange.

Section 10. PFC Robert S. Alexander Memorial Highway.

(a) Designation.--The section of Davisville Road in Upper Moreland Township, Montgomery County, from State Route 611, also known as York Road, to Terwood Road is hereby designated the PFC Robert S. Alexander Memorial Highway for PFC Alexander's service and sacrifice during the Vietnam War.

(b) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the highway to traffic in both directions on the highway.

Section 11. The Honorable Daniel F. Clark Memorial Highway.

(a) Findings.--The General Assembly finds and declares as follows:

(1) Daniel F. Clark was a Republican member of the Pennsylvania House of Representatives, representing the 82nd Legislative District from 1989 until 2002. The 82nd District includes all of Juniata County and portions of Mifflin and Franklin Counties.

(2) A native of Mifflintown, Dan was a 1972 graduate of East Juniata High School, 1976 graduate of Lycoming College, and 1979 graduate of Duquesne University School of Law.

(3) Dan was well known for his dedication as a public servant. He served as the Juniata County District Attorney from 1984 to 1988 and was first elected to the Pennsylvania House of Representatives in 1988.

(4) Representative Clark served as the Chairman of the House Judiciary Subcommittee on Courts where he was appointed as one of the lead prosecutors in the case to impeach Supreme Court Justice Rolf Larsen. His involvement was described as a "footnote to history".

(5) Representative Clark was also a tireless advocate for expanding the Route 322 corridor during his time in the legislature. He recognized the need for infrastructure investment in the region and put in the hard work to make sure it happened. To Dan's credit, his vision for a modernized transportation corridor in central Pennsylvania came to fruition and brought with it a better quality of life for many central Pennsylvanians and more opportunities for economic development and prosperity in the region.

(6) Dan would return again to the House of Representatives in December of 2010 to serve as Chief Counsel to the House Republican Appropriations Committee.

(7) Dan Clark was well respected in his community and enjoyed traveling, playing golf, Penn State football and spending time with his family.

(8) Sadly, on September 28, 2014, Dan Clark passed away at home surrounded by his family.

(9) He is survived by his loving wife, Debbie, and his children, Benjamin, Anna, and Liz. He is also survived by two brothers, Thomas and David, step-daughters, Valerie and Jessica, and step-grandchildren, Tino and Alanna.

(b) Designation.--The section of State Route 22/322 in Juniata County from the Mifflintown exit to the Juniata/Perry County Line, State Route 22/322 eastbound segment 180/offset 2469 to segment 450/offset 2616 and State Route 22/322 westbound segment 191/offset 0000 to segment 451/offset 2507, is hereby designated the Honorable Daniel F. Clark Memorial Highway.

(c) Signs.--The Department of Transportation shall erect and maintain appropriate signs displaying the name of the highway to traffic in both directions on the highway.

Amend Bill, page 2, line 25, by striking out "2" and inserting:

12

On the question,

Will the Senate agree to the amendment?

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

Senator RAFFERTY. Mr. President, this, like my prior amendment, is an omnibus amendment.

Thank you, Mr. President.

And the question recurring,

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 CORMAN.

BILL ON THIRD CONSIDERATION

SB 95 (Pr. No. 654) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in particular rights and immunities, providing for immunity for constitutionally protected communications.

Considered the third time and agreed to,

On the question,

Shall the bill pass finally?

RECONSIDERATION OF SB 95

BILL AMENDED

SB 95 (Pr. No. 654) -- Senator FARNESE. Mr. President, I move that the Senate do now reconsider the vote by which Senate Bill No. 95, Printer's No. 654, was just agreed to on third consideration.

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?

Senator FARNESE offered the following amendment No. A2361:

Amend Bill, page 1, line 3, by inserting after "for" where it occurs the second time:

constitutionally

Amend Bill, page 2, line 1, by inserting after "for":

constitutionally

Amend Bill, page 2, line 2, by inserting after "any":

constitutionally

Amend Bill, page 2, line 6, by inserting after "party's":

constitutionally

Amend Bill, page 2, line 14, by striking out "clerk of the court" and inserting:

prothonotary

Amend Bill, page 3, line 2, by inserting after "any" where it occurs the second time:

constitutionally

Amend Bill, page 3, line 5, by inserting after "a":

constitutionally

Amend Bill, page 3, line 10, by striking out "a" and inserting:
, in whole or in part, or are not separable from, a constitution-
ally

Amend Bill, page 3, line 16, by inserting after "section.":

as to all or part of the claim, that claim or part thereof shall proceed as a civil action pursuant to general rules. In that event

Amend Bill, page 3, line 17, by striking out "that" where it occurs the first time and inserting:

the

Amend Bill, page 3, line 17, by inserting after "determination" where it occurs the first time:

that the claim is not in whole or in part based on constitution-
ally protected communication

Amend Bill, page 3, line 24, by inserting after "prevails":
in whole or in part

Amend Bill, page 3, line 29, by striking out "clerk" and inserting:
prothonotary

Amend Bill, page 4, lines 17 through 21, by striking out all of lines 17 through 20 and "(g)" in line 21 and inserting:

(f)

Amend Bill, page 4, line 25, by striking out "(h)" and inserting:

(g)

Amend Bill, page 4, by inserting between lines 27 and 28:

"Constitutionally protected communication." Any good faith communication in furtherance of a right to petition or a right to free speech, which right is exercised in connection with an issue of public concern or social significance under the following circumstances:

(1) any written, oral, audio, visual or electronic statement or writing in connection with an issue under consideration or review by a legislative, executive, judicial, administrative or other governmental body or in another governmental or official proceeding;

(2) any written, oral, audio, visual or electronic statement or writing that is reasonably likely to encourage consideration or review of an issue by a legislative, executive, judicial, administrative or other governmental body or in another governmental or official proceeding;

(3) any written, oral, audio, visual or electronic statement or writing reasonably likely to enlist public participation in an effort to effect consideration of an issue by a legislative, executive, judicial, administrative or other governmental body or in another governmental or official proceeding; or

(4) any written, oral, audio, visual or electronic statement or writing that falls within the protection of the right to petition government or the right to free speech under the Constitution of the United States or the Constitution of Pennsylvania.

Amend Bill, page 5, lines 8 through 30; page 6, line 1; by striking out all of said lines on said pages

On the question,

Will the Senate agree to the amendment?

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

YEA-46

Alloway	Eichelberger	Pileggi	Vogel
Argall	Farnese	Rafferty	Vulakovich
Aument	Folmer	Sabatina	Wagner
Baker	Fontana	Scarnati	Ward
Bartolotta	Gordner	Scavello	White
Blake	Greenleaf	Schwank	Wiley
Boscola	Haywood	Smucker	Williams
Brewster	Hughes	Stefano	Wozniak
Browne	Kitchen	Tartaglione	Yaw
Corman	Leach	Teplitz	Yudichak
Costa	McGarrigle	Tomlinson	
Dinniman	McIlhinney	Vance	

NAY-3

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

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

BILLS ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 140 (Pr. No. 124) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of December 14, 1982 (P.L.1211, No.279), entitled "An act providing for ridesharing arrangements and providing that certain laws shall be inapplicable to ridesharing arrangements," providing for a short title; further providing for definitions and for motor carrier laws not applicable to ridesharing; and making editorial changes.

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-49

Alloway	Eichelberger	Mensch	Vogel
Argall	Farnese	Pileggi	Vulakovich
Aument	Folmer	Rafferty	Wagner
Baker	Fontana	Sabatina	Ward
Bartolotta	Gordner	Scarnati	White
Blake	Greenleaf	Scavello	Wiley
Boscola	Haywood	Schwank	Williams
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Browne	Kitchen	Tartaglione	Yudichak
Corman	Leach	Teplitz	
Costa	McGarrigle	Tomlinson	
Dinniman	McIlhinney	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 157 (Pr. No. 307) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 51 (Military Affairs) of the Pennsylvania Consolidated Statutes, in professional and occupational licenses, further providing for definitions and for retention and certification.

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-49

Alloway	Eichelberger	Mensch	Vogel
Argall	Farnese	Pileggi	Vulakovich
Aument	Folmer	Rafferty	Wagner
Baker	Fontana	Sabatina	Ward
Bartolotta	Gordner	Scarnati	White
Blake	Greenleaf	Scavello	Wiley
Boscola	Haywood	Schwank	Williams
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Browne	Kitchen	Tartaglione	Yudichak
Corman	Leach	Teplitz	
Costa	McGarrigle	Tomlinson	
Dinniman	McIlhinney	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.

BILL OVER IN ORDER

HB 164 -- Without objection, the bill was passed over in its order at the request of Senator CORMAN.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 272 (Pr. No. 1202) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of November 29, 2006 (P.L.1471, No.165), known as the Sexual Assault Testing and Evidence Collection Act, further providing for the title of the act, for definitions and for sexual assault evidence collection program; and providing for rights of sexual assault victims.

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-49

Alloway	Eichelberger	Mensch	Vogel
Argall	Farnese	Pileggi	Vulakovich
Aument	Folmer	Rafferty	Wagner
Baker	Fontana	Sabatina	Ward
Bartolotta	Gordner	Scarnati	White
Blake	Greenleaf	Scavello	Wiley
Boscola	Haywood	Schwank	Williams
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Browne	Kitchen	Tartaglione	Yudichak
Corman	Leach	Teplitz	
Costa	McGarrigle	Tomlinson	
Dinniman	McIlhinney	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.

BILLS OVER IN ORDER

SB 290, SB 404, and SB 430 -- Without objection, the bills were passed over in their order at the request of Senator CORMAN.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 466 (Pr. No. 1985) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, as follows: In preliminary provisions, further providing for definitions. In Pennsylvania Liquor Control Board, further providing for general powers of board. In Pennsylvania liquor stores, providing for career training and postsecondary education grant eligibility. In licenses and regulations, liquor, alcohol and malt and brewed beverages, further providing for license districts, license period and hearings and for issuance, transfer or extension of hotel, restaurant and club liquor licenses, providing for wholesale permit, for wholesale licenses, for wine or liquor expanded permits and for wine or liquor enhanced permits; further providing for malt and brewed beverages manufacturers', distributors' and importing distributors' licenses, for malt and brewed beverages retail licenses, for application for distributors', importing distributors' and retail dispensers' licenses, for prohibitions against the grant of licenses, for interlocking business prohibited, for licenses not assignable and transfers, for surrender of restaurant, eating place retail dispenser, hotel, importing distributor and distributor license for benefit of licensee and for unlawful acts relative to malt or brewed beverages and licensees. The General Assembly finds and declares as follows: (1) It is the purpose of this act to reform and privatize the system by which alcohol is dispensed and controlled within this Commonwealth to reflect changes in the marketplace while continuing to protect the welfare, health, peace and morals of the citizens of this Commonwealth. (2) The 21st amendment to the Constitution of the United States dictates that the laws of the states shall govern the transportation and importation of intoxicating liquors into the state for delivery and use within the state. (3) Further, the United States Supreme Court has opined in interpreting the 21st amendment that "the states' regulatory power over this segment of commerce is largely unfettered by the Constitution's commerce clause." (4) Revenues derived from the operation of a system for the manufacture, transportation, distribution and sale of alcohol are necessary to implement and sustain a regulated marketplace to continue to protect the welfare, health, peace and morals of the citizens of this Commonwealth and to contribute to the overall economic stability of the Commonwealth. (5) In order to adapt to the changing marketplace, this act will: (i) Permit private industry to offer additional products for sale while ensuring that the laws of this Commonwealth are thoroughly enforced. (ii) Ensure that the value of licenses held by small businesses are not devalued, but are enhanced through the opportunity to expand operations and sales. (iii) Provide for the operation of a retail system that promotes competition and convenience to ensure that the residents of this Commonwealth purchase products within this Commonwealth. (iv) Establish a system by which these increased opportunities will continue to contribute to overall fiscal stability of the Commonwealth. (6) Recognizing the benefits of allowing the private market to offer products directly to licensees and retailers, the General Assembly intends to fully divest of the Commonwealth's wholesale liquor business in order to allow additional products into the marketplace, establish a more reliable system for the distribution of products and provide additional convenience for licensees and retailers. (7) Recognition and furtherance of all these elements is essential to the welfare, health, peace and morals of the citizens of this Commonwealth.

On the question,

Will the Senate agree to the bill on third consideration?

Senator BREWSTER offered the following amendment No. A2908:

Amend Bill, page 2, lines 31 through 50; pages 3 and 4, lines 1 through 30; page 5, lines 1 through 6; by striking out all of said lines on said pages and inserting:

Amending the act of April 12, 1951 (P.L.90, No.21), entitled, as reenacted, "An act relating to alcoholic liquors, alcohol and malt and brewed beverages; amending, revising, consolidating and changing the laws relating thereto; regulating and restricting the manufacture, purchase, sale, possession, consumption, importation, transportation, furnishing, holding in bond, holding in storage, traffic in and use of alcoholic liquors, alcohol and malt and brewed beverages and the persons engaged or employed therein; defining the powers and duties of the Pennsylvania Liquor Control Board; providing for the establishment and operation of State liquor stores, for the payment of certain license

fees to the respective municipalities and townships, for the abatement of certain nuisances and, in certain cases, for search and seizure without warrant; prescribing penalties and forfeitures; providing for local option, and repealing existing laws," in preliminary provisions, further providing for definitions; in Pennsylvania Liquor Control Board, further providing for general powers of board; in Pennsylvania Liquor Stores, further providing for board to establish State liquor stores, for when sales may be made at Pennsylvania Liquor Stores, and for sales by Pennsylvania Liquor Stores; and, in licenses and regulations and liquor and alcohol and malt and brewed beverages, further providing for authority to issue liquor licenses to hotels, restaurants and clubs, for sales by liquor licensees and restrictions, for sale of malt or brewed beverages by liquor licensees, for special occasion permits and for wine auction permits, providing for special hours permit, further providing for providing for special hours permit; further providing for malt and brewed beverages manufacturers', distributors' and importing distributors' licenses, for distributors' and importing distributors' restrictions on sales, storage, etc., for retail dispensers' restrictions on purchases and sales, for breweries, for limiting number of retail licenses to be issued in each county, and for renewal of licenses and temporary provisions for licensees in armed service; providing for license auction, further providing for revocation and suspension of license and fines, for applicants to provide State tax identification numbers and statement of State tax status and waiver of confidentiality of information in the possession of the Department of Revenue and other departments and review of the tax status and for shipment of wine into Commonwealth, providing for direct shipment of wine and further providing for unlawful acts relative to liquor, malt and brewed beverages and licensees and for premises to be vacated by patrons; in distilleries, wineries, bonded warehouses, bailees for hire and transporters for hire, further providing for limited wineries and for distilleries; and, in miscellaneous provisions, providing for small brewers tax credits.

Amend Bill, page 194, lines 22 through 30; pages 195 through 230, lines 1 through 30; page 231, lines 1 through 10; by striking out all of said lines on said pages and inserting:

Section 1. The definitions of "alcohol," "denatured alcohol," "distributor," "eligible entity," "holiday," "importing distributor," "liquor," "performing arts facilities" and "retail dispenser" in section 102 of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, reenacted and amended June 29, 1987 (P.L.32, No.14) and amended or added May 31, 1996 (P.L.312, No.49), December 8, 2004 (P.L.1810, No.239), June 25, 2010 (P.L.217, No.35) and July 5, 2012 (P.L.1007, No.116), are amended and the section is amended by adding a definition to read:

Section 102. Definitions.--The following words or phrases, unless the context clearly indicates otherwise, shall have the meanings ascribed to them in this section:

"Alcohol" shall mean ethyl alcohol of any degree of proof originally produced by the distillation of any fermented liquid, whether rectified or diluted with or without water, whatever may be the origin thereof, and shall include powdered alcohol and synthetic ethyl alcohol, but shall not mean or include ethyl alcohol, whether or not diluted, that has been denatured or otherwise rendered unfit for beverage purposes.

"Denatured alcohol" shall mean and include all alcohol or any compound thereof which by the admixture of such denaturing material or materials is rendered unfit for use as a beverage. The term shall not include powdered alcohol.

"Distributor" shall mean any person licensed by the board to engage in the purchase only from Pennsylvania manufacturers and from importing distributors and the resale of malt or brewed beverages, except to importing distributors and distributors, in the original sealed containers as prepared for the market by the manufacturer at the place of manufacture, but not for consumption on the premises where sold, and in quantities of not less than a case or original containers containing one hundred twenty-eight ounces or more, or as provided in section 431(g), which may be sold separately.

"Eligible entity" shall mean a city of the third class, a hospital, a church, a synagogue, a volunteer fire company, a volunteer ambulance company, a volunteer rescue squad, a unit of a nationally chartered club which has been issued a club liquor license, a club which has been issued a club liquor license and which, as of December 31, 2002, has

been in existence for at least 100 years, a library, a nationally accredited Pennsylvania nonprofit zoological institution licensed by the United States Department of Agriculture, a nonprofit agricultural association in existence for at least ten years, a bona fide sportsmen's club in existence for at least ten years, a nationally chartered veterans' organization and any affiliated lodge or subdivision of such organization, a fraternal benefit society that is licensed to do business in this Commonwealth and any affiliated lodge or subdivision of such fraternal benefit society, a museum operated by a nonprofit corporation, a nonprofit corporation engaged in the performing arts, an arts council, a nonprofit corporation that operates an arts facility or museum, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)) whose purpose is to protect the architectural heritage of [boroughs or a township of the second class] a municipality and which has been recognized as such by a [municipal] resolution of the municipality, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)) conducting a regatta in a city of the second class with the permit to be used on State park grounds or conducting a family-oriented celebration as part of Welcome America in a city of the first class on property leased from that city for more than fifty years, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. § 501(c)(3)) whose purpose is to raise funds for the research and treatment of cystic fibrosis, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. § 501(c)(3)) whose purpose is to educate the public on issues dealing with watershed conservation, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)) whose purpose is to provide equine assisted activities for children and adults with special needs, a nonprofit economic development agency in a city of the second class with the primary function to serve as an economic generator for the greater southwestern Pennsylvania region by attracting and supporting film, television and related media industry projects and coordinating government and business offices in support of a production, a county tourist promotion agency as defined in section 3(1) of the act of April 28, 1961 (P.L.111, No.50), known as the "Tourist Promotion Law," a junior league that is a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. § 501(c)(3)) that is comprised of women whose purpose is exclusively educational and charitable in promoting the volunteerism of women and developing and participating in community projects and that has been in existence for over seventy years, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 and whose purpose is the education and promotion of American history, a nonprofit organization as defined under section 501(c)(6) of the Internal Revenue Code of 1986 whose purpose is to support business and industry, a brewery which has been issued a license to manufacture malt or brewed beverages and has been in existence for at least 100 years or a club recognized by Rotary International and whose purpose is to provide service to others, to promote high ethical standards and to advance world understanding, goodwill and peace through its fellowship of business, professional and community leaders or a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)) whose purpose is to promote mushrooms while supporting local and regional charities, a museum operated by a not-for-profit corporation in a city of the second class A, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 which is located in a city of the second class A and has as its purpose economic and community development, a nonprofit organization as defined under section 501(c)(3) or (6) of the Internal Revenue Code of 1986 that is located in a city of the third class in a county of the fifth class, a nonprofit social service organization defined under section 501(c)(3) of the Internal Revenue Code of 1986 located in a county of the third class whose purpose is to serve individuals and families in that county of the third class, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 whose main purpose is to temporarily foster stray and unwanted animals and match them to suitable permanent homes or a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 who operates either a Main Street Program or Elm Street Program recognized by the Commonwealth, the National Trust for Historic Preservation or both, a nonprofit radio station that is a member of the National

Public Radio network, a nonprofit public television station that is a member of the Pennsylvania Public Television Network or a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 whose purpose is to promote awareness, education and research and to provide a support system for patients with neutropenia and their families through a national resource network[.] or a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 that is located in a city of the first class, was organized in 1995 as a community development corporation to promote the health, safety and welfare of the residents, businesses and institutions of a neighborhood of a city of the first class, and whose works include public promotions, neighborhood improvement projects and commercial corridor improvements, including a business improvement district.

"Holiday" shall mean the first day of January, commonly known as New Year's Day; [the third Monday of January, known as Dr. Martin Luther King, Jr., Day; the third Monday in February, known as Presidents' Day; the last Monday in May, known as Memorial Day;] the fourth day of July, known as Independence Day; [the first Monday of September, known as Labor Day;] the fourth Thursday in November, known as Thanksgiving Day; and the twenty-fifth day of December, known as Christmas Day.

"Importing distributor" shall mean any person licensed by the board to engage in the purchase from manufacturers and other persons located outside this Commonwealth and from persons licensed as manufacturers of malt or brewed beverages and importing distributors under this act, and the resale of malt or brewed beverages in the original sealed containers as prepared for the market by the manufacturer at the place of manufacture, but not for consumption on the premises where sold, and in quantities of not less than a case or original containers containing one hundred twenty-eight ounces or more, or as provided in section 431(g), which may be sold separately.

"Liquor" shall mean and include any alcoholic, spirituous, vinous, fermented or other alcoholic beverage, powdered alcohol, or combination of liquors and mixed liquor a part of which is spirituous, vinous, fermented or otherwise alcoholic, including all drinks or drinkable liquids, preparations or mixtures, and reused, recovered or redistilled denatured alcohol usable or taxable for beverage purposes which contain more than one-half of one per cent of alcohol by volume, except pure ethyl alcohol and malt or brewed beverages.

"Performing arts facilities" shall mean those halls or theaters in which live musical, concert, dance, ballet and legitimate play book-length productions are performed. Performing arts facilities shall not mean those halls or theaters in which burlesque shows or reviews are performed. If the operator of the performing arts facility is a nonprofit entity, the facility must have permanently affixed seating for at least [two hundred fifty (250)] one hundred fifty (150) people; otherwise, the facility must have permanently affixed seating for at least twenty-five hundred (2,500) people.

"Powdered alcohol" shall mean alcohol sold in a powder form for either direct use or reconstitution.

"Retail dispenser" shall mean any person licensed to engage in the retail sale of malt or brewed beverages for consumption on the premises of such licensee, with the privilege of selling malt or brewed beverages in quantities not in excess of [one hundred ninety-two fluid ounces in a single sale to one person] three hundred eighty-four ounces in not more than twenty-four original containers in a single sale to one person as provided in section 407, provided the licensee may not sell a package as prepared for sale or distribution by the manufacturer containing more than twelve containers, to be carried from the premises by the purchaser thereof.

Section 2. Section 207(a) and (b) of the act, amended November 30, 2004 (P.L.727, No.221) and December 8, 2004 (P.L.1810, No.239), are amended and the section is amended by adding subsections to read:

Section 207. General Powers of Board.--Under this act, the board shall have the power and its duty shall be:

(a) To buy, import or have in its possession for sale and sell liquor, alcohol, corkscrews, wine and liquor accessories, trade publications, gift

cards, gift certificates, wine- or liquor-scented candles and wine glasses in the manner set forth in this act: Provided, however, That all purchases shall be made subject to the approval of the State Treasurer, or his designated deputy. The board shall buy liquor and alcohol at the lowest price and in the greatest variety reasonably obtainable. Such sales and purchases may be to or from persons or entities located both in and outside this Commonwealth.

(b) To control the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in accordance with the provisions of this act, and to fix the wholesale and retail prices at which liquors and alcohol shall be sold at Pennsylvania Liquor Stores. Prices shall be [proportional with prices paid by the board to its suppliers and shall reflect any advantage obtained through volume purchases by the board. The board may establish a preferential price structure for wines produced within this Commonwealth for the promotion of such wines, as long as the price structure is uniform within each class of wine purchased by the board.] as set forth by the board so long as the price of a particular item is uniform throughout this Commonwealth. The board shall require each Pennsylvania manufacturer and each nonresident manufacturer of liquors, other than wine, selling such liquors to the board, which are not manufactured in this Commonwealth, to make application for and be granted a permit by the board before such liquors not manufactured in this Commonwealth shall be purchased from such manufacturer. Each such manufacturer shall pay for such permit a fee which, in the case of a manufacturer of this Commonwealth, shall be equal to that required to be paid, if any, by a manufacturer or wholesaler of the state, territory or country of origin of the liquors, for selling liquors manufactured in Pennsylvania, and in the case of a nonresident manufacturer, shall be equal to that required to be paid, if any, in such state, territory or country by Pennsylvania manufacturers doing business in such state, territory or country. In the event that any such manufacturer shall, in the opinion of the board, sell or attempt to sell liquors to the board through another person for the purpose of evading this provision relating to permits, the board shall require such person, before purchasing liquors from him or it, to take out a permit and pay the same fee as hereinbefore required to be paid by such manufacturer. All permit fees so collected shall be paid into the State Stores Fund. The board shall not purchase any alcohol or liquor fermented, distilled, rectified, compounded or bottled in any state, territory or country, the laws of which result in prohibiting the importation therein of alcohol or liquor, fermented, distilled, rectified, compounded or bottled in Pennsylvania.

(l) Notwithstanding any other provision of law to the contrary, to enter into agreements with governmental units of this Commonwealth and other states, for the purchase or sale of goods and services with, from or to the governmental units. This authority includes, but is not limited to, the purchase or sale of alcohol.

(m) To be licensed as a lottery sales agent, as set forth in section 305 of the act of August 26, 1971 (P.L.351, No.91), known as the "State Lottery Law," and to take any actions authorized by such designation, except that no bond, insurance or indemnification may be required from the board.

(n) To establish and implement a customer relations management program for the purpose of offering incentives, such as coupons or discounts on certain products, to unlicensed customers of the board.

Section 3. Section 301 of the act is amended to read:

Section 301. Board to Establish State Liquor Stores.--(a) The board shall establish, operate and maintain at such places throughout the Commonwealth as it shall deem essential and advisable, stores to be known as "Pennsylvania Liquor Stores," for the sale of liquor and alcohol in accordance with the provisions of and the regulations made under this act; except that no store not so already located shall be located within three hundred feet of any elementary or secondary school, nor within a dry municipality without there first having been a referendum approving such location. When the board shall have determined upon the location of a liquor store in any municipality, it shall give notice of such location by public advertisement in two newspapers of general circulation. In cities of the first class, the location shall also be posted for a period of at least fifteen days following its determination by the board as required in section 403(g) of this act. The notice shall be posted in a conspicuous place on the outside of the premises in which the proposed store is to operate or, in the event that a new structure is to be built in a similarly visible location. If, within five days after the

appearance of such advertisement, or of the last day upon which the notice was posted, fifteen or more taxpayers residing within a quarter of a mile of such location, or the City Solicitor of the city of the first class, shall file a protest with the court of common pleas of the county averring that the location is objectionable because of its proximity to a church, a school, or to private residences, the court shall forthwith hold a hearing affording an opportunity to the protestants and to the board to present evidence. The court shall render its decision immediately upon the conclusion of the testimony and from the decision there shall be no appeal. If the court shall determine that the proposed location is undesirable for the reasons set forth in the protest, the board shall abandon it and find another location. Notwithstanding any other provision of law to the contrary, the board may operate and maintain stores located in commercial locations. The board may make decisions to relocate and lease stores in more convenient and consumer-heavy areas, after consumer trends and market trends are analyzed by the board. The board may work with private persons or entities, consistent with the requirements of this section and under such conditions and regulations as the board may enforce, to operate and maintain stores in areas where the board concludes a store is needed to meet consumer demand. The board may establish, operate and maintain such establishments for storing and testing liquors as it shall deem expedient to carry out its powers and duties under this act.

(b) The board may lease the necessary premises for such stores or establishments, but all such leases shall be made through the Department of General Services as agent of the board. Notwithstanding any other provision of law to the contrary, the Department of General Services shall have no more than ninety days from the date the board officially approves a lease recommendation to send the final lease packet to the appropriate agencies for further processing. The Department of General Services shall be required to submit quarterly reports to the chairman and minority chairman of the Law and Justice Committee of the Senate and the chairman and minority chairman of the Liquor Control Committee of the House of Representatives indicating the number of lease recommendations approved by the board during the preceding quarter and whether the corresponding final lease packets were sent to the appropriate agencies within the ninety-day deadline. If the Department of General Services fails to regularly submit these quarterly reports or fails to regularly meet the ninety-day deadline imposed by this subsection, then the General Assembly may consider legislation that would allow the board to lease premises for its stores without the involvement of the Department of General Services. The board, through the Department of General Services, shall have authority to purchase such equipment and appointments as may be required in the operation of such stores or establishments.

Section 4. Section 304 of the act, amended December 8, 2004 (P.L.1810, No.239), is amended to read:

Section 304. When Sales May Be Made at Pennsylvania Liquor Stores.--(a) Except as provided for in subsection (b), every Pennsylvania Liquor Store shall be open for business week days, except holidays as that term is defined in section 102. The board may, with the approval of the Governor, temporarily close any store in any municipality.

(b) Certain Pennsylvania Liquor Stores operated by the board [shall] may be open for Sunday retail sales between the hours of [noon] nine o'clock antemeridian and [five] nine o'clock postmeridian, except that no Sunday sales shall occur on Easter Sunday or Christmas day. The board shall open [up to twenty-five per centum of the total number of Pennsylvania Liquor Stores at its discretion], at its discretion, as many Pennsylvania Liquor Stores as it deems necessary for Sunday sales as provided for in this subsection. The board shall submit yearly reports to the Appropriations and the Law and Justice Committees of the Senate and the Appropriations and the Liquor Control Committees of the House of Representatives summarizing the total dollar value of sales under this section.

Section 5. Section 305(a) and (b) of the act, amended May 8, 2003 (P.L.1, No.1) and July 6, 2005 (P.L.135, No.39), are amended and the section is amended by adding a subsection to read:

Section 305. Sales by Pennsylvania Liquor Stores.--(a) The board shall in its discretion determine where and what classes, varieties and brands of liquor and alcohol it shall make available to the public and where such liquor and alcohol will be sold. Every Pennsylvania Liquor Store shall be authorized to sell combination packages. If a person desires to purchase a class, variety or brand of liquor or alcohol not currently available from the board, he or she may place a special order for

such item so long as the order is for two or more bottles. The board may require a reasonable deposit from the purchaser as a condition for accepting the order. The customer shall be notified immediately upon the arrival of the goods.

In computing the retail price of such special orders for liquor or alcohol, the board shall not include the cost of freight or shipping before applying [the] a mark-up, which shall not exceed ten per centum of the cost of the product, and taxes but shall add the freight or shipping charges to the price after the mark-up and taxes have been applied.

Unless the customer pays for and accepts delivery of any such special order within ten days after notice of arrival, the store may place it in stock for general sale and the customer's deposit shall be forfeited.

(b) Every Pennsylvania Liquor Store shall sell liquors at wholesale to hotels, restaurants, clubs, and railroad, pullman and steamship companies licensed under this act; and, under the regulations of the board, to pharmacists duly licensed and registered under the laws of the Commonwealth, and to manufacturing pharmacists, and to reputable hospitals approved by the board, or chemists. Sales to licensees shall be made at a price that includes a discount of [ten] sixteen per centum from the retail price. The board may sell to registered pharmacists only such liquors as conform to the Pharmacopoeia of the United States, the National Formulary, or the American Homeopathic Pharmacopoeia. The board may sell at special prices under the regulations of the board, to United States Armed Forces facilities which are located on United States Armed Forces installations and are conducted pursuant to the authority and regulations of the United States Armed Forces. All other sales by such stores shall be at retail[.], except that incentives, such as coupons or discounts on certain products, may be offered to unlicensed customers of the board as provided for under sections 207(n) and 493(24)(iii). A person entitled to purchase liquor at wholesale prices may purchase the liquor at any Pennsylvania Liquor Store upon tendering cash, check or credit card for the full amount of the purchase. For this purpose, the board shall issue a discount card to each licensee identifying such licensee as a person authorized to purchase liquor at wholesale prices. Such discount card shall be retained by the licensee. The board may contract through the Commonwealth bidding process for delivery to wholesale licensees at the expense of the licensee receiving the delivery.

* * *

(j) If the board becomes a licensed lottery sales agent, as set forth in section 305 of the act of August 26, 1971 (P.L.351, No.91), known as the "State Lottery Law," then the following shall apply, notwithstanding the provisions of the "State Lottery Law":

(I) The Secretary of Revenue shall permit the board to operate and maintain Pennsylvania lottery instant ticket vending machines, player-activated terminals and technologies or systems subsequently approved by the Department of Revenue for the self-service sale of lottery tickets and games in Pennsylvania Liquor Stores. The board and the Secretary of Revenue shall mutually agree upon the number and location of the stores authorized to conduct self-service sales of lottery tickets and games.

(ii) The board shall not be required to post any type of bond prior to conducting self-service sales of lottery tickets and games.

(iii) Any commissions, compensation or any type of incentive award based upon the sale of lottery tickets and games shall be deposited by the board into the State Stores Fund.

Section 6. Section 401(a) of the act, amended December 22, 2011 (P.L.530, No.113), is amended to read:

Section 401. Authority to Issue Liquor Licenses to Hotels, Restaurants and Clubs.--(a) Subject to the provisions of this act and regulations promulgated under this act, the board shall have authority to issue a retail liquor license for any premises kept or operated by a hotel, restaurant or club and specified in the license entitling the hotel, restaurant or club to purchase liquor from a Pennsylvania Liquor Store and to keep on the premises such liquor and, subject to the provisions of this act and the regulations made thereunder, to sell the same and also malt or brewed beverages to guests, patrons or members for consumption on the hotel, restaurant or club premises. Such licensees, other than clubs, shall be permitted to sell malt or brewed beverages for consumption off the premises where sold in quantities of not more than [one hundred ninety-two fluid ounces in a single sale to one person as provided for in section 407.] three hundred eighty-four ounces in not more than twenty-four original containers in a single sale to one person as provided for in section 407, provided the licensee may not sell a package as prepared

for sale or distribution by the manufacturer containing more than twelve containers. Such licenses shall be known as hotel liquor licenses, restaurant liquor licenses and club liquor licenses, respectively. No person who holds any public office that involves the duty to enforce any of the penal laws of the United States, this Commonwealth or of any political subdivision of this Commonwealth may have any interest in a hotel or restaurant liquor license. This prohibition applies to anyone with arrest authority, including, but not limited to, United States attorneys, State attorneys general, district attorneys, sheriffs and police officers. This prohibition shall also apply to magisterial district judges, judges or any other individuals who can impose a criminal sentence. This prohibition does not apply to members of the General Assembly, township supervisors, city councilpersons, mayors without arrest authority and any other public official who does not have the ability to arrest or the ability to impose a criminal sentence. This section does not apply if the proposed premises are located outside the jurisdiction of the individual in question.

Section 6.1. Section 406(a) of the act is amended by adding a paragraph to read:

Section 406. Sales by Liquor Licensees; Restrictions.--(a)

(7) (I) Notwithstanding any provision of this act, the practice by a bed and breakfast homestead or inn of providing one bottle of wine to its paying guests at check-in while in an overnight status shall not be construed as the direct or indirect sale of alcohol so long as that wine is produced by a licensed limited winery as provided for under section 505.2.

(ii) For purposes of this paragraph, a "bed and breakfast homestead or inn" shall mean a private residence that contains ten or fewer bedrooms used for providing overnight accommodations to the public and in which breakfast is the only meal served and is included in the charge for the room.

Section 7. Section 407(a) of the act, amended June 28, 2011 (P.L.55, No.11), is amended to read:

Section 407. Sale of Malt or Brewed Beverages by Liquor Licensees.--(a) Every liquor license issued to a hotel, restaurant, club, or a railroad, pullman or steamship company under this subdivision (A) for the sale of liquor shall authorize the licensee to sell malt or brewed beverages at the same places but subject to the same restrictions and penalties as apply to sales of liquor, except that licensees other than clubs may sell malt or brewed beverages for consumption off the premises where sold in quantities of not more than [one hundred ninety-two fluid ounces in a single sale to one person.] three hundred eighty-four ounces in not more than twenty-four original containers in a single sale to one person, provided the licensee may not sell a package as prepared for sale or distribution by the manufacturer containing more than twelve containers. The sales may be made in either open or closed containers. Provided, however, That a municipality may adopt an ordinance restricting open containers in public places. No licensee under this subdivision (A) shall at the same time be the holder of any other class of license, except a retail dispenser's license authorizing the sale of malt or brewed beverages only.

Section 7.1. Section 408.4(I) of the act, amended June 5, 2007 (P.L.11, No.5), is amended to read:

Section 408.4. Special Occasion Permits.--

(I) Only one special occasion permit shall be issued to each eligible entity per calendar year. Each permit may only be used for six consecutive or nonconsecutive days; however, if the eligible entity is a museum operated by a nonprofit corporation in a city of the third class or township of the first class, a nonprofit corporation engaged in the performing arts in a city of the third class or in an incorporated town, a bona fide sportsmen's club in existence for at least ten years conducting a national golf championship [or], an arts council, a volunteer fire company, volunteer ambulance company or volunteer rescue company, then the special occasion permit may be used for six nonconsecutive or ten consecutive days.

Section 7.2. Section 408.12(a) of the act, amended July 16, 2007 (P.L.107, No.34), is amended to read:

Section 408.12. Wine Auction Permits.--(a) Upon application of:

- (1) any nonprofit hospital;
- (2) any nonprofit public television station which is a member of the Pennsylvania Public Television Network;
- (3) any orchestra located in a county of the first, second or third class which is operated by a nonprofit corporation;
- (4) any museum located in a county of the first, second or third class which is operated by a nonprofit corporation;
- (5) any nonprofit corporation located in any county of the third class which trains and places dogs for people who are physically handicapped;
- (6) any nationally recognized community-based voluntary health organization committed to fighting cancer which has been in existence for at least ninety years;
- (7) any nationally recognized emergency response organization that offers humanitarian care to victims of war or natural disaster and has been in existence for at least one hundred twenty-five years;
- (8) any nationally recognized organization whose purpose is to serve as an agent to collect funds for local charities, as well as to coordinate relief services, counsel and refer clients to cooperating agencies and make emergency assistance grants and has been in existence for at least one hundred twenty years; [or]
- (9) any hospice as defined under section 802.1 of the act of July 19, 1979 (P.L.130, No.48), known as the "Health Care Facilities Act"; or
- (10) any college or university which is a member of the Association of Independent Colleges and Universities of Pennsylvania; and upon payment of a fee of thirty dollars (\$30) per day, the board shall issue a wine auction permit good for a period of not more than four consecutive or nonconsecutive days per calendar year.

Section 7.3. The act is amended by adding a section to read:

Section 408.17. Special Hours Permit.--(a) The board shall make available a special hours permit for licensed facilities licensed to sell liquor or malt or brewed beverages pursuant to this act. The special hours permit shall authorize a licensed facility, with the approval of the board and the Pennsylvania Gaming Control Board, to adjust the hours it sells, furnishes or gives liquor or malt or brewed beverages at the licensed facility. The hours of operation prescribed under section 406 shall not apply to the holder of a special hours permit. The special hours permit shall not extend the total number of hours that liquor or malt or brewed beverages may be sold or furnished in a single day as provided under this act. The following shall apply:

(1) The initial purchase price of a special hours permit shall be two hundred fifty thousand dollars (\$250,000).

(2) The annual renewal fee of the special hours permit shall be fifty thousand dollars (\$50,000).

(3) Any funds collected under paragraph (1) or (2) shall be deposited into the State Stores Fund.

(b) For purposes of this section, the term "licensed facility" shall mean a facility that holds a license under 4 Pa.C.S. Chapter 13 (relating to licensees) or 13A (relating to table games).

Section 8. Section 431(b) of the act, amended December 8, 2004 (P.L.1810, No.239), is amended and the section is amended by adding a subsection to read:

Section 431. Malt and Brewed Beverages Manufacturers', Distributors' and Importing Distributors' Licenses.--***

(b) The board shall issue to any reputable person who applies therefor, and pays the license fee hereinafter prescribed, a distributor's or importing distributor's license for the place which such person desires to maintain for the sale of malt or brewed beverages, not for consumption on the premises where sold, and except as provided for under subsection (g), in quantities of not less than a case or original containers containing one hundred twenty-eight ounces or more which may be sold separately as prepared for the market by the manufacturer at the place of manufacture. The board shall have the discretion to refuse a license to any person or to any corporation, partnership or association if such person, or any officer or director of such corporation, or any member or partner of such partnership or association shall have been convicted or found guilty of a felony within a period of five years immediately preceding the date of application for the said license: And provided further, That, in the case of any new license or the transfer of any license to a new location, the board may, in its discretion, grant or refuse such new license or transfer if such place proposed to be licensed is within three hundred feet of any church, hospital, charitable institution, school or

public playground, or if such new license or transfer is applied for a place which is within two hundred feet of any other premises which is licensed by the board: And provided further, That the board shall refuse any application for a new license or the transfer of any license to a new location if, in the board's opinion, such new license or transfer would be detrimental to the welfare, health, peace and morals of the inhabitants of the neighborhood within a radius of five hundred feet of the place proposed to be licensed. The board shall refuse any application for a new license or the transfer of any license to a location where the sale of liquid fuels or oil is conducted. The board may enter into an agreement with the applicant concerning additional restrictions on the license in question. If the board and the applicant enter into such an agreement, such agreement shall be binding on the applicant. Failure by the applicant to adhere to the agreement will be sufficient cause to form the basis for a citation under section 471 and for the nonrenewal of the license under section 470. If the board enters into an agreement with an applicant concerning additional restrictions, those restrictions shall be binding on subsequent holders of the license until the license is transferred to a new location or until the board enters into a subsequent agreement removing those restrictions. If the application in question involves a location previously licensed by the board, then any restrictions imposed by the board on the previous license at that location shall be binding on the applicant unless the board enters into a new agreement rescinding those restrictions. The board shall require notice to be posted on the property or premises upon which the licensee or proposed licensee will engage in sales of malt or brewed beverages. This notice shall be similar to the notice required of hotel, restaurant and club liquor licensees.

Except as hereinafter provided, such license shall authorize the holder thereof to sell or deliver malt or brewed beverages in quantities above specified anywhere within the Commonwealth of Pennsylvania, which, in the case of distributors, have been purchased only from persons licensed under this act as manufacturers or importing distributors, and in the case of importing distributors, have been purchased from manufacturers or persons outside this Commonwealth engaged in the legal sale of malt or brewed beverages or from manufacturers or importing distributors licensed under this article. In the case of an importing distributor, the holder of such a license shall be authorized to store and repackage malt or brewed beverages owned by a manufacturer at a segregated portion of a warehouse or other storage facility authorized by section 441(d) and operated by the importing distributor within its appointed territory and deliver such beverages to another importing distributor who has been granted distribution rights by the manufacturer as provided herein. The importing distributor shall be permitted to receive a fee from the manufacturer for any related storage, repackaging or delivery services. In the case of a bailee for hire hired by a manufacturer, the holder of such a permit shall be authorized: to receive, store and repackage malt or brewed beverages produced by that manufacturer for sale by that manufacturer to importing distributors to whom that manufacturer has given distribution rights pursuant to this subsection or to purchasers outside this Commonwealth for delivery outside this Commonwealth; or to ship to that manufacturer's storage facilities outside this Commonwealth. The bailee for hire shall be permitted to receive a fee from the manufacturer for any related storage, repackaging or delivery services. The bailee for hire shall, as required in Article V of this act, keep complete and accurate records of all transactions, inventory, receipts and shipments and make all records and the licensed areas available for inspection by the board and for the Pennsylvania State Police, Bureau of Liquor Control Enforcement, during normal business hours.

Each out of State manufacturer of malt or brewed beverages whose products are sold and delivered in this Commonwealth shall give distributing rights for such products in designated geographical areas to specific importing distributors, and such importing distributor shall not sell or deliver malt or brewed beverages manufactured by the out of State manufacturer to any person issued a license under the provisions of this act whose licensed premises are not located within the geographical area for which he has been given distributing rights by such manufacturer. Should a licensee accept the delivery of such malt or brewed beverages in violation of this section, said licensee shall be subject to a suspension of his license for at least thirty days: Provided, That the importing distributor holding such distributing rights for such product shall not sell or deliver the same to another importing distributor without first having entered into a written agreement with the said secondary importing distributor setting forth the terms and conditions under which

such products are to be resold within the territory granted to the primary importing distributor by the manufacturer.

When a Pennsylvania manufacturer of malt or brewed beverages licensed under this article names or constitutes a distributor or importing distributor as the primary or original supplier of his product, he shall also designate the specific geographical area for which the said distributor or importing distributor is given distributing rights, and such distributor or importing distributor shall not sell or deliver the products of such manufacturer to any person issued a license under the provisions of this act whose licensed premises are not located within the geographical area for which distributing rights have been given to the distributor and importing distributor by the said manufacturer: Provided, That the importing distributor holding such distributing rights for such product shall not sell or deliver the same to another importing distributor without first having entered into a written agreement with the said secondary importing distributor setting forth the terms and conditions under which such products are to be resold within the territory granted to the primary importing distributor by the manufacturer. Nothing herein contained shall be construed to prevent any manufacturer from authorizing the importing distributor holding the distributing rights for a designated geographical area from selling the products of such manufacturer to another importing distributor also holding distributing rights from the same manufacturer for another geographical area, providing such authority be contained in writing and a copy thereof be given to each of the importing distributors so affected.

* * *

(g) (1) In addition to being able to sell in case quantities as provided under subsection (b), a distributor or importing distributor may break the bulk of a case and sell units of any case in quantities of not less than forty-two ounces, provided the distributor or importing distributor sells a package as prepared for sale by the manufacturer.

(2) Before a distributor or importing distributor breaks the bulk of a case for the purpose of selling units, the distributor or importing distributor shall inspect the case for damage and appropriate production date. When the distributor or importing distributor breaks the bulk of a case for the purpose of selling units of the case, the distributor or importing distributor bears the risk of loss and is responsible for the destruction of any malt and brewed beverages that violate the manufacturer's specifications relating to sales by a certain date or within a number of days of the production date.

(3) The term "unit" as used in this subsection means an undamaged bottle or can from a case.

Section 9. Section 441(a) and (b) of the act, amended June 18, 1998 (P.L.664, No.86) and December 9, 2002 (P.L.1653, No.212), are amended to read:

Section 441. Distributors' and Importing Distributors' Restrictions on Sales, Storage, Etc.--(a) No distributor or importing distributor shall purchase, receive or resell any malt or brewed beverages except:

(1) in the original containers as prepared for the market by the manufacturer at the place of manufacture;

(2) in the case of identical containers repackaged in the manner described by subsection (f); or

(3) as provided in section 431(b) and (g).

(b) [No] Except as provided for in section 431(g), no distributor or importing distributor shall sell any malt or brewed beverages in quantities of less than a case or original containers containing one hundred twenty-eight ounces or more which may be sold separately: Provided, That no malt or brewed beverages sold or delivered shall be consumed upon the premises of the distributor or importing distributor, or in any place provided for such purpose by such distributor or importing distributor. Notwithstanding any other provision of this section or act, malt or brewed beverages which are part of a tasting conducted pursuant to the board's regulations may be consumed on licensed premises.

* * *

Section 10. Section 442(a)(1) of the act, amended June 28, 2011 (P.L.55, No.11), is amended to read:

Section 442. Retail Dispensers' Restrictions on Purchases and Sales.--(a) (1) No retail dispenser shall purchase or receive any malt or brewed beverages except in original containers as prepared for the market by the manufacturer at the place of manufacture. The retail dispenser may thereafter break the bulk upon the licensed premises and sell or dispense the same for consumption on or off the premises so licensed. No retail dispenser may sell malt or brewed beverages for

consumption off the premises in quantities in excess of [one hundred ninety-two fluid ounces.] three hundred eighty-four ounces in not more than twenty-four original containers in a single sale to one person as provided in section 407, provided the licensee may not sell a package as prepared for sale or distribution by the manufacturer containing more than twelve containers. Sales may be made in open or closed containers. Provided, however, That a municipality may adopt an ordinance restricting open containers in public places. No club licensee may sell any malt or brewed beverages for consumption off the premises where sold or to persons not members of the club.

Section 10.1. Section 446(a)(2) of the act, amended December 22, 2011 (P.L.530, No.113), is amended and the section is amended by adding a subsection to read:

Section 446. Breweries.--(a) Holders of a brewery license may:

(2) Operate a restaurant or brewery pub on the licensed premises under such conditions and regulations as the board may enforce: Provided, however, That sales on Sunday may be made irrespective of the volume of food sales if the licensed premises are at a public venue location. The holder of a brewery license may sell at its brewery pub premises [Pennsylvania wines it has purchased from either the holder of a Pennsylvania limited winery license or from the board] wines produced by the holder of a limited winery license or liquor produced by a licensed limited distillery: Provided, however, That said wines and liquor must be consumed at the licensed brewery pub premises.

(c) The holder of a brewery license may also sell wines produced by a licensed limited winery or distilled liquor produced by a licensed limited distillery.

Section 10.2. Section 461(b.1)(4) of the act, amended November 29, 2006 (P.L.1421, No.155), is amended to read:

Section 461. Limiting Number of Retail Licenses To Be Issued In Each County.--***

(b.1) The board may issue restaurant and eating place retail dispenser licenses and renew licenses issued under this subsection without regard to the quota restrictions set forth in subsection (a) for the purpose of economic development in a municipality under the following conditions:

(4) An applicant under this subsection shall be required to sell food and nonalcoholic beverages equal to [seventy per centum (70%)] fifty per centum (50%) or more of its combined gross sales of food and alcoholic beverages.

Section 10.3. Section 470(a) of the act, amended December 22, 2011 (P.L.530, No.113), is amended to read:

Section 470. Renewal of Licenses; Temporary Provisions for Licensees in Armed Service.--(a) All applications for renewal or validation of licenses under the provisions of this article shall be filed with tax clearance from the Department of Revenue and the Department of Labor and Industry and requisite license and filing fees, including an application surcharge of seven hundred dollars (\$700.00), at least sixty days before the expiration date of same: Provided, however, That the board, in its discretion, may accept nunc pro tunc a renewal application filed less than sixty days before the expiration date of the license with the required fees, upon reasonable cause shown and the payment of an additional filing fee of one hundred dollars (\$100.00) for late filing: And provided further, That except where the failure to file a renewal application on or before the expiration date has created a license quota vacancy after said expiration date which has been filled by the issuance of a new license, after such expiration date, but before the board has received a renewal application nunc pro tunc within the time prescribed herein the board, in its discretion, may, after hearing, accept a renewal application filed within two years after the expiration date of the license with the required fees upon the payment of an additional filing fee of two hundred fifty dollars (\$250.00) for late filing. Where any such renewal application is filed less than sixty days before the expiration date, or subsequent to the expiration date, no license shall issue upon the filing of the renewal application until the matter is finally determined by the board and if an appeal is taken from the board's action the courts shall not order the issuance of the renewal license until final determination of the matter by the courts. The board may enter into an agreement with the applicant concerning additional restrictions on the

license in question. If the board and the applicant enter into such an agreement, such agreement shall be binding on the applicant. Failure by the applicant to adhere to the agreement will be sufficient cause to form the basis for a citation under section 471 and for the nonrenewal of the license under this section. A renewal application will not be considered filed unless accompanied by the requisite filing [and], license and administrative fees and any additional filing fee required by this section. Unless the board shall have given ten days' previous notice to the applicant of objections to the renewal of his license, based upon violation by the licensee or his servants, agents or employees of any of the laws of the Commonwealth or regulations of the board relating to the manufacture, transportation, use, storage, importation, possession or sale of liquors, alcohol or malt or brewed beverages, or the conduct of a licensed establishment, or unless the applicant has by his own act become a person of ill repute, or unless the premises do not meet the requirements of this act or the regulations of the board, the license of a licensee shall be renewed. Notwithstanding any other provision of this act, a noise violation shall not be the sole basis for objection by the board to the renewal of a license unless the licensee has received six prior adjudicated noise citations within a twenty-four-month period.

Section 10.4. The act is amended by adding a section to read:

Section 470.3. License Auction.--(a) A restaurant liquor license or eating place retail dispenser license which is subject to the quota restrictions set forth in section 461(a) and which has not been renewed as required by section 470, or has been revoked under section 471 or as required by section 474.1, or which the board refused to renew under section 470, shall be offered for auction by the board. The auction shall occur in July of the calendar year after the license becomes available for auction, on a date to be determined by the board. For purposes of this section, a license becomes available for auction the day after the deadline has passed for appealing a decision revoking or nonrenewing the license or the day after the two-year window to file a renewal application nunc pro tunc set forth in section 470, has passed.

(b) By March 1 of each year, the board shall post on its Internet website a listing of all the licenses that shall be available for auction in July of that year. The list shall also be available upon request.

(c) The board shall accept applications from persons interested in bidding at the auction beginning March 1. The application shall be in writing and shall contain such information as the board shall from time to time prescribe. The board shall accept applications until June 15th and may, in its discretion, accept applications after that date.

(d) A person who would be precluded from acquiring a license by sections 411 or 443, or who, in the board's opinion, is not of good repute may not apply for a license under this section.

(e) The auction shall be conducted in the manner set forth by the board, in July at the date and time appointed by the board. After the auction, the board shall provisionally award to the person making the highest bid for the license the right to file an application for the license. However, the board may not accept a bid lower than the following amounts:

(1) In counties of the first through fourth class, one hundred thousand dollars (\$100,000).

(2) In counties of the fifth through eighth class, fifty thousand dollars (\$50,000).

(f) The winning bidder shall pay to the board the bid amount within two weeks. Payment shall be by cashier's check, certified check or any other method acceptable to the board. If the winning bidder does not pay the bid amount within two weeks, the second highest bidder shall be awarded the right to file an application for the license, so long as the bid amount is in accordance with subsection (e).

(g) If there are no bids for a license or if there are no bids that meet the bid amounts set forth in subsection (f), the license shall be revoked and may not be reissued.

(h) Within six months of a bidder being informed that he is the winning bidder and that the winning bid has been processed, the winning bidder shall file an application to transfer the license to itself or to an assignee. The application shall be processed in the same manner as any other transfer application and shall be subject to the same restrictions as any other transfer application, including any conditional licensing agreements, but not including any unpaid fines or unserved suspensions accrued by the previous license holder. The application may be filed on a prior approval basis.

Section 10.5. Section 471(b) of the act, amended July 6, 2005

(P.L.135, No.39), is amended to read:

Section 471. Revocation and Suspension of Licenses; Fines.--**

(b) Hearing on such citations shall be held in the same manner as provided herein for hearings on applications for license. Upon such hearing, if satisfied that any such violation has occurred or for other sufficient cause, the administrative law judge shall immediately suspend or revoke the license, or impose a fine of not less than [fifty dollars (\$50)] one hundred dollars (\$100) nor more than [one thousand dollars (\$1,000)] two thousand dollars (\$2,000), or both, notifying the licensee by registered letter addressed to his licensed premises. If the licensee has been cited and found to have violated section 493(1) insofar as it relates to sales to minors or sales to a visibly intoxicated person, section 493(10) insofar as it relates to lewd, immoral or improper entertainment or section 493(14), (16) or (21), or has been found to be a public nuisance pursuant to section 611, or if the owner or operator of the licensed premises or any authorized agent of the owner or operator has been convicted of any violation of the act of April 14, 1972 (P.L.233, No.64), known as "The Controlled Substance, Drug, Device and Cosmetic Act," or of 18 Pa.C.S. § 5902 (relating to prostitution and related offenses) or 6301 (relating to corruption of minors), at or relating to the licensed premises, the administrative law judge shall immediately suspend or revoke the license, or impose a fine of not less than [one thousand dollars (\$1,000)] two thousand dollars (\$2,000) nor more than [five thousand dollars (\$5,000)] ten thousand dollars (\$10,000), or both. However, if a licensee has been cited and found to have violated section 493(1) as it relates to sales to minors or sales to a visibly intoxicated person but at the time of the sale the licensee was in compliance with the requirements set forth in section 471.1 and the licensee had not sold to minors or visibly intoxicated persons in the previous four years, then the administrative law judge shall immediately suspend or revoke the license, or impose a fine of not less than [fifty dollars (\$50)] one hundred dollars (\$100) nor more than [one thousand dollars (\$1,000)] two thousand dollars (\$2,000), or both. The administrative law judge shall notify the licensee by registered mail, addressed to the licensed premises, of such suspension, revocation or fine. In the event the fine is not paid within twenty days of the adjudication, the administrative law judge shall suspend or revoke the license, notifying the licensee by registered mail addressed to the licensed premises. Suspensions and revocations shall not go into effect until thirty days have elapsed from the date of the adjudication during which time the licensee may take an appeal as provided for in this act, except that revocations mandated in section 481(c) shall go into effect immediately. Any licensee whose license is revoked shall be ineligible to have a license under this act until the expiration of three years from the date such license was revoked. In the event a license is revoked, no license shall be granted for the premises or transferred to the premises in which the said license was conducted for a period of at least one year after the date of the revocation of the license conducted in the said premises, except in cases where the licensee or a member of his immediate family is not the owner of the premises, in which case the board may, in its discretion, issue or transfer a license within the said year. In the event the bureau or the person who was fined or whose license was suspended or revoked shall feel aggrieved by the adjudication of the administrative law judge, there shall be a right to appeal to the board. The appeal shall be based solely on the record before the administrative law judge. The board shall only reverse the decision of the administrative law judge if the administrative law judge committed an error of law, abused its discretion or if its decision is not based on substantial evidence. In the event the bureau or the person who was fined or whose license was suspended or revoked shall feel aggrieved by the decision of the board, there shall be a right to appeal to the court of common pleas in the same manner as herein provided for appeals from refusals to grant licenses. Each of the appeals shall act as a supersedeas unless, upon sufficient cause shown, the reviewing authority shall determine otherwise; however, if the licensee has been cited and found to have violated section 493(1) insofar as it relates to sales to minors or sales to a visibly intoxicated person, section 493(10) insofar as it relates to lewd, immoral or improper entertainment or section 493(14), (16) or (21), or has been found to be a public nuisance pursuant to section 611, or if the owner or operator of the licensed premises or any authorized agent of the owner or operator has been convicted of any violation of "The Controlled Substance, Drug, Device and Cosmetic Act," or of 18 Pa.C.S. § 5902 or 6301, at or relating to the licensed premises, or if the license has been revoked under section

481(c), its appeal shall not act as a supersedeas unless the reviewing authority determines otherwise upon sufficient cause shown. In any hearing on an application for a supersedeas under this section, the reviewing authority may consider, in addition to other relevant evidence, documentary evidence, including records of the bureau, showing the prior history of citations, fines, suspensions or revocations against the licensee; and the reviewing authority may also consider, in addition to other relevant evidence, evidence of any recurrence of the unlawful activity occurring between the date of the citation which is the subject of the appeal and the date of the hearing. If the reviewing authority is the board, no hearing shall be held on the application for a supersedeas; however, a decision shall be made based on the application, answer and documentary evidence under this subsection. If the application for a supersedeas is for a license that has been revoked under section 481(c), the reviewing authority shall grant the supersedeas only if it finds that the licensee will likely prevail on the merits. No penalty provided by this section shall be imposed for any violations provided for in this act unless the bureau notifies the licensee of its nature within thirty days of the completion of the investigation.

Section 10.6. Section 477 heading, (c) and (f) of the act, added April 29, 1994 (P.L.212, No.30), are amended and the section is amended by adding a subsection to read:

Section 477. Applicants to Provide State Tax Identification Numbers and Statement of State Tax Status and Local Tax Status; Waiver of Confidentiality of Information in the Possession of the Department of Revenue and Other Departments; Review of State Tax Status.--**

(a.1) In addition to any other information required for the grant, renewal or transfer of any license issued pursuant to this article, an applicant for a license in a city of the first class shall provide the board, upon forms approved by the city, a statement that all taxes levied pursuant to the act of June 10, 1971 (P.L.153, No.7), known as the "First Class School District Liquor Sales Tax Act of 1971," have been remitted.

(c) Upon receipt of any application for the grant, renewal or transfer of any license issued pursuant to this article, the board shall review the State and local tax status of the applicant. The board shall request State and local tax information regarding the applicant from the Department of Revenue, the Office of Attorney General [or], the Department of Labor and Industry or the department of revenue for a city of the first class and said information shall be provided.

(f) Upon the required submission of the annual licensing fee or upon renewal, issuance or transfer of any license, if the Department of Revenue [or], the Department of Labor and Industry or the department of revenue for a city of the first class notifies the board of noncompliance with the aforementioned provisions, the board shall not renew, issue, transfer or validate the license. Any appeal filed therefrom shall not act as a supersedeas.

Section 11. Section 488 of the act, added February 21, 2002 (P.L.103, No.10), is amended to read:

Section 488. Shipment of Wine [into Commonwealth.--(a) The shipment of wine from out-of-State to residents of this Commonwealth is prohibited, except as otherwise provided for in this section.] to Pennsylvania Liquor Stores.--

(b) Notwithstanding any other provision of this act or law to the contrary, a person licensed by another state as a producer, supplier, importer, wholesaler, distributor or retailer of wine and who obtains a [direct wine shipper] direct-to-store wine shipper license as provided for in this section may ship up to nine liters per month of any wine [not included on the list provided for in subsection (c)] on the [Internet] order of any resident of this Commonwealth who is at least twenty-one (21) years of age for such resident's personal use and not for resale.

(c) Each month, the board shall publish on the Internet a list of all classes, varieties and brands of wine available for sale in the Pennsylvania Liquor Stores. A person holding a direct shipper license may ship only those classes, varieties and brands of wine not included on the list at the time an Internet order is placed.]

(d) [An out-of-State] A direct-to-store wine shipper shall:

(1) Not ship more than nine liters per month on the Internet order of any person in this Commonwealth.

(2) Report to the board each year the total amount of wine shipped

[into this Commonwealth] to Pennsylvania Liquor Stores in the preceding calendar year.

(3) Permit the board, the enforcement bureau or the Secretary of Revenue, or their designated representatives, to perform an audit of the [out-of-State] direct-to-store wine shipper's records upon request.

(4) Be deemed to have submitted to the jurisdiction of the board, any other State agency and the courts of this Commonwealth for purposes of enforcement of this section and any related laws, rules or regulations.

(e) A [direct] direct-to-store wine shipper may ship wine on the [Internet] order of a resident into this Commonwealth provided that the wine is shipped to a Pennsylvania Liquor Store selected by the resident. The wine will be subject to taxes in the same manner as wine sold directly by the board. The wine will not be released by the State store until all moneys due, including all taxes and fees, have been paid by the resident.

(f) A person shall sign an affidavit provided by the Pennsylvania Liquor Store where the wine was delivered to stating that the wine will only be used for the person's personal use. Any person who resells wine obtained under this section commits a misdemeanor of the second degree.

(g) The board may promulgate such rules and regulations as are necessary to implement and enforce the provisions of this section. The board may charge the resident a fee to cover the cost associated with processing the [Internet] order.

(h) The board shall submit [monthly] annual reports to the Appropriations Committee and the Law and Justice Committee of the Senate and to the Appropriations Committee and the Liquor Control Committee of the House of Representatives summarizing the number of [direct] direct-to-store wine shipper licenses issued by the board, the quantity of wine sold and shipped by direct-to-store wine shipper licensees pursuant to this section and the total dollar value of sales under this section.

(I) The term "wine" as used in this section shall mean liquor which is fermented from [grapes and other fruits, having alcoholic content of twenty-four per centum or less. The term "wine" shall not include malt or brewed beverages nor shall wine include any products containing alcohol derived from malt, grain, cereal, molasses or cactus] an agricultural commodity as that term is defined in section 505.2(c).

Section 12. The act is amended by adding a section to read:

Section 489. Direct Shipment of Wine.--(a) Notwithstanding any other provision of law, a person licensed by the board or another state as a producer of wine, and who obtains a license as provided for in this section, may ship up to eighteen liters per month of any wine on the order of any resident of this Commonwealth who is at least twenty-one years of age for such resident's personal use and not for resale.

(b) Prior to issuing such a license, the board shall require the person seeking the license to:

(1) File an application with the board.

(2) Pay a registration fee of one hundred dollars (\$100).

(3) Provide to the board a copy of the applicant's current alcoholic beverage license issued by the board or another state, if applicable.

(4) Provide documentation to the board which evidences that the applicant has obtained a sales tax license from the Department of Revenue.

(5) Obtain a tax bond, in the amount of one thousand dollars (\$1,000), such that if the licensee does not pay the taxes imposed under this section when due, the surety of the bond shall pay all taxes and any related penalties, and any interest that may be due or become due.

(6) Provide the board with any other information that the board deems necessary and appropriate.

(c) The licensee shall:

(1) Require proof of age of the recipient, in a manner or format approved by the board, before any wine is shipped to a resident of this Commonwealth.

(2) Ensure that all boxes or exterior containers of wine shipped directly to a resident of this Commonwealth are conspicuously labeled with the words "CONTAINS ALCOHOL: SIGNATURE OF PERSON 21 YEARS OF AGE OR OLDER REQUIRED FOR DELIVERY."

(3) Ensure that shipments shall be delivered by an entity holding a valid transporter-for-hire license issued by the board and that such transporter-for-hire shall not deliver any wine unless it does all of the following:

(i) Obtains the signature of the recipient of the wine upon delivery.

(ii) Verifies by inspecting a valid form of photo identification, as

provided for in section 495(a), that the recipient is at least twenty-one (21) years of age.

(iii) Determines that the recipient is not visibly intoxicated at the time of delivery.

(4) On a quarterly basis, remit to the Department of Revenue all taxes due on sales to residents of this Commonwealth.

(5) Permit the board, the enforcement bureau or the Secretary of Revenue, or their designated representatives, to perform an audit of the licensee's records upon request.

(6) Be deemed to have submitted to the jurisdiction of the board, any other State agency and the courts of this Commonwealth for purposes of enforcement of this section and any related laws, rules or regulations, including the collection and remission of taxes as required under this section.

(7) Annually renew its license by paying a renewal fee established by the board and report to the board, at the time of renewal, the total amount of wine shipped to residents of this Commonwealth in the preceding calendar year.

(d) Wine delivered under the authority of this section is subject to the sales and use tax imposed by section 202 of the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971," the sales and use tax imposed by Article XXXI-B of the act of July 28, 1953 (P.L.723, No.230), known as the "Second Class County Code," the sales and use tax imposed by the act of February 12, 2004 (P.L.73, No.11), known as the "Intergovernmental Cooperation Authority Act for Cities of the Second Class," and the emergency State tax imposed on wines sold by the board under the act of June 9, 1936 (1st Sp. Sess., P.L.13, No.4), entitled "An act imposing an emergency State tax on liquor, as herein defined, sold by the Pennsylvania Liquor Control Board; providing for the collection and payment of such tax; and imposing duties upon the Department of Revenue and the Pennsylvania Liquor Control Board."

(e) A transporter for hire shall:

(1) keep records as required under section 512 pertaining to the direct shipment of wine; and

(2) permit the board and the enforcement bureau, or their designated representatives, to inspect such records in accordance with section 513.

(f) Any person who resells wine obtained under this section commits a misdemeanor of the second degree.

(g) Shipments of wine to persons in this Commonwealth from persons who do not possess a license from the board authorizing such shipments are prohibited. Any person who knowingly makes, participates in, transports, imports or receives such shipment commits a misdemeanor.

(h) The board shall submit annual reports to the Appropriations Committee of the Senate and the Law and Justice Committee of the Senate and to the Appropriations Committee of the House of Representatives and the Liquor Control Committee of the House of Representatives summarizing the number of licenses issued by the board under this section, the quantity of wine sold and shipped by licensees pursuant to this section and the total dollar value of sales under this section.

(I) The board may promulgate such rules and regulations as are necessary to implement and enforce the provisions of this section.

(j) The term "wine" as used in this section shall mean liquor which is fermented from an agricultural commodity as that term is defined in section 505.2(c).

Section 13. Section 493(24) of the act, amended November 29, 2006 (P.L.1421, No.155), is amended and the section is amended by adding a paragraph to read:

Section 493. Unlawful Acts Relative to Liquor, Malt and Brewed Beverages and Licensees.--The term "licensee," when used in this section, shall mean those persons licensed under the provisions of Article IV, unless the context clearly indicates otherwise.

It shall be unlawful--

(24) (I) Things of Value Offered as Inducement. Except as provided in subclause (ii), for any licensee under the provisions of this article, or the board or any manufacturer, or any employee or agent of a manufacturer, licensee or of the board, to offer to give anything of value or to solicit or receive anything of value as a premium for the return of caps, stoppers, corks, stamps or labels taken from any bottle, case, barrel or package containing liquor or malt or brewed beverage, or to offer or give or solicit or receive anything of value as a premium or present

to induce directly the purchase of liquor or malt or brewed beverage, or for any licensee, manufacturer or other person to offer or give to trade or consumer buyers any prize, premium, gift or other inducement to purchase liquor or malt or brewed beverages, except advertising novelties of nominal value which the board shall define. This section shall not prevent any manufacturer or any agent of a manufacturer from offering and honoring coupons which offer monetary rebates on purchases of wines and spirits through State Liquor Stores or purchases of malt or brewed beverages through distributors and importing distributors in accordance with conditions or regulations established by the board. The board may redeem coupons offered by a manufacturer or an agent of a manufacturer at the time of purchase. Coupons offered by a manufacturer or an agent of a manufacturer shall not be redeemed without proof of purchase. This section shall not apply to the return of any monies specifically deposited for the return of the original container to the owners thereof.

(ii) Notwithstanding subclause (I) or any other provision of law, a holder of a restaurant license that is also approved to hold a slot machine license or a conditional slot machine license under 4 Pa.C.S. Part II (relating to gaming) may give liquor and malt or brewed beverages free of charge to any person [actively engaged in playing a slot machine] of age and within the licensed facility.

(35) Sale of wine received by direct-to-store or direct shipment. For any licensee to sell or offer to sell any wine purchased or acquired, directly or indirectly, from a licensee pursuant to the authority of section 488, or from a licensee pursuant to the authority of section 489.

Section 14. Section 499(a.1) of the act, amended October 5, 1994 (P.L. 522, No. 77), is amended to read:

Section 499. Premises to be Vacated by Patrons.--***

(a.1) Subsection (a) shall not apply to sales of malt and brewed beverages for consumption off the premises when the following conditions are met:

(1) no licensee may sell malt or brewed beverages in excess of [one hundred ninety-two fluid ounces] three hundred eighty-four ounces in not more than twenty-four original containers in a single sale to one person as provided in section 407, provided the licensee may not sell a package as prepared for sale or distribution by the manufacturer containing more than twelve containers, in any one sale for consumption off the premises;

(2) sales and service of malt and brewed beverages for consumption off the premises are made prior to the designated time the licensee is required by this act to cease serving liquor, malt or brewed beverages;

(3) persons who have purchased malt and brewed beverages for consumption off the premises shall remove the malt and brewed beverages from the premises by the designated time as contained in this act that patrons are required to vacate the premises;

(4) no club licensee may sell any malt or brewed beverage for consumption off the premises where sold or to any persons who are not members of the club.

Section 14.1. Section 505.2(a)(6.1) of the act, amended June 28, 2011 (P.L. 55, No. 11), is amended and the section is amended by adding a clause to read:

Section 505.2. Limited Wineries.--(a) In the interest of promoting tourism and recreational development in Pennsylvania, holders of a limited winery license may:

(6.1) Sell food for consumption on or off the licensed premises and at the limited winery's additional board-approved locations and sell by the glass, at the licensed premises and at the limited winery's additional board-approved locations, [only] wine and alcoholic ciders that may otherwise be sold by the bottle. In addition, the holder of a limited winery license may sell for consumption on the licensed premises and at the limited winery's additional board-approved locations, liquor produced by a licensed limited distillery and malt or brewed beverages produced by a licensed brewery.

Section 14.2. Section 505.4(b)(1) and (c)(1) of the act, amended December 22, 2011 (P.L. 530, No. 113), are amended to read:

Section 505.4. Distilleries.--***

(b) (1) The board may issue a limited distillery license that will allow the holder thereof to operate a distillery that shall not exceed production of one hundred thousand (100,000) gallons of distilled liquor

per year. The holder of the license may manufacture and sell bottled liquors produced on the licensed premises to the board, to entities licensed by the board and to the public between the hours of nine o'clock antemeridian and eleven o'clock postmeridian so long as a specific code of distilled liquor which is listed for sale as a stock item by the board in State liquor stores may not be offered for sale at a licensed limited distillery location at a price which is lower than that charged by the board and under such conditions and regulations as the board may enforce. The holder of a limited distillery license may also sell wines produced by a licensed limited winery or malt or brewed beverages produced by a licensed brewery.

(c) (1) The holder of a distillery license as issued under section 505 may sell bottled liquors produced on the licensed premises to the board, to entities licensed by the board and to the public between the hours of nine o'clock antemeridian and eleven o'clock postmeridian so long as a specific code of distilled liquor which is listed for sale as a stock item by the board in State liquor stores may not be offered for sale at a licensed distillery location at a price which is lower than that charged by the board and under such conditions and regulations as the board may enforce. The holder of a limited distillery license may also sell wines produced by a licensed limited winery or malt or brewed beverages produced by a licensed brewery.

Section 14.3. The act is amended by adding a section to read:

Section 1002. Small Brewers Tax Credits.--(a) A tax credit or credits shall be allowed for each calendar year to a taxpayer, not to exceed in total amount the amount of qualifying capital expenditures made by the taxpayer and certified by the secretary.

(b) A taxpayer desiring to claim a tax credit or credits under this section shall, within one year of the date of the original purchase of the qualifying capital expenditures, in accordance with regulations promulgated by the secretary, report annually to the secretary the nature, amounts and dates of qualifying capital expenditures made by him and such other information as the secretary shall require. If satisfied as to the correctness of such a report, the secretary shall issue to the taxpayer a certificate establishing the amount of qualifying capital expenditures made by the taxpayer and included within said report. The taxpayer shall also provide to the secretary the number of employees, total production of malt or brewed beverages and the amount of capital expenditures made by the taxpayer at each location operated by the taxpayer or a parent corporation, subsidiary, joint venture or affiliate. The taxpayer shall notify the secretary of any contract for production held with another manufacturer. The secretary shall file a report annually with the Secretary of the Senate and with the Chief Clerk of the House of Representatives outlining the employment, production, expenditures and tax credits authorized under this section.

(c) Upon receipt from a taxpayer of a certificate from the secretary issued under subsection (a), the secretary shall grant a tax credit or credits in the amount certified against any tax due under Article XX of the act of March 4, 1971 (P.L. 6, No. 2), known as the "Tax Reform Code of 1971" in the calendar year in which the expenditures were incurred or against any tax becoming due from the taxpayer under Article XX of the "Tax Reform Code of 1971," in the following three calendar years. No credit shall be allowed against any tax due for any taxable period ending before January 1, 2013, and no taxpayer shall be eligible to receive a tax credit for a qualifying expenditure made on or before December 31, 2009.

(d) (1) As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Amounts paid" shall mean:

(i) amounts actually paid; or

(ii) at the taxpayer's election, amounts promised to be paid under firm purchase contracts actually executed during any calendar year: Provided, however, That there shall be no duplication of "amounts paid" under this definition.

"Qualifying capital expenditures" shall mean amounts paid by a taxpayer for the purchase of items of plant, machinery or equipment for use by the taxpayer within this Commonwealth in the manufacture and sale of malt or brewed beverages: Provided, however, That the total amount of qualifying capital expenditures made by a taxpayer within a single calendar year shall not exceed two hundred thousand dollars (\$200,000) and must have been made on or after January 1, 2010.

"Secretary" shall mean the Secretary of Revenue where not otherwise qualified.

"Taxpayer" shall mean a manufacturer of malt or brewed beverages claiming a tax credit or credits under this section after making a qualifying capital expenditure.

(2) Except as otherwise provided in clause (1), the definitions in section 2002 of the "Tax Reform Code of 1971" shall apply to this section.

Section 15. This act shall take effect in 60 days.

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

POINT OF ORDER

The PRESIDENT. The Chair recognizes the gentleman from Erie, Senator Wiley.

Senator WILEY. Mr. President, I ask for a ruling from the Chair on whether I may vote on House Bill No. 466 and any amendment to it due to the fact that my father is an employee of the PA Liquor Control Board.

The PRESIDENT. Senator Wiley, the Chair rules that there is no conflict of interest and that in accordance with Senate Rule 20(c), the Senator must vote on House Bill No. 466 and the amendments for two reasons. First, the Chair finds that your father is a member of a class of individuals who may or may not be affected by any actions on House Bill No. 466. Second, the Chair does not find that any votes that you may cast would be particularly personal to you, Senator Wiley, or privately affect you alone. So, you must vote on the bill.

Senator WILEY. Mr. President, thank you.

And the question recurring,
Will the Senate agree to the amendment?

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Brewster.

Senator BREWSTER. Mr. President, since we have already discussed this in the Committee on Appropriations, I will be somewhat brief. Since we have viewers probably at home and colleagues who may not have been in the meetings where this topic was discussed, I thought it was important to bring up some points that I think are germane as we move forward today. It is my belief that sometime during the course of today we will pass a budget that I hope the Governor will veto for a number of reasons, specifically--and I am just going to start off by calling this a privatization bill for liquor. My amendment is a modernization bill, and just to draw some comparisons for those who might be viewing, it is our position in our Caucus and in my modernization bill that we can accomplish what we think the consumers, the public, and the taxpayers of Pennsylvania want. What we have heard about liquor for the past couple of years is, one, it is not an important item in many households, it is not something that they view to be as important as job creation, as property tax elimination, and things of that nature. However, it is a part of the budget we have before us and it is a significant part because it dedicates several hundred million dollars towards this budget, which we cannot and I cannot support.

However, to that point, we believe we can accomplish something similar in terms of revenue by doing the modernization bill. For the sake of clarification, we have heard the public say we

want convenience with regard to liquor, we want better pricing, and better variety. If those are the things we are trying to accomplish, and we can accomplish them by not eliminating an institution that has been around for almost 90 years, an asset that belongs to the taxpayers of Pennsylvania, if we can maintain that status, maintain that asset for future revenues and for future generations, and preserve 4,700 jobs--and I want to repeat that, if we can accomplish the same financial goal and provide what the consumers want and preserve 4,700 jobs--why would we not do that?

Now, I realize my comments have been heard in various committee discussions, but it is my hope that the comments I make today will be beneficial in the weeks and months to come as we discuss further what I believe will be a different budget, one that we can agree on. Just to be fair, for those who support privatization, I do not want to criticize their insistence. I think it is important that they have brought this to the surface. It has given us an opportunity to talk about changing things for the better of those in the Commonwealth, loosening up the liquor laws to give the LCB an opportunity to be competitive in the market, to provide better pricing and variety, and to give the institution that is in place an opportunity to do exactly what the consumer wants to have happen. The mechanism is in place. What is in question is the strategy. I think it is a poor strategy to talk about eliminating an asset that will generate revenue for years to come. As a point of clarification, in prior budgets, we know that the liquor network provided the appropriate revenue as defined in prior budgets, particularly by our former Governor.

It strikes me as odd that all of a sudden, today, with a new Governor, my colleagues on the other side of the aisle have chosen to bring this to the surface where it had not happened in the past 4 years, the privatization strategy. I find that interesting, and I think it is important that the public realizes that the Governor and those of us in our Caucus have a strategy, and have had one for quite some time, and it is consistent with some in the House, and actually consistent with some on the other side of the aisle. So, I think it is really important for the public to understand that we have this figured out. What we have not been able to agree on is what strategy we move forward with. One that will eliminate an asset for years to come that we will never be able to recover, or one that we can massage, make changes, give the LCB an opportunity to be competitive pricing-wise and in the market. It is a good business decision. It is not a good decision to give up a recurring asset. That is an important point.

I am going to close as I always do. Those of us in this room, all of us in this room, I know have a passion for job creation. I would not suggest otherwise. We have an opportunity to accomplish something very significant, to make subtle changes without eliminating 4,700 jobs. I cannot believe anybody in this room can make the case to do that when the numbers do not suggest it is the right thing to do. These are middle-class, hardworking people who were not around 90 years ago and had nothing to do with starting the liquor network. They simply go to work every day, do a good job, and are profitable. As we know from last year's numbers, \$550 million, of which \$80 million was profit. The profit is the piece we lose. Not the tax revenue, we will certainly retain that. We lose the profit. If we make changes in the LCB, in the liquor laws, and provide them the opportunity to have a free hand to compete, we believe we can grow that \$80 million to \$200 million a year. I think we should give them a

chance to do that. And I hope that my comments today will give both sides of the aisle and the Governor a starting point as we move into the next couple of weeks with regard to the new budget.

Mr. President, I thank you for the opportunity to make comments.

The PRESIDENT. The Chair recognizes the gentleman from Jefferson, Senator Scarnati.

The PRESIDENT pro tempore. Mr. President, certainly, I rise to oppose this amendment. I will get into some details why I oppose it, but I certainly respect the sincerity and respect the ideas that my colleague has put forth.

In 1936, my grandfather, at 26 years old, applied for a liquor license in Pennsylvania. He applied for a license, I still have the application copy, which is in his handwriting, and answered all of the questions that the LCB had put forth in 1936. He was fingerprinted, he was background-checked, and he ran a restaurant and tavern known as the Rocky Grill Restaurant in our hometown from 1936 until his death in 1973. My father went into business with my grandfather in 1968. He, too, transferred the license, was background-checked, was fingerprinted, and ran that license and that establishment for 40 years. I joined my father in 1982 as a partner and I operated and ran that establishment for 20 years. That is over 70 years of experience in the liquor business in Pennsylvania. I am going to save some of my remarks for final passage of the bill, because I think I can speak with some certainty and I can speak with some knowledge and experience. I can speak factually. So, I am going to save the facts for the passage of the bill, and I just hope my colleagues respect the facts as well as I do.

I oppose this amendment because what it really does is it guts the existing bill and it provides for status quo. It is the same as we have done. I can tell you from my experience, and I think all of the experiences that you hear in here, people want a change. They are tired of the status quo with liquor. Maybe we could say they want a fresh start, but they want a change, and what we have in this bill is a change. I have to look at the summary of what basically this amendment does. Now, in a few days we are going to be celebrating the Fourth of July, a pretty big day in the Commonwealth and across the nation. We are going to celebrate that day in our hometowns. In my hometown of 2,100 people, we have what is called the Old Fashioned Fourth of July. It is the 49th year. Do you know what it is the 49th year of, too? The State Stores closed. Under this amendment, the State Stores stay closed. I do not get that. That is not helping and changing the system. That is more of the status quo. So people in Brockway, Pennsylvania, and across the Commonwealth who might want to have a respectable picnic in their backyards, might like to have a bottle of wine or some spirits, they had better get it on July 3, because the stores are closed, and under this amendment, they stay closed.

It talks about pricing and that the LCB needs more flexibility in pricing and they could increase their profitability by changing pricing. That raises prices. Prices go up under this amendment. Prices change and they go up, just so you understand that. This also has a component of the direct wine shipment in it. We have passed the direct wine shipment bill from our Chamber to the Governor, and hopefully he will sign it. That is something that we want done and I think is important.

This talks about beer reform. Well, I do not know how many of you go to State Stores now, but there is no beer in the State Stores. Beer is at taverns and at distributors. This addresses beer. Even under the committee rules with which we were working with Senator McIlhinney, we did not address beer, because beer is privatized. Beer is owned by private hands. This has nothing to do with beer, and it should not have any. I read about some of the special provisions in here. I am concerned about these special provisions; special provisions for Pittsburgh downtown and special provisions for McKees Rocks downtown, loosening up some very important rules that we have now. It almost looks like if you could put WAMs into language, some WAMs are in here.

So, to my colleagues who want to get away from status quo, and if you want to buy a bottle of your favorite wine on the Fourth of July, and you do not want to put beer distributors out of business, vote "no" on this amendment.

I will save some time, Mr. President, to talk about those 70 years of experience I have from my family when we start talking about the bill.

Thank you, Mr. President.

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

Senator COSTA. Mr. President, it was not my intention to speak on this amendment. I think Senator Brewster did an outstanding job of laying out some of the reasons that we are asking for, and I am asking my colleagues for support, an affirmative vote on the modernization amendment. Let me start, though, by addressing the issue with respect to the previous speaker, a gentleman for whom I have great respect, with respect to the issue of status quo. There is nothing in this bill, in our view, that reflects the status quo. In fact, some of the things that he has talked about, this side of the Chamber has supported. We may disagree about how we do direct shipment, but clearly this legislation provides, in our view, a more appropriate way to provide for direct shipment of wines in this Commonwealth.

Secondly, this provision provides for a pricing flexibility, which I think is something that we need in this Commonwealth to adequately and properly compete with other States around us. The question about hours: this proposal provides for Sunday sales and enhanced hours for the LCB folks to allow them to be open and more accessible to the public along those lines. We also want to try to provide more convenience with respect to having the LCB stores either adjacent to or a part of or even inside our grocery stores to allow the product to be sold in a convenient manner to our Commonwealth residents along those lines. So, to suggest that this is more of the same or status quo is not appropriate in that regard.

With respect to the revenue that this generates as the gentleman said, Senator Brewster indicated, this generates about \$185 million in our proposal, new revenue for this Commonwealth which we try to use, along with the Governor, we would like to be able to use that additional revenue to help try to address the pension problem that we have here in Pennsylvania, which I know we will talk about later today. What we would like to be able to further state, Mr. President, is that this is a reasonable modernization proposal that meets the needs of the people of Pennsylvania with respect to their desire for access to more wines and more spirits in Pennsylvania. More importantly, the gentleman talked about the fact that it would increase prices. I know that he is going to speak later on his amendment that was

offered in the meeting of the Committee on Law and Justice earlier this week. The fact of the matter is, I think, as we know, and our good friend, the chairman of the committee, has indicated that it is his belief--as someone who, too, has a lot of expertise in this area of wine and spirits and distribution and the like--has already indicated to all of us through the committee process that this proposal that we will be voting on later today, the underlying bill that we are trying to amend and change, in fact, will lead to higher prices. That has been the experience in other States that have done things along the lines of privatizing the wine and spirits operation.

So we recognize, Mr. President, that folks want the opportunity to have greater access to wine, spirits, and beer. What we want to be able to do is do it in a more modernized and appropriate fashion that helps grow the asset that we have. We know that there are things that need to be done with respect to how we dispense alcohol. We know, on our side of the aisle, that it is not necessarily a core function of government, but at the end of the day we believe that there needs to be some role that government plays with respect to how we dispense alcohol, and we need to do it in a reasonable and appropriate fashion as we expand those opportunities.

So, for all of those reasons, Mr. President, I ask my colleagues to join us in supporting the amendment offered by my good friend from Allegheny, Senator Brewster.

Thank you, Mr. President.

And the question recurring,
Will the Senate agree to the amendment?

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

YEA-20

Blake	Farnese	Kitchen	Teplitz
Boscola	Fontana	Leach	Wiley
Brewster	Greenleaf	Sabatina	Williams
Costa	Haywood	Schwank	Wozniak
Dinniman	Hughes	Tartaglione	Yudichak

NAY-29

Alloway	Eichelberger	Rafferty	Vulakovich
Argall	Folmer	Scarnati	Wagner
Aument	Gordner	Scavello	Ward
Baker	Hutchinson	Smucker	White
Bartolotta	McGarrigle	Stefano	Yaw
Brooks	McIlhinney	Tomlinson	
Browne	Mensch	Vance	
Corman	Pileggi	Vogel	

Less than a majority of the Senators having voted "aye," the question was determined in the negative.

And the question recurring,
Will the Senate agree to the bill on third consideration?
It was 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 Jefferson, Senator Scarnati.

The PRESIDENT pro tempore. Mr. President, I rise today in strong support of House Bill No. 466. House Bill No. 466 is a historic piece of legislation which will finally bring Pennsylvania into the 21st century. In doing so, this bill does something else that is very important: It gives the people of Pennsylvania what they want. I will say that again, it gives the people of Pennsylvania what they want. It gets the State out of the liquor business once and for all. This legislation also goes a long way toward easing our archaic alcohol laws and providing the consumer convenience that Pennsylvanians crave, Mr. President. How many of us in this Chamber have heard our friends, our family, neighbors complain about having to make three or more stops simply to prepare for a family gathering? I have complained about it myself. Well, Mr. President, with House Bill No. 466, those days are over. No longer will Pennsylvanians need to make a stop at the beer distributor, pick up a case of beer, then drive to the State liquor store for a bottle of wine, and follow it up with a trip to the grocery store. House Bill No. 466 provides for beer, wine, and spirits all in one place at the same time, and that is the first in our State's history, Mr. President.

In addition to creating the one-stop shop for alcohol that our constituents have asked for, this bill will allow them the convenience of picking up a six-pack, a bottle of wine, and a loaf of bread for dinner at their local grocery store. For most people across the country, these types of everyday conveniences are taken for granted. Those of us who travel and take vacations, I am sure that we all smile when we walk through that one-stop shop in other States, and I am sure that we buy what is in there, and do it very happily. Here in Pennsylvania, we have had special interests that have managed to successfully yield their influence for decades in an attempt to keep this monopoly in place. As beer distributors, grocery stores, restaurants, and other private retailers begin to provide our constituents with the accessibility and selection that they deserve, the Pennsylvania State-run liquor stores will close. This bill will also do away with the bureaucratic middleman that is our State-run wholesale system, and will allow private business to do what they do best without needless government intervention. All of these important measures contained in this bill are things Pennsylvanians have asked for, Mr. President. So today I ask for an affirmative vote on House Bill No. 466.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Allegheny, Senator Brewster.

Senator BREWSTER. Mr. President, it is not often that you get to speak to an audience like this and have at least a casual disagreement with your boss, or one of your bosses, my colleague. I want to make that clear. I have a lot of bosses in here, but I want to recognize them all. So, please take my comments as simply business and not personal.

I was going to hold this comment until later on today, but I think it is important that we note for the record that this is an important component of the budget that we are going to have to vote on today. I think it is in here today, the privatization initiative, and was not in here in previous years because there are some who want to divert our attention from another source of revenue, another industry, which I also support. In those debates, when we talked about potential revenue, there was discussion by

our colleagues in the House about preserving jobs, protecting jobs, and that made a lot of sense to me as businessman, and we certainly want to do that. Here we are on this issue, and with the stroke of a pen, today will be the start of the elimination of 4,700 jobs. Now, I have not been here all that long, but I wonder when the last time was that you had an opportunity, with the stroke of a pen, to eliminate 4,700 jobs in the State of Pennsylvania. I wonder how many times you have had that opportunity, or better yet, an opportunity not to sign it.

I appreciate my colleague's comments about his passion, his background, and his family. That is the American dream and those are the things we encourage people to do, not discourage them. I think it is important that it was noted for the record that that is what we are trying to achieve, but there were a couple of inaccuracies. For example, the polls that we all look at, regardless of which side of the aisle we are on, know that 1 percent of the people of Pennsylvania find liquor to be of interest in terms of change. One percent. A smarter person than me told me that is about 120,000 people out of 12.5 million. So, because 1 percent of the people want change--and I do not believe that 1 percent said they wanted 4,700 people to lose their jobs, either. So again, I am going to try and chronologically point out that it is not something that the public is asking for. The modernization bill provides the freedoms that we think we need to make as we change in our culture and the paradigm shifts that we see with regard to alcohol. In the bill it says extended hours on Sunday, additional Sundays to be open for more stores, and direct delivery of wine, go into a restaurant and be able to buy a bottle of wine or a case of beer, package reform, and as my colleague mentioned, beer is privatized.

So, we have hit all of the elements, and I do not want to bore you with all those details. Our numbers indicate we can generate more revenue and more profit if we make some minor changes. On the privatization side, we have heard even from the maker of the bill that there is no guarantee prices will not go up. Someone will have to explain to me why we would take a topic that is not important to the public where we can make changes that provide more convenience, better pricing, better variety, continue to have recurring revenue from an asset that could go on for generations and maintain 4,700 jobs. Now, we stack that up against the privatization bill that eliminates those jobs, which, by the way, has a negative impact on pensions, that is not going to be free, unemployment, the stress of trying to relocate folks, retrain folks, with no guarantee that the revenue is going to increase. No guarantee at all. I will say this, because I want to be fair, there are new Members in this room who continue to bring this to the surface. We should thank them for that. They have forced us to look at this particular process and expand our thoughts. Otherwise, we probably would have had the status quo. You have stimulated both sides of the aisle to look at this as a business. So, for those of you who have a genuine business desire here to cause us to think about this, I thank you. We have done that. Moreover, there is no reason why we cannot continue to revisit this network that we have.

So, again, I want to close and remind my colleagues that, hopefully, this will be further discussed as we get into another budget and, hopefully, the Governor will veto the one that we will probably pass today and we can sit down and have a genuine conversation about how we make the changes that we think peo-

ple want, however few they may be, and continue to be profitable on behalf of the taxpayers.

Thank you, Mr. President.

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

Senator WILLIAMS. Mr. President, I heard the comments about what Pennsylvanians want, and the refrains that are consistent are: convenience. I have heard that for a lot of years. I am glad that a previous speaker spoke about the fact that he had a history of understanding what this meant. I want the public to understand the significance of what we are considering here today. It is not whimsical or without consequence. So, convenience represented in this bill comes with a great cost to taxpayers. Understand something, I am amongst those who would love to be able to go get a bottle of wine on July 4. I am certainly one of those who has friends who have been in the business of a restaurant or a bar who gets frustrated with the State Store process. I want you to understand something, this does not fix that without a cost to what we maintain in Pennsylvania. In fact, in some parts of Pennsylvania, because we decided to, quote, "privatize," unquote, and become a capital market, that means those who are in this business will decide whether they are going to open a business in parts of Pennsylvania. So, in fact, for those who are concerned about convenience, yes, there is a closing State Store in your community along with no one replacing it. So, the issue of convenience, frankly, is an oxymoron as it is represented in this bill because there is no guarantee that something will replace that place that you want to buy that bottle of wine from because it is going to close.

The second thing is the issue of prices. In committee the other day, we talked about how do we satisfy the budgetary requests. The chairman of that committee on the Republican side of the aisle specifically said, yes, it is true, we will cut wages of existing employees and increase prices of the product. I am not sure that is what the public wants. I am not sure that the public--not only getting rid of the jobs but, in fact, replacing the jobs with people who get paid a lot less to do actually even more and increase prices upon the public--I am not sure that is what they want.

Now, the State Store is not a perfect process, and that is why this concept of modernization was introduced. That is why for several years, since Senator Ferlo was here, we began to work on this with Members on the other side of the aisle. It has been recognized by all of us that the State Store process has to get better in Pennsylvania to be much more effective and provide convenience, but convenience should not come at a cost pitting one group against another. That means those who can afford to pay an increased price for that bottle of wine versus my constituency, Joe or Jane Six-pack. State Stores are designed for every Pennsylvanian to have access when and if they choose to participate and buy an alcoholic beverage or spirit. Cost is managed in this process. No, it is not a capitalist plan, but it is a managed plan so that all will have access to the opportunity to choose if they want to buy a beverage.

Ultimately, for people like me who have districts that have challenges in it, that State Store that currently can call on the phone to somebody in State government and say, I think minors may be going in there, I think that the selection that you have in there is not complete, the hours of operation that you operate, I have a point of perspective about that. I am not sure anybody

here knows what a nuisance bar is. Some may, some may not. A nuisance bar is something that we actually have to police in Pennsylvania, that means a place that does not follow the rules. By the way, we do not have enough police officers or State Troopers to police them. They do sell to minors. They do break the law. They do violate the spirit of what we want to do in distributing liquor and alcohol across Pennsylvania. They do exist, and by the way, they are a problem and, in fact, the General Assembly, because they were so much of a problem, passed laws against them. So now we decided, in our infinite wisdom, that in addition to our nuisance locations, we are going to add a whole lot of liquor stores. I have States around me that have private liquor stores around them, and I want to tell you, they are nothing to be proud of. The way they look, who they distribute to, how they sell is applied in a very defined manner. Those who are least able to protect themselves find themselves vulnerable in those communities. So, we will add illegal drugs, liquor out of control, and non-policed communities because we think that this system needs to be fixed -- not tweaked, not repaired, but eliminated.

Well, I am glad that Senator Ferlo was followed by Senator Brewster. I am glad that he believes that cutting wages is inappropriate, raising prices is inappropriate, but more importantly, providing a level playing field for all Pennsylvanians, wherever they are, for a system that may not work perfectly, but does work to protect the public and promote the public. For a system that we have offered changes to, in fact, those employees who work there say they are willing to participate in those changes. I am grateful that today we will move forward. I am most grateful that we have a Governor who sees the vision beyond the limited perspective on this piece of paper. Hopefully, we will get to the business of improving the State Store system and modernizing as all of us, Republicans and Democrats, see fit.

Thank you, Mr. President.

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

Senator HUGHES. Mr. President, obviously, I rise in opposition to this legislation. Aside from the fact that one of the points that its prime sponsor made this past weekend was a point that indicated that more than likely the prices of our beverages, if this legislation becomes law, would go up; aside from the fact, as the previous speaker indicated, that the sale of alcohol and adult beverages would flourish in neighborhoods and communities that do not need the sale of alcohol and adult beverages sold in those communities--in fact, the last thing a number of our communities need is more booze being sold in those neighborhoods in less restrictive environments, with fewer people having to pay any kind of consequence if they sold to minors--aside from the fact that those issues are important and relevant, as I said, the last thing that we need in many of our communities is more places to buy adult beverages - liquor, spirits, and wine. Most of the time we spend back in our district offices is assisting communities trying to control the sale of adult beverages. But aside from the fact, Mr. President, that we lose at least \$150 million in the proposed legislation as a Commonwealth, payments to the Department of Health, LCB operations, the State Police, aside from the fact that there is probably about \$150 million in stranded costs after the liquor system had to make a transformation that they would still have to carry; aside from the fact, Mr. President, that we would lose probably 5,000 employees who are making good

salaries, good wages, good benefits, something that we all want our people to have in Pennsylvania, not cheap salaries, poor salaries, but good salaries made with a good benefit structure, salaries that they can sustain and raise their families on; aside from those very important issues, in addition to the fact that those employees, those 5,000 individuals have an increased concern for how they do not sell beverages to minors, because as a current member of the liquor system in Pennsylvania, if you sell to a minor, you are threatened with the loss of job almost immediately.

What we have seen in other States, Mr. President, is that if the liquor is sold privately, there is no real control and there certainly is not a threat to an individual who sells to a minor, not a threat of any consequence. *The New York Times* recently reported, and it may be spoken to in greater detail about what happened in New York City when the State's law enforcement folks, relating to their alcohol industry, raided or checked on or sent in minors to attempt to purchase booze in Manhattan. Over 58 percent of those folks wound up purchasing booze in Manhattan. They were all underage.

So, Mr. President, aside from all of those important points - the lost revenue, the fact that we will have additional costs that we will have to incur - this is a huge asset, the liquor system is a huge asset that we have control of here in Pennsylvania. It is not a small asset, it is a huge asset, a very substantial asset that we have here in Pennsylvania. Pennsylvania is the largest purchaser of adult beverages, of wine and spirits, in the nation. In fact, Mr. President, it is one of the largest purchasers of adult beverages in the world. Pennsylvania is the largest purchaser of wine and spirits in the nation and one of the largest in the world. We control this asset. We, as a State, control this asset. What we have done smartly, Mr. President, is when we took control of this asset, years ago we set up a system that we benefit, as Pennsylvania people, from the control. We hired 5,000 people, we pay them good wages, we provide a distribution system. Those individuals have good benefits and we have the largest collection of adult beverages of any entity in the country. We have it available to Pennsylvania's people.

Times change, life evolves, the operations of retail must transform themselves to keep up with time. What the gentleman, Senator Brewster, asked for earlier was the opportunity in the control of this asset, this huge, multibillion-dollar asset that we have, in control of this asset, that we modernize this asset so it can keep up with changing times, keep up with changing circumstances; that we change the hours of operation, that we provide for some flexible pricing so that we can reduce pricing on some beverages and maybe increase pricing on some others as it happens in any private retail operation. We have some flexibility with our workforce, provide some real private-sector type of operations in this business to keep up with the times, but we do not lose control of this multibillion-dollar asset because it is a huge contributor to the health and well-being of Pennsylvania's economy. You can get anything you want through the Pennsylvania Liquor Control system. You can get any beverage that you want in any location in the Commonwealth of Pennsylvania. But this, let us be clear, is a multibillion-dollar operation, an asset that the people in the State control, and the last thing that you do with an asset of this size, of this magnitude, of this wealth, of this value, is just get rid of it willy-nilly as is proposed in this legislation today.

This concept of privatization goes against any thoughtful business plan when you have control of an asset of this great value. Hershey Foods controls chocolate. They do not get rid of that asset. Exxon Mobil, they control oil. They do not willy-nilly get rid of that asset. They keep control of it, they modernize what they control, they make it work better, but they do not give up control of the asset, especially at the prices that are currently being discussed in the context of this piece of legislation. So, smart business says, take this asset, husband it, invest in it, evolve it, make it grow, make it be consistent with private retail operations, but do not lose control of it. What we know is this, Mr. President: when we have invested in certain parts of the current LCB system, when we have invested in places like the retail operation that exists in our great city of Philadelphia on 21st and Market Streets, huge Wine & Spirits operation that we modernized, invested in, made it look beautiful, made it more customer-friendly, cleaned it up, treated it well, the sales in that particular location are skyrocketing because we invested in that store. You know that place. Many of us know that place. Many of our friends, constituents, what have you, love going in there because they can get whatever they want almost immediately, and if they cannot get it right there, within 24 to 48 hours, they will have it within their possession. That is what you do with an asset that we have.

What is being discussed in this particular piece of legislation is the willy-nilly loss, the willy-nilly sale, undervalued sale, which may only contribute maybe a few dollars, or a few pennies on the dollar. When you control an asset of this kind, you do not sell it for fool's gold, which is what House Bill No. 466 is, Mr. President. Thank you very much.

LEGISLATIVE LEAVE CANCELLED

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

And the question recurring,
Shall the bill pass finally?

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

Senator KITCHEN. Mr. President, I am compelled to go on the record in opposition to this bill. I can start out by saying, when it comes to population and density, I am probably number one or certainly at the top in terms of density of population. In some districts, maybe one corner store may give access to five or six families, mine could possibly be 25. That is alarming for us to give access to alcohol, which really is a drug, to put more and more of it in the neighborhood.

I am going to give one example. I have Temple University, and even though I think it speaks of, in the legislation, access to the universities, I want to remind folks that a number of students live off-campus beyond 500 feet. There are a number of students able to get alcohol right now underage, and here we are making it more convenient for students to get alcohol. Also, Mr. President, maybe sometimes we need to talk and we need to have focus groups or stakeholders group, and in this case bring in the Liquor Control Board, because they do an excellent job—I know in my district I can stand and say that—of keeping alcohol out of the hands of our young people. I have witnessed young people

standing next to me saying, no, you know you cannot go in there and get alcohol, they are not going to let you do it. So these folks, not only is it a good job for them, as was said earlier, but they are really making a contribution because they have been at this for years, and they can control the access better than what we would have at a corner store for somebody who is just asking to make the money, which is what the State is doing, to sell alcohol to make money. At least we can keep it away from our young people and even people who should not have it.

So, Mr. President, I would like to know, have we thought about what is going to happen when those folks take out their pensions? As was said earlier, if it is close to lumps or chunks, it could be as much as \$250 million. Have we thought this through? We can sometimes take in the opinions of other people. Yes, there needs to be more changes to give access to people, but, Mr. President, what I am asking, is this the only way?

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentlewoman from Philadelphia, Senator Tartaglione.

Senator TARTAGLIONE. Mr. President, we have 4,700 individuals who go to work and they do their job. They are the number one line when it comes to underage drinking. They have requested swipe machines, every State Store has it, so they can see if it is a phony license. That person on that cash register knows that if they do sell to somebody underage, they are gone, no ifs, ands, or buts. They stop our young children from drinking and driving. They work hard. I do not know when it became a crime to want to have a fair wage for a full day's pay. Is that not part of the American dream? You want to have your salary raised, you want to be able to pay your bills, and you want to be able to have a pension to retire on. I do not know, around here now I cannot say the word "pension." I do not know when it became a crime, but these folks work hard, they work every day, and God help us if we do sell these stores, because alcohol is definitely going to be put in the hands of many, many minors.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Lehigh, Senator Browne.

Senator BROWNE. Mr. President, I am rising in support of this legislation. There are many considerations as it relates to the distribution of wine and spirits in the Commonwealth that we need to consider. Some of them relate to whether the government should be, as Senator Costa had mentioned, if the distribution of wine and spirits is a primary role of government, and in the long term, if it is something that we should continue to consider a public function. That is, of course, something that has been talked about in this building for as long as I have been here and something that Members, I guess, will continue to debate.

In regard to, which is an important point that has been made, the divestment evaluation, as Senator Hughes had mentioned, a very valuable asset. One of the other important considerations is, what is the realized value that the Commonwealth would receive from any plan? It depends, really, on the provisions of the plan, what are the expectations of the Commonwealth in terms of value received from the private sector in whatever structure, either through a lease, installment sale, a license fee, and, inevitably, you have to be able to quantify that amount, make assumptions, and then determine what the actual value you are receiving is in making these types of decisions. For an asset that has been on our books for 90 years, it is an important decision.

So, I think it is important that we look to accepted values of valuation that, if we are going to try to compare apples to apples, accepted valuation methods are the best way to go, and then we can come to some reasonable amount that would be expected from a divestment proposal such as this, and then whether that is enough. I have heard numbers back and forth over 20 years. Numbers were mentioned in the meeting of the Committee on Appropriations yesterday. So, in that regard, in terms of what plan is on the table now, trying to develop a number for valuation that is based on accepted practices, and there are two primary practices as it relates to valuation. One is using comparables, which is difficult for a wine and spirits system that is owned by one single public entity because there are not many of them. As far as I know, there are only two of them, and one of them is owned by a jurisdiction that is far different than ours.

So, probably the best way to do it is through what is standard, and that is a discounted cash flow evaluation; determining what cash flow that asset would produce for the seller upon divestment over time and then discounting that back to determine what it is worth now. There are two ways we need to consider that, and that is what the valuation is as it relates to what the purchasers are giving us, total cash they are giving us, and then what is the net fiscal impact to us? Because there are components of the liquor system that they will not buy. Of course, they will not buy the regulation and enforcement of the liquor business. That is something that they will retain, so you have to do it two ways.

The first way is to look at what the overall value is. What is it worth to the private sector to purchase the right to sell and distribute wine and spirits in the Commonwealth? If you look at the assumptions that are booked off of our fiscal note from yesterday, which is just basically a valuation on licensing of wholesale, the numbers in the bill as it relates to the price for licensing of the retail side of the business, not assuming inflation of overall volumes, not assuming any residuals, because the way this is structured, you have 15 percent on cost of goods, value, and wholesale for 10 years, but then you have a 5-percent residual, a conservative number only looking out on a 10-year discounted cash flow basis, which is standard. The net present value of that value from the private sector to us before we consider cost is \$2.845 billion. That is what we are looking at in terms of the structure of this bill.

Now, if you have to, which we should, because in the end we are going to be determining what its value is to us by taking off the costs we have to incur that were otherwise realized and covered by the public operation, taking off those costs of operations and legacy costs which we have to incur, the overall fiscal impact to us, what we would put on our books, and this is the 220, what is realized over 10 years and then discounted, is \$1.5 billion. So based on our analysis and based on the provisions of this bill, I have heard often that maybe a satisfactory amount on a net basis is \$1 billion. So, is this amount satisfactory to the General Assembly in terms of the valuation of this asset? Based on what I have heard over the years, \$1.5 billion should be a satisfactory amount.

It is important to realize that in doing this we take some of the unique conversations about wine and spirits that have happened in this building over the years--the use of the value of unencumbered public assets as a means of financing is not an unusual thing. It is often done very appropriately and with great success. In terms of the challenges that faced Harrisburg in terms of their

fiscal challenges, the use of unencumbered value of parking assets and leasing those assets and bringing that cash onto the books in terms of meeting current obligations is something that was offered up, used, and was valuable in terms of the fiscal affairs of the city of Harrisburg. In the city of Allentown, we completed several years ago a transaction where city council and the mayor determined the value of their unencumbered water system and was able to receive offers from the private sector, or not-for-profit sector, as to the value of that. They were able to raise enough money in that transaction to totally cover their unfunded liability in their pension system. Essentially a reclassification from a very valuable asset to liabilities on the books, cleaned up their balance sheet, and now Allentown, in terms of its overall fiscal position, which was not the case several years ago, is one of the strongest in the Commonwealth.

So, in relation to that component of our conversation, I think the components of this bill present a positive fiscal valuation for our system and something that gives extra merit to the provisions we are looking to advance today. Thank you very much.

The PRESIDENT. For the second time, the Chair recognizes the gentleman from Jefferson, Senator Scarnati.

The PRESIDENT pro tempore. Mr. President, I will be brief. What I want to say is that I earlier outlined 70 years of experience that my family - my grandfather, my father, and I - has had in the liquor business. Speaking from that perspective of 1936 forward for 70 years, we know a little bit and have learned a little bit about what consumers and customers want. They do want a change in the liquor system. So, for the spirit of the body for the rest of the day, I will submit the remainder of my remarks for the record.

Thank you, Mr. President.

The PRESIDENT. I am sure the Members appreciate it from the President pro tempore. Without objection, the proprietor of the Rocky Grill will submit his remarks for the record.

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

Mr. President, I rise for the final time today.

What does Pennsylvania have in common with the State of Utah, Mr. President? Pennsylvania and Utah are the only two States in the nation who still maintain a State-run wholesale and retail booze business. A dubious distinction indeed, Mr. President.

We have heard a lot on this floor about "modernization" today. Those who support "modernization" say it will allow the State-run liquor system to run more like a business, thereby increasing profits and revenue for the Commonwealth. There is only one problem with that theory, Mr. President. State government is not a business. It is a bureaucracy, and it is a bureaucracy we all know that is heavily influenced by politics, as we have heard today. I would like to give you a real-life example of so-called "modernization," Mr. President.

One of Governor Wolf's many schemes to modernize our State-run monopoly is to relocate State liquor stores next to grocery stores in locations with more foot traffic, to increase profits. In theory, this sounds like a great idea. Unfortunately, this theory was tested in my district recently, and in practice, it did not turn out so well.

Mr. President, there is a State liquor store in my district which has existed for decades in downtown Lock Haven, Clinton County. The LCB, in an attempt to maximize profits, did a study on this State Store's operations and compared it to projected profits for a new location in a neighboring township located in a major retail shopping plaza with far more vehicle and foot traffic. Mr. President, that study determined that relocating this particular store would generate a staggering 10 times

increase in profits from a 1.6-percent profit ratio to an over 16-percent profit ratio.

However, because of political pressure, the Governor contacted the LCB and ordered them to put an indefinite hold on the closure of the Lock Haven State Store. So, now we have the new State Store opening, just minutes away from the old one which will remain open. Two State Stores will operate where only one is needed. Our government-run monopolistic State-run liquor system at work, Mr. President. Fortunately, with House Bill No. 466, we have an opportunity to end that today. We have an opportunity to bring Pennsylvania into the 21st century and give the people what they want.

In closing, Mr. President, I would like to thank our chairman of the Senate Committee Law & Justice, Chuck McIlhinney, for all his hard work on this legislation. I would also be remiss if I did not thank my good friend, the Speaker of the State House of Representatives, Mike Turzai. Speaker Turzai has been a champion of this issue for years and he has remained stalwart in the face of powerful and visceral opposition. His leadership, along with the determination of Republicans in the State legislature, have led us to this moment today.

Mr. President, I stand here today, like the rest of us in this Chamber, on the precipice of a historic victory for the people of Pennsylvania. In just a few short hours, we have the opportunity to put a liquor privatization bill on the desk of the Governor of Pennsylvania for the first time in history. Mr. President, I ask Governor Wolf to stand with the people of Pennsylvania and sign this historic piece of legislation into law.

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-27

Alloway	Eichelberger	Pileggi	Vogel
Argall	Folmer	Rafferty	Vulakovich
Aument	Gordner	Scarnati	Wagner
Baker	Hutchinson	Smucker	Ward
Bartolotta	McGarrigle	Stefano	White
Browne	McIlhinney	Tomlinson	Yaw
Corman	Mensch	Vance	

NAY-22

Blake	Farnese	Leach	Wiley
Boscola	Fontana	Sabatina	Williams
Brewster	Greenleaf	Scavello	Wozniak
Brooks	Haywood	Schwank	Yudichak
Costa	Hughes	Tartaglione	
Dinniman	Kitchen	Teplitz	

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.

BILLS OVER IN ORDER

SB 474 and **HB 475** -- Without objection, the bills were passed over in their order at the request of Senator CORMAN.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

SB 566 (Pr. No. 539) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of December 3, 1959 (P.L.1688, No.621), known as the Housing Finance Agency Law, further providing for the Housing Affordability and Rehabilitation Enhancement Fund.

Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Beaver, Senator Vogel.

Senator VOGEL. Mr. President, this bill provides additional funding for the statewide Housing Trust Fund. The Housing Alliance and 174 other organizations across the State support this bill. Currently funded through Act 13 impact fees, this fund has already proven its power to help alleviate blight, reduce homelessness, create jobs, and drive economic activity. In the last 3 years, PHARE has spent \$26 million in counties that have Act 13. By expanding this program statewide, we have the opportunity to offer vulnerable residents, families, and communities even more affordable and accessible housing options. I want to thank Senator Kitchen for her tireless effort and support, and I look forward to working with the House to move this bill along through the process.

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-49

Alloway	Eichelberger	Mensch	Vogel
Argall	Farnese	Pileggi	Vulakovich
Aument	Folmer	Rafferty	Wagner
Baker	Fontana	Sabatina	Ward
Bartolotta	Gordner	Scarnati	White
Blake	Greenleaf	Scavello	Wiley
Boscola	Haywood	Schwank	Williams
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Browne	Kitchen	Tartaglione	Yudichak
Corman	Leach	Teplitz	
Costa	McGarrigle	Tomlinson	
Dinniman	McIlhinney	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.

BILLS OVER IN ORDER

SB 640, SB 683 and SB 751 -- Without objection, the bills were passed over in their order at the request of Senator CORMAN.

BILL OVER IN ORDER TEMPORARILY

HB 762 -- Without objection, the bill was passed over in its order temporarily at the request of Senator CORMAN.

BILLS OVER IN ORDER

SB 785, HB 857, SB 872 and SB 873-- Without objection, the bills were passed over in their order at the request of Senator CORMAN.

BILL ON THIRD CONSIDERATION
AND FINAL PASSAGE

SB 887 (Pr. No. 1040) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in rules of the road in general, further providing for duty of driver in construction and maintenance areas or on highway safety corridors and for duty of driver in emergency response areas.

Considered the third time and agreed to,

On the question,
Shall the bill pass finally?

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

Senator COSTA. Mr. President, I want to rise very briefly and provide some comments, and I know my colleague from Washington, Senator Bartolotta, will do the same. Let me first start by saying thank you to the Majority Leader for putting this bill on the Calendar today, because we think it is an important and very timely bill, particularly as we move forward through the summer months, hoping that we will be able to have legislation along these lines very soon. Secondly, I thank the gentlewoman from Washington County for her willingness to work together to try to advance something that, I think, all of us in this Chamber recognize as a very important issue: work zone safety. We want to make certain that we provide safety precautions and really begin to try to change the driving habits of folks through work zones with respect to honoring and respecting the speed limits and the way in which they travel through work zones. We want to make certain that not only motorists, who could be involved in incidents, as we have seen in Pennsylvania, but we also can look to the fact that our emergency responders and workers, of course, on the highways in Pennsylvania deserve protection. This legislation basically enhances penalties along the lines of trying to, as I said earlier, change driving behavior through these work zones.

All we need to do is look to what happened less than 2 weeks ago, where a worker from Pennsylvania, from northern Harrisburg, who was working on I-95, I believe it was, in Maryland, was tragically killed when a large truck came through a work

zone, disregarding the speed limits and other types of speed control devices that were in place, and rammed into two cars, and the two cars ultimately ended up striking the individual. So, while our thoughts and prayers are with the Pennsylvania family who lost a loved one, it just goes to show that we have to take serious the activities of all of our vehicles, and that folks who are driving them take it very seriously.

So, again, I thank the gentlewoman from Washington for her willingness to work together and continue to advocate for something that we believe has the support of not only PennDOT, but also the Turnpike folks, and the folks who are the flagmen organizations, and so many other folks around the Commonwealth.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentlewoman from Washington, Senator Bartolotta.

Senator BARTOLOTTA. Mr. President, just a few additional points. I greatly appreciate the work of Senator Costa in joining me, and together it is our belief that we owe it to highway workers and their families to do our part to protect them against reckless, irresponsible, and distracted drivers. According to PennDOT, 85 of their employees have lost their lives in the line of duty since 1970, and that number does not include the numerous injuries, close calls, and other incidents resulting from people driving irresponsibly in work zones. Many of us have heard stories of close calls in work zones in which workers have been forced to dodge out of the way or jump over concrete barriers at the last second to avoid careless motorists. Any one of those close calls could have resulted in a tragedy, much like the incidents that Senator Costa just cited.

When the General Assembly voted to double the fines in work zones more than a decade ago, it was a step in the right direction, but it was not a strong enough deterrent. Most irresponsible motorists who would risk a \$100 speeding fine for driving recklessly will not think twice about the prospect of a \$200 fine. Far too often, drivers only slow down when they see a uniformed police officer or a squad car with its flashing lights. However, the State lacks resources and manpower to post law enforcement at every active work zone. Today, Senate Bill No. 887 is the next best thing. This approach means we are not only hitting reckless drivers in their pocketbooks, but we are also taking them off the road completely with increased fines and suspension of their driving privileges. I urge our colleagues to cast an affirmative vote on Senate Bill No. 887.

Thank you, Mr. President.

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

Senator RAFFERTY. Mr. President, I was very pleased when Senator Costa and Senator Bartolotta introduced this significant piece of legislation. Mr. President, we have heard from both PennDOT and the Pennsylvania Turnpike about the danger that their workers are involved in day in and day out in work zones with people neglecting to adhere to the lower speed limit, as well as our first responders, our Pennsylvania State Police, fire companies, EMTs, when they are responding to situations as well. This is a very significant and important piece of legislation.

Mr. President, just a little while ago I lost a personal friend. He was someone I have known for quite a while. He served his country well in Vietnam and was killed by a driver on the Pennsylvania Turnpike while he was administering to his duties as a Pennsylvania Turnpike employee. The Turnpike recently has

unleashed a number of video commercials to remind people the importance of slowing down in the work zone. These are people we know. These are mothers, fathers, coaches, brothers, sisters, and we have to remember that as we feel that we need to make up time. We do not need to take lives or jeopardize the safety of our workers and of our first responders. I am very supportive of this bill and I commend both makers of the bill for this very important piece of legislation.

Thank you, Mr. President.

The PRESIDENT. The Chair thanks Senator Rafferty, and also thanks Senator Costa and Senator Bartolotta for the very important bipartisan effort on behalf of highway safety.

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-49

Alloway	Eichelberger	Mensch	Vogel
Argall	Farnese	Pileggi	Vulakovich
Aument	Folmer	Rafferty	Wagner
Baker	Fontana	Sabatina	Ward
Bartolotta	Gordner	Scarnati	White
Blake	Greenleaf	Scavello	Wiley
Boscola	Haywood	Schwank	Williams
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Browne	Kitchen	Tartaglione	Yudichak
Corman	Leach	Teplitz	
Costa	McGarrigle	Tomlinson	
Dinniman	McIlhinney	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.

BILL OVER IN ORDER

SB 898 -- Without objection, the bill was passed over in its order at the request of Senator CORMAN.

BILLS ON THIRD CONSIDERATION AND FINAL PASSAGE

SB 928 (Pr. No. 1140) -- 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 definitions; and, in fees, further providing for information concerning drivers and vehicles.

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-46

Alloway	Farnese	Mensch	Vogel
Argall	Folmer	Pileggi	Vulakovich
Aument	Fontana	Rafferty	Wagner
Bartolotta	Gordner	Sabatina	Ward
Blake	Greenleaf	Scarnati	White
Boscola	Haywood	Scavello	Wiley
Brewster	Hughes	Schwank	Williams
Brooks	Hutchinson	Smucker	Wozniak
Browne	Kitchen	Stefano	Yaw
Corman	Leach	Tartaglione	Yudichak
Costa	McGarrigle	Teplitz	
Eichelberger	McIlhinney	Tomlinson	

NAY-3

Baker	Dinniman	Vance
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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 present said bill to the House of Representatives for concurrence.

HB 972 (Pr. No. 1922) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, in life and endowment insurance and annuities, further providing for policy delivery.

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-49

Alloway	Eichelberger	Mensch	Vogel
Argall	Farnese	Pileggi	Vulakovich
Aument	Folmer	Rafferty	Wagner
Baker	Fontana	Sabatina	Ward
Bartolotta	Gordner	Scarnati	White
Blake	Greenleaf	Scavello	Wiley
Boscola	Haywood	Schwank	Williams
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Browne	Kitchen	Tartaglione	Yudichak
Corman	Leach	Teplitz	
Costa	McGarrigle	Tomlinson	
Dinniman	McIlhinney	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 1071 (Pr. No. 1998) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of July 9, 2013 (P.L.362, No.54), known as the Development Permit Extension Act, further providing for the definition of "approval" and for existing approval.

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-49

Alloway	Eichelberger	Mensch	Vogel
Argall	Farnese	Pileggi	Vulakovich
Aument	Folmer	Rafferty	Wagner
Baker	Fontana	Sabatina	Ward
Bartolotta	Gordner	Scarnati	White
Blake	Greenleaf	Scavello	Wiley
Boscola	Haywood	Schwank	Williams
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Browne	Kitchen	Tartaglione	Yudichak
Corman	Leach	Teplitz	
Costa	McGarrigle	Tomlinson	
Dinniman	McIlhinney	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 1276 (Pr. No. 1997) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 23 (Domestic Relations) of the Pennsylvania Consolidated Statutes, in child protective services, further providing for definitions, for persons required to report suspected child abuse, for access to information in Statewide database, for release of information in confidential reports, for employees having contact with children and adoptive and foster parents, for information relating to certified or registered day-care home residents, for volunteers having contact with children, for continued employment or participation in program, activity or service, for certification compliance, for education and training and for mandatory reporting of children under one year of age.

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-49

Alloway	Eichelberger	Mensch	Vogel
Argall	Farnese	Pileggi	Vulakovich
Aument	Folmer	Rafferty	Wagner
Baker	Fontana	Sabatina	Ward
Bartolotta	Gordner	Scarnati	White
Blake	Greenleaf	Scavello	Wiley
Boscola	Haywood	Schwank	Williams
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Browne	Kitchen	Tartaglione	Yudichak
Corman	Leach	Teplitz	
Costa	McGarrigle	Tomlinson	
Dinniman	McIlhinney	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.

SPECIAL ORDER OF BUSINESS ANNOUNCEMENT BY THE SECRETARY

The SECRETARY. Permission has been granted to add Senate Resolution No. 149 to the agenda of the meeting of the Committee on Rules and Executive Nominations to be held off the floor later today.

RECESS

The PRESIDENT. The Chair recognizes the gentleman from Centre, Senator CORMAN.

Senator CORMAN. Mr. President, I request a recess of the Senate for purposes of a series of off-the-floor committee meetings to be held in the Rules room. First, the Committee on Transportation, followed by the Committee on Judiciary, followed by the Committee on Consumer Protection and Professional Licensure, followed by the Committee on State Government.

The PRESIDENT. Senator Corman requests a recess of the Senate for purposes of a series of off-the-floor committee meetings. Without objection, the Senate stands in recess.

AFTER RECESS

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

CONSIDERATION OF CALENDAR RESUMED

SECOND CONSIDERATION CALENDAR

BILL OVER IN ORDER

HB 57 -- Without objection, the bill was passed over in its order at the request of Senator CORMAN.

BILLS REREFERRED

HB 89 (Pr. No. 79) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in discipline, removal and retirement of judicial officers, further providing for automatic retirement on age.

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

HB 90 (Pr. No. 251) -- The Senate proceeded to consideration of the bill, entitled:

A Joint Resolution proposing an amendment to the Constitution of the Commonwealth of Pennsylvania, further providing for compensation and retirement of justices, judges and justices of the peace.

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

BILLS OVER IN ORDER

HB 263 and **SB 296** -- Without objection, the bills were passed over in their order at the request of Senator CORMAN.

BILL ON SECOND CONSIDERATION

HB 315 (Pr. No. 322) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending the act of October 24, 2012 (P.L.1209, No.151), known as the Child Labor Act, further providing for definitions and for occupations and establishments.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

BILLS OVER IN ORDER

SB 388, HB 400, HB 447, HB 455, HB 629, SB 652, HB 720, SB 731, HB 779, HB 834 and **HB 866** -- Without objection, the bills were passed over in their order at the request of Senator CORMAN.

BILL ON SECOND CONSIDERATION

SB 868 (Pr. No. 1004) -- The Senate proceeded to consideration of the bill, entitled:

An Act designating the section of Pennsylvania Route 849 in Newport, Perry County, as the United States Navy Petty Officer 1st Class A. Louis De Lancey Memorial Highway.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

BILL OVER IN ORDER

SB 889 -- Without objection, the bill was passed over in its order at the request of Senator CORMAN.

BILLS ON SECOND CONSIDERATION

SB 890 (Pr. No. 1041) -- The Senate proceeded to consideration of the bill, entitled:

An Act designating the bridge carrying State Route 6011 (Harrison Avenue) over Roaring Brook in the City of Scranton, Lackawanna County, as the Colonel Frank Duffy Memorial Bridge.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

SB 894 (Pr. No. 1042) -- The Senate proceeded to consideration of the bill, entitled:

An Act designating the bridge on that portion of State Route 940 over Tobyhanna Creek (Pocono Lake) in Tobyhanna Township, Monroe County, as the Sullivan Bridge.

Considered the second time and agreed to,
Ordered, To be printed on the Calendar for third consideration.

BILLS OVER IN ORDER

SB 923, SB 925, SB 926 and **HB 1198** -- Without objection, the bills were passed over in their order at the request of Senator CORMAN.

THIRD CONSIDERATION CALENDAR RESUMED

HB 1192 CALLED UP

HB 1192 (Pr. No. 1959) -- Without objection, the bill, which previously went over in its order temporarily, was called up, from page 1 of the Third Consideration Calendar, by Senator CORMAN.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 1192 (Pr. No. 1959) -- 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, 2015, to June 30, 2016, 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, 2015; 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 Insurance Regulation and Oversight Fund, the Pennsylvania Racehorse Development Restricted Receipt Account, the Justice Reinvestment Fund and the Multimodal Transportation Fund to the Executive Department; to provide appropriations from the Judicial Computer System Augmen-

tation Account to the Judicial Department for the fiscal year July 1, 2015, to June 30, 2016; to provide appropriations from the Motor License Fund for the fiscal year July 1, 2015, to June 30, 2016, for the proper operation of several departments of the Commonwealth and the Pennsylvania State Police authorized to spend Motor License Fund money; 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, 2015; and to provide for the additional appropriation of Federal and State funds from the General Fund and the State Lottery Fund for the Executive Department of the Commonwealth for the fiscal year July 1, 2014, to June 30, 2015, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2015.

On the question,
Will the Senate agree to the bill on third consideration?

**MOTION TO SUSPEND TEMPORARY RULE
ESTABLISHED BY SENATE RESOLUTION No. 145**

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

Senator HUGHES. Mr. President, given the fact that this budget presentation, House Bill No. 1192, only has \$8 million of new money for our education system, only \$8 million of new money for every school district across the State of Pennsylvania, given the fact that that \$8 million is the total amount of new dollars for the education spending for the children of the Commonwealth of Pennsylvania, the fact that we have options to figure out how to raise new dollars available to us, the fact that the Governor, in his mandate election, requested \$400 million in new funding for the education system--

The PRESIDENT. Would the gentleman yield. You know I know when you get on a roll, I enjoy it. Would you like to first offer your amendment?

Senator HUGHES. Mr. President, I think I have to make a motion on a procedural matter before I can offer the amendment.

The PRESIDENT. All right. Proceed, Senator.

Senator HUGHES. Mr. President, I am preparing to tell you that motion right now.

The PRESIDENT. I am on the edge of my seat, even though I am standing. Please proceed, Senator.

Senator HUGHES. Mr. President, I know that you always stand in great anticipation of whatever I might have to say.

The PRESIDENT. That is so true.

Senator HUGHES. Mr. President, the bottom line is this: We have had a major cut in our education spending of almost a billion dollars total over the last 4 years. Our schools are suffering. Our home school district, where we hail from, is now in a situation where there are 33 kids in classes for every class, is now in a situation where we are spending less dollars now than we were in 2008, than we were in 2009. We are spending \$12,000 now, but in 2008 we were spending \$13,000. We are spending less, our constituents have gotten no relief in property taxes. There have been no extra dollars spent in any significant level for job creation programs. All of that reflected in House Bill No. 1192, all of the deficiencies that exist within this State budget, Mr. President - no investment in jobs, no support for property tax relief for our constituents, no increase, and again, I have to say, an increase of a de minimis number, \$8 million for every school district across the Commonwealth of Pennsylvania total, is what these districts get. It is with this reason, Mr. President, and as

you know, I have a whole lot more, that I have to rise for a motion to suspend the rules to offer the following amendment No. A2900.

The PRESIDENT. Senator Hughes moves to suspend the temporary rule established by Senate Resolution no. 145. Such a motion is nondebatable. And the Chair also understands that the motion to suspend, the rule that you are addressing your suspension motion about is the temporary budget rule of an offset dollar for dollar.

Senator HUGHES. Mr. President, that is correct. The attempt is to suspend the temporary budget rule. We want to add \$400 million for basic education spending and we have to suspend the rules so that we can figure out a way to find the revenues for that, Mr. President.

The PRESIDENT. Thank you, Senator.

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

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

YEA-19

Blake	Farnese	Leach	Wiley
Boscola	Fontana	Sabatina	Williams
Brewster	Haywood	Schwank	Wozniak
Costa	Hughes	Tartaglione	Yudichak
Dinniman	Kitchen	Teplitz	

NAY-30

Alloway	Eichelberger	Pileggi	Vogel
Argall	Folmer	Rafferty	Vulakovich
Aument	Gordner	Scarnati	Wagner
Baker	Greenleaf	Scavello	Ward
Bartolotta	Hutchinson	Smucker	White
Brooks	McGarrigle	Stefano	Yaw
Browne	McIlhinney	Tomlinson	
Corman	Mensch	Vance	

Less than a majority of the Senators having voted "aye," the question was determined in the negative.

And the question recurring,
Will the Senate agree to the bill on third consideration?
It was agreed to.

On the question,
Shall the bill pass finally?

POINT OF ORDER

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

Senator RAFFERTY. Mr. President, under Rule 20 of the Senate of Pennsylvania, I have a question for the Chair. I serve as a member of the Board of Trustees of Montgomery County Community College, a nonpaying job, no pecuniary interest, but as a member of the board of trustees, I will be voting on the budget. There is contained within the budget of the Commonwealth of Pennsylvania money allocated to the community colleges. I am asking if I am permitted to vote on the budget, Mr. President.

The PRESIDENT. The Chair thanks the gentleman for his inquiry about a conflict of interest. In the factual situation just given, the Chair rules that there is no conflict of interest and that in accordance with Senate Rule 20(c)(2), the Senator must vote on House Bill No. 1192. First, the Chair finds that the gentleman is a member of a class of individuals who may or may not be affected by any of the actions of House Bill No. 1192, but the Chair does not find that any votes that the gentleman may cast would be particularly personal to the Senator or privately affect Senator Rafferty alone. Therefore, you must vote on this bill, Senator Rafferty.

Senator RAFFERTY. Mr. President, thank you.

POINT OF ORDER

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

Senator DINNIMAN. Mr. President, while this does not specifically deal with State-relateds or the State System, in my capacity as a faculty member of West Chester University, as a member of the board of Lincoln University, we do deal with, and work with, and assist primary education institutions. So I ask whether there is any conflict of interest, Mr. President.

The PRESIDENT. The Chair thanks Senator Dinniman, and along the same lines as the ruling that I have just given, the inquiry into your conflict of interest and in the factual situation just given, the Chair rules for you, as well, Senator Dinniman, that there is no conflict of interest. In accordance with Rule 20(c)(2), you must vote and for the following reasons: first, the Chair finds that you are a member of a class of individuals who may or may not be affected by any of the actions on this bill, and the Chair does not find that the vote that you will make with regard to this legislation would be particularly personal to you, Senator Dinniman, or privately affect you alone. So, you also must therefore vote on the bill.

Senator DINNIMAN. Mr. President, thank you.

POINT OF ORDER

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

Senator COSTA. Mr. President, I, too, seek a ruling with respect to Senate Rule 20(c)(2). I have family members who are employees of the Commonwealth of Pennsylvania, and I request a ruling from the Chair whether or not it is appropriate for me to vote on this particular budget.

The PRESIDENT. Senator Costa, with regard to your inquiry on Rule 20(c)(2) and conflicts of interests, the Chair does not find that any of the votes here that you would cast would be particularly personal to you, Senator Costa, or privately affect you alone. Therefore, you, too, must also vote on the legislation.

Senator COSTA. Mr. President, thank you.

POINT OF ORDER

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

Senator DINNIMAN. Mr. President, I also have a family member who is employed by the Commonwealth of Pennsylvania, so I rise to ask the same question as Senator Costa.

The PRESIDENT. For the reasons that I have already delineated, Senator Dinniman, you would not, nor would your family, particularly benefit in any specific way, and therefore you must vote on this legislation.

Senator DINNIMAN. Mr. President, thank you.

And the question recurring,
Shall the bill pass finally?

The PRESIDENT. The Chair recognizes the gentleman from Lehigh, Senator Browne.

Senator BROWNE. Mr. President, I am proud to rise today in support of House Bill No. 1192, which would adopt a General Appropriation Act for fiscal year 2015-16. Mr. President, in doing so, I join my Senate colleagues in the Senate body of a State that is truly on the financial crossroads, a State with tremendously abundant and valuable resources and public fixed capital, historic buildings, highways and State Parks, yet is currently insolvent with over \$22 billion of negative equity on the Commonwealth's financial ledger. A State with extraordinary economic potential, yet whose potential is often passed over due to anticompetitive tax and public fiscal policies. A State with a natural and intellectual capital to sustain growth, yet whose demographic trends show a projected and growing imbalance between production and consumption. Pennsylvania, once the fourth-largest producer by itself on the planet, can once again achieve robust, sustained growth and investment for the benefit of all of its citizens if, and only if, the appropriate time-tested and proven path is taken to accomplish it.

In March of this year, Mr. President, the Governor of our great Commonwealth presented to us the path he sincerely believes we should take on the financial crossroads for a better, more prosperous Pennsylvania. Although his spending in education and public economic subsidy programs may seem laudable and appealing in isolation, the financing for them is a certain plan for continued fiscal imbalance and will never allow our State and its citizens to fully capitalize on the true value of his proposed investments, with tax increases of historic proportions, against a revenue portfolio that, by all credible accounts, already stifles and discourages investment and expansion. The Governor is presenting to this Assembly a plan whose fiscal conclusion is inevitable: more families without Pennsylvania opportunities, less growth in our fiscal position, and again and again, higher taxes to sustain spending, which is no longer affordable. It is a permanent path to structural fiscal imbalance and decline.

How do we know this? One only has to look at a map of the United States to know the answer. There is no State in our great nation, Mr. President, which imposes a higher effective per capita tax burden than we do that is growing faster than we are. Those jurisdictions which truly recognize the dynamics of global competition, who seek out and implement competitive tax and fiscal policies and do not undermine or ignore them, are the ones who truly capitalize on the public investments they propose and they make. The leaders of those States realize that it is not prudent to implement a financial plan to invest in your human resources, which will ultimately not produce the economic opportunities they deserve, those economic opportunities which realize the fruits of those same investments. On behalf of our worthy citizens, Mr. President, we must take a different path. Fortunately, that path is before us today. A path on the crossroads that

recognizes, accepts, and stabilizes the weakest parts of Pennsylvania's relative competitive position, balances accepted practices of financial management with sustained investment, and presents the proper choice for Pennsylvania's future.

The General Fund appropriation plan contained within House Bill No. 1192 for the upcoming 2015-16 fiscal year takes on the \$1.3 billion fiscal imbalance of our State's revenue and expenditures, the most pressing challenge facing Pennsylvania's financial landscape, without noncompetitive exposure of higher taxes. It provides for greater investment in our key education initiatives: \$100 million in basic education; \$20 million in special education; \$30 million, or a 25-percent increase, in early-childhood education; \$45 million in higher education; and \$10 million for earned income tax credit scholarships. It advances the needs of Pennsylvania's agriculture industry with increased investment in agriculture research. It promotes the health status of Pennsylvania citizens and its communities with a \$4.4 million, or 25-percent, increased investment in our State health centers; \$4.4 million for pharmaceutical safety; and increased investments in newborn screening, biotech research, and disease management. It maintains vital programs in healthcare, long-term care, and advances medical education with a \$4.7-million investment in our academic medical centers. It addresses the needs of our most vulnerable citizens with a \$10-million appropriation to the intellectual disabilities waiting list, \$27 million for home and community-based services, and \$2.3 million for services for citizens with autism; with an \$8.3-million, 10-percent increase that supports continued services at our veterans homes, and promotes the needs of victims of domestic violence, rape, and expanded medical services for women in the amount of \$3 million. It advances the safety of our citizens with funding to our State Police for four new academy cadet classes, and advances their quality of life with a \$2.5-million increased investment for our State Parks.

With a \$1.3 billion projected fiscal deficit, the over \$300 million in additional investments under House Bill No. 1192 are satisfied in a balanced plan with reasonable budgeting practices and policies which are accepted and widely utilized to manage budgetary revenue and expenditures that meet expectations of fiduciaries and taxpayers. These policies include prudent cash management; using unencumbered, unappropriated ending balances in various funds to meet our current obligations; lapsing unappropriated, unexpended funds from prior fiscal years; utilizing capitalized interest from capital asset debt refinancing to accommodate current-year projected expenditures; quantifying and realizing the value in the private sector of the Commonwealth's valuable unencumbered long-term assets; replacing Commonwealth funds with eligible Federal funds to satisfy joint, State, and Federal program obligations; adopting reasonable changes in cash and accrual basis expenditure recognition policies; strengthening caseload and actuarial rate estimates in healthcare and long-term care programs; truing up estimates of costs for employee salaries and benefits; and reducing projected need in general administration and IT services. All of these practices, all of these procedures, Mr. President, even for public jurisdictions with competitive revenue portfolios relative to ours, are absolutely preferable and must be chosen before decisions are made to take on additional investment risk due to higher private sector costs and taxes.

Mr. President, the people of Pennsylvania know and understand the difficult financial position their home State is in, our

mounting debt, our revenue and expense imbalance, our uncompetitive tax structure. They are relying upon us at this time, as we stand together in this Chamber on the financial crossroads to reflect on our decisions of the past and the experience of States and countries we compete against for their opportunities to take the right path, make the prudent financial choices, which will insure their best chance for a future of growth and opportunity for themselves and their children. That path is contained in House Bill No. 1192.

Thank you, Mr. President.

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

Senator TEPLITZ. Mr. President, the budget package that is likely to be pushed through today is not a real budget. I think we all know that. It is not real because it is based on tricks and ideology. It is also not real because there is not a person in this building who actually believes it is going to be enacted into law. We all know that we are going through the theatrics of passing a budget that will be passed largely along partisan lines only to be rejected by the Governor, creating a couple of days of artificial chaos and crisis that will allow folks to celebrate the Fourth of July holiday weekend before we come back next week and get serious about the job that we are supposed to be doing. That is not what we were sent here to do. And as many of us warned last year, the use of one-time revenues, short-term funding shifts, and other budgetary gimmicks generated the structural deficit of over a billion dollars that we are in need of dealing with this year, but if we continue to kick that can down the road, the structural deficit will exceed \$3 billion next year.

Now, I opposed the first four Corbett budgets. I was here to vote against the last two. I am going to be compelled today to vote against the fifth. I certainly hope there is not a sixth, but to continue down this wrong path ignores the will of the voters who overwhelmingly rejected this approach last November when they took the historic step of ousting an incumbent Pennsylvania Governor. In particular, we have to invest again in public education. Despite the Majority's claims, this budget--their budget--adds only \$8 million to the inadequate funding level passed last year. Now, I did not spend the last year of my life as Member of the bipartisan Basic Education Funding Commission developing a new school funding formula, which the commission recommended 2 weeks ago, only to see us fail to adequately fund that formula in this budget. We took a major first step by proposing a fair way to divide up the school funding pie, but many of us believe in addition to dividing that pie up more fairly, we have to increase the size of the pie, as the Governor had proposed. This will insure that all schools have the appropriate resources that they need to provide all students with access to a quality education.

There are other elements of this that we talked about earlier today dealing with liquor privatization and pensions, which we dealt with a week or so ago. Overall, Pennsylvania families, taxpayers, and other stakeholders deserve more. This budget does not address issues of high property taxes, it does not address the need to restore cuts to job creation programs, to social services programs, and other critical programs and services that were devastated over the last 4 years. What is being passed today is just not a thoughtful plan that moves Pennsylvania forward. So, I urge our friends on the other side of the aisle to move past the theatrics, to work with the Governor and produce a budget that

we can all support. Perhaps that does not happen today, but after a restful holiday weekend -- that is apparently the highest priority -- we will be able to do that next week.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentlewoman from Berks, Senator Schwank.

Senator SCHWANK. Mr. President, I appreciate this opportunity to discuss the budget, and particularly to address the citizens of the Commonwealth of Pennsylvania. I am sure there are people watching this because they obviously know that the time for the passage of the budget is nigh and that is what we would be discussing here both in the Senate and in the House. We heard a lot of rhetoric on the virtues of this budget: no taxes raised, right? But I know, and the citizens know, that in all of that rhetoric there is much we did not hear. There is another side to the story.

Did anyone catch any mention of school property tax elimination or relief in this budget plan? I did not hear it. This is the issue, though, that I hear about everywhere I go in my district, when I am in the farmer's market, at sporting events, at the mall, and even in my office, of course, I hear from a steady stream of taxpayers. They are at the end of their rope. What is particularly discouraging for me, Mr. President, is the elderly citizens who pull me aside in my office because they are very proud. They do not want to discuss this issue at a public meeting, but they truly are at the end of their rope when it comes to paying school property taxes. They are tapped out as well. They cannot afford that steadily rising tax anymore.

And why are they rising? Because in Pennsylvania the State is providing about 30 percent, a little bit more, a little bit less, depending upon the school district, of the total cost of our children's education. So, this is how it logically works. If the State fails to pay a more reasonable share of the education costs, the local school districts have to make up the difference. Either that, or they cut programs, they close buildings, or release teachers. That is simply the way it has to work, so in many cases they will raise taxes.

I know that money is not the answer to everything in terms of improving our schools, but let us talk about school board spending for a minute. Mr. President, I represent the Reading School District. It is the largest school district in my district in the county of Berks, and probably the third-largest one in the State of Pennsylvania with about 17,000 students. In the Basic Education Funding Commission's plan that has just been proposed, of which I am very supportive, Reading School District is the top recipient of funding. They are really going to do much better under this funding system. There is a good reason for that. I am in those schools all the time. Look, they do not know about AstroTurf. They have to play their football games on the local college's field because they do not have an adequate field to play on. In the school that I tutor in, the Glenside School, whether it is January or June, it is 80 degrees in the classroom. Do you know why? Because they have such a bad physical plant they cannot control the temperature. It is always hot, whether it is January or June, simply because they do not have the funds to improve the school in the way that they need to.

Governor Wolf, to his credit, made property tax relief an issue in his budget proposal. He suggested increasing, expanding the sales tax and personal emergency tax, as well as the severance tax on natural gas to increase the State share of education funding so that the State would pay our fair share and our local

school districts could stop raising taxes. For the record, Mr. President, I do not necessarily agree with the Governor on this. I am in support of totally eliminating, not just reducing, school property taxes. As a prime sponsor on Senate Bill No. 76, I, along with about 80 taxpayer groups throughout the State, think elimination is the only way to go. But I know and taxpayers know that that money to fund education has to come from somewhere. It is a tax shift. If you are going to be realistic, you have to understand that. So I am less enthused, as are my constituents, that there is no tax increase in this proposed budget. They know and we know that that is just a cruel joke. This week, all around the Commonwealth, homeowners and property owners alike are receiving their school property tax bills. Seventy percent of the school districts they reside in will raise their taxes. This is according to the Pennsylvania Association of School Business Officials. Who do we think we are fooling with a no-tax-hike budget?

The taxpayers of Pennsylvania get it. They know this budget is not what it should be. They are not against our schools or our kids. They understand that education is the way to a really prosperous future for Pennsylvania. We all know that, and they want us to truly address that, but they also understand that that school property tax issue has reached a point of no return. We have got to address it. They are tired of waiting, Mr. President, and I am tired of waiting as well. I will be a "no" vote on this budget. Thank you.

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

Senator DINNIMAN. Mr. President, I rise along with Senator Schwank to express our concern that there is nothing in this budget that either reduces or eliminates property tax. I, too, am one of the, I believe, 26 Members of this body who have signed onto a bill to eliminate the property tax. I am troubled if only some will oppose this budget when others have already stated to their constituencies and stated to the public the need for property tax reform and/or elimination. You know, we can, year after year, as we have done since I have been here, say we are not going to raise the sales tax, we are not going to raise the personal income tax, we are not going to expand any of the services or products including candy and soda that is not taxed, or movie theater tickets and say, are we not wonderful, and wave that flag as we do every year that we do not vote for tax increases here in the Commonwealth of Pennsylvania.

The truth and the reality is that it is the same people year after year, those who own property in this Commonwealth, who do have their taxes raised because when we do not give enough money to the schools and when we wave the flag of not increasing taxes, it means that our local school boards year after year raise the taxes. It does not matter if we have what is called Act 1, in which they can only raise them by a certain amount, because there are exceptions and they will simply put those exceptions in to the Department of Education and the Department of Education will say yes. Because how could you argue that pensions and the rising costs is not an exception? How could you argue that the extreme rising costs on special education is not an exception?

So, even when we have put in these pieces of legislation which are supposed to prevent the increases at the local level, they have increased and will increase, and the vast majority of our school districts are continuing to raise the property tax. As

my colleague, Senator Schwank, has stated, senior citizens, and not only senior citizens, but also younger families, come into our offices and literally beg us to do something on the property tax. We have senior citizens who do not eat as well as they should. I have known senior citizens who have cut off their phone service in order to pay this tax and not lose their homes. These are people who bought their houses, and then counties, such as suburban counties like mine, which because of reassessments, that house they may have bought for \$40,000 is now worth over \$200,000 and they are having to pay this type of a tax when they can ill afford it. Now, I understand that perhaps, and I hope and I pray that once we are done with today, that we will have that chance to come back here after the Governor vetoes this and really deal with the issue of property tax reform or elimination. It has to be done.

Senator Schwank was right in saying someone is going to pay the tax, but every year, year after year it is the same people, it is the same property tax owners, many of whom are dearly holding onto their houses who are paying this. At least with a sales tax, as senior citizens and others said to me, I can control what I spend my money on, and thus I can control any loss of income with a sales tax. I could put off buying something. And as you know, we never tax food and most of the time not clothing either. But I cannot put off paying this tax because I will have a lien on my house and I well might lose my home, which is the only thing of value that I might have. Because when you get older, and even when you are younger, your most important investment, and for millions of citizens, the only real investment is what they have on their house and its value. They do not have a lot of money in a bank account. They do not have all of these stocks and dividends that they can get. They are limited on their pensions, and once Senate Bill No. 1 gets passed here, they will even be further limited on the pensions that they will receive if they have been working for the State or for school districts.

So, this issue of tax reform, I can remember in 1992 when I first got elected to the Chester County Board of Commissioners, we, as a community, came together and we said we have to do something. Democrats and Republicans came together under the guise of the county commissioners, and we said, well, there are only three ways you can get money for schools. It is either sales, it is property, or it is going to be a rise in the personal income tax, and each area of the State is a little different. So let that local community, let that local school district determine how to balance out the three. That is what we say and that is what we mean by local control.

Now, here I am in 2015, almost 20 years, or 15-plus years later--actually 13-plus years later--still arguing about this same issue. So after several decades, what was talked about is still not taken care of. And if we want to go back further, Mr. President, I can remember one of the predecessors who represented my district, Senator John Stouffer, who was the Majority Leader, and in his last days he was trying to get through a tax vote and discussing this issue with the legislature. As you know, it went to referendum and it did not succeed because of these types of innuendo that people are going to say today, oh, your other taxes are going up, and it scared people. But now we are at a point where our citizens have made it clear that they are tired of having their backs broken by the property tax. They want relief and they want it now, and they do not believe they have to wait another 20 or 30 or 40 years, while politicians of this State have promised to

do it and have never kept their promises. It is very ironic because local control and this notion of taxes, and you know they sometimes call us Democrats tax-and-spend, but in my county when this vote on the budget is concluded, which does not include property tax reform, I, the Democrat, will be the only person standing here and voting against a budget that does not provide for that property tax reform, whether it is in the House or the Senate.

So, maybe this is a phony budget. I do not know. But we are voting today. And when you vote for something, please understand that our citizens have lined up, they have begged us, they have asked us, they have beseeched us, they have been on their knees with their hands saying end the property tax. We cannot afford it. Allow us to stay in our homes. Allow us to continue to have enough food and medicine so we are not spending such a portion of our income on the property tax. The only way is to really eliminate it, but even if you had to balance, and by the way, I am not sure Governor Wolf's balance is a correct balance, but let us at least get some type of balance here between these three types of taxes so that people who have been hurt year after year will have that increase in school tax shared by those who might have more income. The higher your income, the higher will be your tax on income. But remember, even with that, we do not have a progressive income tax, and all we are saying is increase it even as it is. Sales, maybe everything should not be taxed on sales. We have to figure out how to draw that in.

So, finally, Mr. President, I rise to say we have to do this, and I also wanted to express concern about another missing element in this budget, and that is dual enrollment, the money that Governor Wolf put in there, because if we are serious about the rising costs of colleges, then we have to find a way to increase the opportunities for students to do college credit work. If you go to a community college, by the way, and you will soon see, based on this budget, and when we pass the nonpreferreds, at least based on the budget appropriations and numbers in there, that a place like West Chester University, which in 2 years our State System was supposed to go high enough to equal the cuts from the Corbett years, it will now take 8 years to get there. When our boards of trustees in the PASSHE system and our State-relateds have promised no tuition increase based on the additional money going to higher education, and when that money is not there, there is only one answer, and you will see that happen this summer as a result of this vote, and that will be to increase student tuition and increase student loans. Pennsylvania has the second-highest amount of student loan debt in this nation.

In conclusion, Mr. President, please, I urge people as they look at this budget, do their vote, let us support higher education. Let us support basic education. Let us not have tuition raises and increases. Let us make sure that student debt does not increase. And let us, after so many decades of promising each of us when we run for election that we are going to eliminate and reduce and finally do tax reform, and now to pass another budget without that in it seems to me to be horrendous in terms of us not keeping our word, not keeping our promises, and now, not later, is the time to end the property tax.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Monroe, Senator Scavello.

Senator SCAVELLO. Mr. President, I rise in support of the budget bill. I want to answer a couple of questions because of a

couple of comments that were made. First, I am so thankful to see folks on the other side of the aisle speaking about property tax reform. I have been doing it since 2002, and in the House, I did not get that many from the other side wanting to do something about property taxes. I am going to tell you, whatever we do on property taxes, we had better address the pension issue. I am going to spell out one school district and tell you that in the Governor's proposal, this one school district is going to receive \$28,279,000. This school district had approximately \$4.2 million in pension contributions over 4 years ago, it is facing about \$15 million to \$16 million this year, and it is on its way to approximately \$33 million to \$34 million. That property tax reduction will disappear in pensions, absolutely disappear.

I want to talk about another school district: East Stroudsburg. East Stroudsburg School District gets approximately \$1,600 to \$1,700 a year per student in basic education. I am going to compare it to Philadelphia, which gets almost \$5,000 a year per student; \$1,600 to \$1,700 for East Stroudsburg per student. Everyone in this room is going to say, well, East Stroudsburg is a rich school district. Well, it is not. Seventy percent of the students qualify for free or reduced lunch. It is a rural county school that has urban problems. It has grown dramatically in the last 10 years. The issue has always been funding, which is being corrected in this bill. Unfortunately, it does not go back and take care of the wrongs that were done over the years.

There was mention about a school district in 2009-10 and how much money they were getting then. The reason I bring this up is because that was the year that East Stroudsburg, for the next 4 years, in that costing-out study, which the Governor at that time hijacked the numbers, there was \$299 million put into basic education that year; \$78 million went to one school district. That school district that I was talking about got a little over \$1 million, and in the next 2 years got \$244,000, and \$935,000. This is a poor school district, people losing their homes, people are walking away from their homes because of the skyrocketing property taxes. When you have a home that cost you \$250,000 that is worth \$150,000 today, with an \$8,000 to \$10,000 school property tax on it, people walk away. Just so people understand that. That is not just one, that is across the board, a tremendous amount of empty homes. As a matter of fact, I believe Representative Parker took the Governor for a tour in his district to show him some of those homes that people walked away from because of property tax.

Property tax is an important issue. Regardless, even in the Governor's plan, property tax reform does not take effect until next year. So passing this budget really does not—it should not be a property tax issue. We know we need to address it, but it should not be in this particular budget. I think in this particular budget government lives within its means. We are not raising taxes to fund public education or anything else and we have a decent increase, I think, without raising taxes. At the same time, we are funding the necessary agencies in Pennsylvania, and a vote for this is a vote to not raise taxes. If we do not vote for this, we are actually saying we vote to raise taxes, because that is what is going to happen if this one does not pass, if the Governor vetoes it. It is a vote to raise taxes. I urge the Members to vote in the affirmative on this bill.

Thank you, Mr. President.

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

Senator COSTA. Mr. President, it was not my intention to speak on the bill, but now that we have had a couple of other things layered into this conversation, I want to provide some remarks in response to the gentleman's comments about the relationship between pensions and pension costs to our school districts and our Commonwealth, and also our school districts and property taxes. Let me be clear, let us remember how we got here. We got here, with respect to our pension costs and the school district pension costs, because we, employers, we, in the General Assembly, said that we were not going to make our required payments. For 13 years the Commonwealth of Pennsylvania failed to make the appropriate level of payments to the pension systems. We told the school districts, do not worry about it either. So the school districts had the luxury of not having to make those payments and they spent those resources elsewhere. As we tried to talk about, now it is time to make those payments, and that is what we are dealing with now. We tried to rectify that problem in 2010 when we passed Act 120. Let me remind folks what we did, in case they forget. We reduced benefits for new employees beginning in 2011 by 25 percent. We increased the vesting period from 5 to 10 years. We increased the age of retirement from 60 to 65. We introduced the concept of shared risk, which we are talking about now. We have done other things along the lines and reduced the multiplier, all of those things at the expense and on the backs of workers.

Mr. President, I can tell you that at the end of the day, we failed to do what we were supposed to do. We gave them a pass and we gave ourselves a pass. Now we are paying for it. Now what do we want to do? We are going to vote a little bit later on Senate Bill No. 1. What we will be able to do now is we are going to say that we are going to pay for the current workers what we should have been putting in all along, we are going to pay for those current workers' benefits by robbing the retirement security of future workers. Those are not my words, those are the words that came out of the PERC report early yesterday. So, at the end of the day, when we talk about the impact of pensions on our school districts, let us talk about the fact that school district employees and the men and women who teach in our classrooms and work in cafeterias, and all over the parts of the administration and the school districts, they did what they were asked to do. They made their contributions and then adjusted them and took a hit. Now we are looking to say that the fault lies in the Commonwealth's problem, the Commonwealth caused this, we did in part, but now we are expecting in Senate Bill No. 1 to look to the future employees, future workers, future teachers of our children, we are going to further erode their pension benefit, their retirement security by up to another 40 percent in a couple of hours from now. To me, that is wrong. We failed to do what we should have done. We should have made those investments. We did not. To us, that is the reason why we have pension issues that we are trying to talk about.

For the record, for many years now, Senate Democrats have been talking about property tax relief. All the way back to the days when we introduced something called the HOMESTAR program, which the Ridge administration ultimately modeled after what we did. We have been talking about property tax relief for many, many years, and more recently put together a property tax proposal that we think is reasonable and provides the relief that homeowners want, something in their hands and tangible for them to see when they have to pay a little higher on the PIT and

sales tax, they have a tangible check in their hand, proof that they are getting a rebate from this Commonwealth. To us, that is a simple and straightforward way to address that issue. That is something we need to do.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Jefferson, Senator Scarnati.

The PRESIDENT pro tempore. Mr. President, yesterday and today we are hearing a lot of rhetoric about House Bill No. 1192, the budget bill. The rhetoric goes a little bit like this: well, you presented a budget with false assumptions of revenue in the budget. This budget is full of gimmicks and it is full of tricks. This budget is voodoo economics. This budget does not have job creation. This budget does not meet the needs of Pennsylvanians. So, we hear a lot about that. We hear that from our colleagues who are opposed to this budget, but it is really a mischaracterization of probably one of the best, well-crafted budget documents we have seen in a long time. There is nobody else in this Chamber who has more experience financially, certifying numbers, and respect in the community of budgeting than the chairman of the Committee on Appropriations, Senator Browne. There is nobody. The previous chairman of the Committee on Appropriations was very good, too, but Senator Browne is a little bit more qualified.

(Laughter.)

So, it is easy to stand and be opposed to it, and just cite all of these general reasons why we do not like it. It is a gimmick, it is a stunt. It is even easier to vote "no" and go home. That is easy. But this is a great budget. This budget addresses many issues in Pennsylvania. What I can say is this budget does not deserve the Governor's veto, it deserves the Governor's support and signature.

Now, we hear a lot about the Wolf plan and what Governor Wolf's plan does and how he addresses things, but you have to talk about the whole Wolf plan, you cannot just pick the things that you like. This is not a buffet. In a buffet, you just go and pick out the good stuff. I will take the ribs, I am going to have some of the pasta, I am going to have sausage, I am not taking the peas and corn. Okay? Not a buffet. So you have to talk about the entire Wolf plan. His plan includes one of the highest tax increases in the history of Pennsylvania, \$4 billion.

Now, I live in a commonsense world, at least 90 percent of the time, the other 10 percent we will talk about later, but when I am in the commonsense world, I have to say, we passed a budget, a balanced budget addressing the needs of education, social needs in this budget, without a tax increase. So why would you need \$4 billion more? Why would you need that? Taxpayers have to ask themselves that question. Why would you want to pay more taxes? I have not received one mailer in my mailbox or any mail statewide in any election that anybody ran on the premise of, I want to raise your taxes. Now, what I can tell you, though, is that in the Governor's inaugural Budget Address he challenged us. I remember what he said. This is my proposal, and if you can find a better way of doing it, do it. Well, this is a better way of doing it. This is a great way of doing it.

So many of these themes that you are hearing about this budget, let me help interpret that. When I go home to my constituents they say, I did not understand what that meant, or that did not make sense to me what somebody said on the floor of the Senate or some elected official said, but let me interpret what the

opponents of this budget are really saying. So let me be clear. They are saying they want higher taxes, they are saying that they want to base these higher taxes that they are proposing on false calculations, and they want a shell game on property tax reform. They want to take that money in property tax, tell you that they are lowering your property taxes, and then you wait a couple of years and the bill goes up, Governor has been reelected. Oops, sorry, we made a mistake.

So, it is okay to me if anybody in this Chamber wants to mislead themselves. If you want to mislead yourselves, mislead yourselves, but do not mislead the taxpayers of Pennsylvania. Do not mislead them, because this is a fine budget. I will stand up and defend this budget day in and day out, but if this Governor wants to veto this budget, he has to pass the red-face test of why now he needs \$4 billion of your money for him to spend the way he wants to spend it. I support this budget.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Haywood.

Senator HAYWOOD. Mr. President, there is a feature that is not in the budget that does not cost the taxpayers, for which there is significant bipartisan support or has been, and that is raising the minimum wage. We know that raising the minimum wage is not an expense for taxpayers, and, in fact, our reports show that raising the minimum wage to \$10.10 an hour would bring in new revenue for the Commonwealth, both in the income tax and sales tax from people who have a higher wage. It is not in the budget, even though raising the minimum wage to \$10.10 an hour would impact and raise the pay of over a million Pennsylvanians, most of them women. It would dramatically increase consumer spending, because those who are receiving minimum wage or are in a low-paying position, when they get that money, when they get that income, they are going to spend it in their local groceries and stores, further supporting small businesses and the communities in which they live.

We have also had a report that over \$900 million of public assistance is paid out to low-wage workers—that is a report from the University of California at Berkeley—in Pennsylvania, on an annual basis. So, on one hand, we say to people, be independent and self-sufficient; on the other hand, their low-wage jobs force them to rely on public assistance. That is not only a bad policy for the individuals but for the Commonwealth. Every State surrounding Pennsylvania has a higher minimum wage than we do. The States which have the highest minimum wages have some of the strongest job growth in the nation. So, when I think of the issue of competitive advantage and competitive disadvantage that was raised by the chairman of the Committee on Appropriations, it is clear to me that we have accepted a position of competitive disadvantage by forcing millions of our fellow neighbors to live in poverty, working day to day in poverty wages, and even refusing to accept the increased revenue that would come from the Commonwealth by giving these individuals a raise.

So, this does not have the impact on the budget other than denying the Commonwealth \$100 million or more, but also denying over a million Pennsylvanians the reward for a hard day's work with honest pay.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Mensch.

Senator MENSCH. Mr. President, I appreciate the opportunity to rise and support the budget as proposed in House Bill No. 1192. I got home on Saturday afternoon after being in Harrisburg for 6 days and I opened the mailbox out front at the end of the driveway and there was no space in it. I sorted through all of the mail when I went in, and lo and behold, there was a flier in there talking about voodoo economics, paid for by the National Democratic Governors Association. Imagine, telling our people about voodoo economics. So, I thought a lot about this. First of all, I am insulted. I think a lot of the taxpayers are also, that a national association such as that would even indulge in insulting our taxpayers and telling them this is somehow voodoo economics. Then I thought about that in the context of this budget. What I came to understand is, if I am in favor of a \$4.7 billion tax increase as a legislator, I would not be practicing voodoo economics, but if I side with the taxpayers and say their burden is already enough, then somehow I would be exercising voodoo economics.

So, I looked at this budget a little bit further in that same context. I looked at the property tax proposal, for instance, in this budget, and there has been a lot of discussion here about property tax already. By the way, I welcome all of the Democrats who have said that they will vote for it, I welcome you to join me in voting for it when we bring a real property tax reform bill to the floor of this Chamber. I voted for it, by the way, in the House in 2008 when it was then Representative Rohrer's plan. I was one of 43 individuals who had the courage to put my vote up. I stand by that. I will vote for it when we get a real one.

Let me get back to the point about the Governor's proposal. I looked at his property tax proposal, and he wants us to trade two permanent tax increases, sales tax and earned income tax, for a possible temporary reduction in property tax. And, oh, by the way, it is not only property taxpayers who will get the rebate or get the reduction, renters will get property tax reduction. I do not know about anyone else's district, but in my district renters are not paying property tax. They do not get a bill. So, I do not understand that. Voodoo economics, that is voodoo economics: lie to the people, do bait and switch, pretend that somehow you can reduce one tax when, in fact, you are permanently increasing two others. It just does not seem fair to the taxpayers, Mr. President. In algebra, we learned that two negatives make a positive. I just learned something new this week. This is new math, and two negatives make a third negative. It is not fair to the taxpayers, Mr. President.

I heard a lot of discussion too—and I want to bring up a point that has not been mentioned yet, but I am sure it will be before the debate is over today, about the deficit in this State, the structural deficit. It is important for the viewers to understand, the taxpayers to understand, this is not a spending and revenue issue, this is a structural deficit, one that was created by Federal funding to the State in our maintenance of effort requirements, principally that is where it comes from. All of a sudden, everyone is concerned with this year's deficit. So, I have a news article here, Mr. President, that I found in my office dated January 15, 2009, when then Governor Rendell held a press conference at the Farm Show and all of the Secretaries of his administration were there, and we know that the current Governor was then present at that press conference. Here is the headline, Mr. President. I will not read the whole article: "The PA Budget Deficit Could Be As High As \$1.9 Billion." And yet, we are acting like all of a sudden

this year's deficit is the first time we ever had a deficit. How many of us can remember that Governor Corbett inherited a \$4.2 billion deficit from Governor Rendell? Is there anyone in this room who has enough institutional knowledge to tell me in the last 20 years when we did not have a structural deficit, Mr. President? We have a structural deficit every year. The issue is that this year, we are blessed. We actually spent less than our revenue projections last year, so we have \$300-some million on hand with which to begin to craft the budget. Now, we are told that this year's budget is another budget full of gimmicks. Last year, we were told that it had gimmicks. Mr. President, the revenue was \$300-some million more than our expenditures last year. That does not seem like gimmicks to me.

So, Mr. President, I am going to wind down and finish, but I wanted to make those points, and I wanted to say that I think in my district the taxpayers are a whole lot smarter than what the proposed budget from the Governor first treated them to be. They are not interested in a bait and switch. Last week in my district there was a meeting of seven different groups that are interested in real property tax reform. They met last Thursday. I was not able to make it. Unfortunately, we were here, but do you know what they said? They do not like the Governor's plan. They want real property tax reform. The Pennsylvania Taxpayers Cyber Coalition, 90,000-some people, I understand, in this coalition, do not support the Governor's plan for tax reform. They want real tax reform. So, while we are talking about how there is no tax reform in this present budget, we need true, honest debate about property tax reform, Mr. President, and certainly trading two permanent tax increases for a potential reduction in my property tax, that is just not a fair trade for me, Mr. President. So, for that, and many other reasons, I rise to support House Bill No. 1192. Thank you.

The PRESIDENT. The Chair recognizes the gentlewoman from Westmoreland, Senator Ward.

Senator WARD. Mr. President, I rise to support this budget today. As I sit in this Chamber and listen to all of the talks and speeches about property tax reduction, that is just what is in the Governor's budget, it is supposedly a reduction. And since Senator Mensch stole all of my notes, I am not going to belabor all of that up here, but the fact of the matter is, if we do not eliminate or call for a taxpayer referendum on property taxes, they will eventually go up. So, if we would adopt Governor Wolf's budget, we would end up with higher sales taxes, higher personal taxes, and probably, in the next year or two, higher property taxes. That is a bad idea for all of Pennsylvania. I am not going to stand up here and talk all day because, as I said, Senator Mensch stole my notes. Thank you very much.

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

Senator WILLIAMS. Mr. President, I was not planning to talk, but I keep hearing this constant theme that the Republicans' version of this budget is one without taxes. Then I heard a phrase that I really did not enjoy, and that is bait and switch. So, for the public who does not understand this, when we do not want to increase taxes, we increase our fees. Everything that is under the sun has been done that way for the last 4 years. So, people brag and pound their chest that we do not increase taxes here, but when you go get your license, your hunting license, or anything else, you are stunned because it has almost doubled. That is what we do here. We play the shell game, three-card monte. It is not

us, it is them. It is not our plan, it is their plan. It is them causing the problem and not us causing the problem.

So, let me remind you of this brand new shiny plan to privatize, what we have done to find a lot of money to support the General Fund. So, they do not use the word "taxes," but I want you to understand something, Pennsylvania, there is a brand spanking new thing called a gross receipts fee. Substitute the word "tax." It is worth hundreds of millions of dollars every year. Retail contribution, a flat fee, and \$90,000 per distributor. So wholesalers will do what wholesalers do. They will pass the costs along to you, Joe Pennsylvania; you, Jane Pennsylvania. It will be your honor. No, we did not raise taxes, what we did was give it to the private sector to stick it up your tuckus. We did not give it to you, Mr. Retailer; no, Mr. Retailer, he just passed it along to the customer who walks along after a hard day's work, you get the honor of paying not taxes, just my fee. The distributors, that 90K, I wonder what they are going to do with that, too. They are going to eat it, right? All this money which is supposed to total \$1.2 billion, \$1.3 billion, it may not be called a tax, but a tax by any other name, a fee, whatever it is, it is still being passed along to you.

So, let this moment not escape us. There is a consequence when we want things, when we want better education, new roads, new bridges. People have to pay for it. The difference is, we put out in the public, we are going to give you real improvement for quality education because we are going to pay for it. We are going to deliver real property tax reduction because we are going to pay for it. I am not sure why anybody wants to escape that reality and everybody here wants to sort of go to heaven and dance between the raindrops without sinning. I understand how it works. Understand something, their budget proposal is on your backs, and they are going to sell a major asset to pass that problem along to you and you are going to pay for it. So, wholesale receipt taxes, retailer contribution, a 90K portion for distributors, that is real money that you are going to pay for that no one else in this room can deny. That is truth. So, all the bantering back and forth about who is at fault, what was said, who can remember 20 years ago, I can give two hoots about it. Tell the truth. Tell the truth. The fee is their tax. Their budget is based upon that fee, and the privatization plan, you are going to pay for it.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Indiana, Senator White. I apologize, you were up in the line, so take as much time as you want. You can have a filibuster.

Senator WHITE. Mr. President, I think there are a lot better filibusters in my friends on the other side than I. I want to take this opportunity to talk about a small segment of the Governor's budget that has affected me dramatically. I understand, and I have a lot of friends over there who are from western Pennsylvania, and they understand this, but they are part of a party, they have to support their Governor, and I understand that, too. Yesterday, I received word—I live in Indiana County and represent what I consider to be, arguably, the energy capital of Pennsylvania. I have shallow wells, deep wells, and Marcellus Shale wells. I have deep mines, I have strip mines, I have aggregate, all within the confines of the 41st Senatorial District. That being said, our county where I live, Indiana County, has seen many ups and downs over the last century and a half economically. Coal was king, then coal was dead. Gas was king, and gas was dead.

There was a company which we have all heard of, might not know of personally, but have heard of called Halliburton. Halliburton is the largest well service company in the world. They have had their own issues over the years, as we know, but they have been in my area since the early 1970s. Two months ago, we heard a rumor that they were thinking about shutting down. Dave Reed, and credit to Dave, I was out of town, but Dave Reed approached the people from Halliburton and asked them that question flat out. They denied it. That was less than 2 months ago. Yesterday, they announced that they are closing their operation in Indiana County. That is 450 jobs. Now, initially when I heard that I thought, oh, they are pulling back, they are laying off. No, they are not laying off, they are going elsewhere. They are going elsewhere, and a lot of it has to do with the price of gas, which we necessarily cannot control, but also a lot of internal dialogue about this tax, this billion-dollar tax that they owe. Not necessarily them, but all of the people for whom they work. That is 450 jobs that are now gone.

So, any of this rhetoric about \$1 billion of this \$4 billion ask of the Governor, to me, is really bogus. That hits me. That is a reality check for me, and should be for anybody whose area is busy in this industry right now. It is a fact. The price of an MCF of gas is around \$1. Nobody is putting capital investment into drilling. We have 2,000 wells sitting somewhere in this Commonwealth that are not even online, and we have a price that has been deflated to the point that people are looking elsewhere. When they look at a Governor who does not—when they are sitting down at their offices and they are discussing the future of Pennsylvania, they are sitting on pins and needles wondering what we, as a body, are going to do with this industry. It has been good to us. It has been a golden goose, something that 10 years ago none of us in this room even knew the name of, and it will be back. But for now, timing is everything. For us to be discussing, seriously, that this industry owes this Commonwealth a billion dollars that is going to be plugged into education is absolutely ridiculous, and a phony statement to make.

I do not know about my other fellow colleagues, but getting that news yesterday, to me in a county of 90,000 people, those are some of the best 450 jobs you will find anywhere, probably in the top 10 percent. They are gone. Now, we will do our job like we always do. We will regroup. We will try to find placement for these people. I am sure Halliburton will drag some to Ohio. Where are they going? They are going to the wet gas in Ohio without the regulation and taxes that are being forced upon here. We had a good deal, we made a deal with those people.

This impact fee is critical to my region and everybody in the west. It was fair, it was reasonable. When you looked at taxes those companies were spending with all the ancillary businesses around it, for us to have this ready for the last 7 to 8 months is not helping the bottom line of the industry. So, I ask my colleagues to refute that part of the Governor's budget. Let us look at the facts, let us look at reality, let us look at employment numbers. Halliburton, a worldwide company that has laid off 9,000 people in the last month and a half. They are trimming the fat and getting ready for a long siesta, and for Pennsylvania to get back in the ball game and to be a player certainly does not need the onerous taxes that this Governor is proposing.

So, I will let everybody else argue about the privatization, to talk about property tax reform, pension reform, and every other element of this budget that they seem to want to rally against. I

am talking about one specific part that certainly there are no two sides of this argument. Let us not push this business away. The first step has already been made, and it hit me right between the eyes.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Blair, Senator Eichelberger.

Senator EICHELBERGER. Mr. President, there are a couple of points I want to emphasize. It was brought up earlier about the difficulty that our present Governor is having with a \$1.2-billion structural deficit. Since I have been here, this is the ninth budget that I have worked on, and we have had a structural deficit each and every year. It was brought up that when Governor Corbett came to town, there was a \$4-billion deficit. What was not mentioned was we are down to \$1.2 billion, shaved off almost \$3 billion, with no tax increases, over that 4-year period. In each and every year that I have been here, when we have had a Republican Governor, I have heard from my colleagues to the left that it is trickery. There are gimmicks in the budget. It is one-time funding. That we have raided accounts, and we have done all of these kinds of things and we have concocted this scheme that is just going to cause us more trouble down the road, but we have done it this year and we are getting away with it, but we will pay for it in the end. We did these budgets that we knew were sound 4 years in a row with no broad-based tax increases whatsoever, and we shaved off almost \$3 billion in structural deficit.

I heard the Governor today talking about vetoing this very good budget for the people of Pennsylvania, and he is talking about doing it for two main reasons. One is the severance tax. He wants the severance tax, and severance tax has become a popular issue for people because they have demonized the energy industry and they want to shut down the one industry that we have that is growing in this State. This is a crossroads for us in Pennsylvania, and it might be too late. We have people here, we are losing them, as the last speaker just said. We are losing them on a daily basis. I talked to a company a few weeks ago that had 28 rigs in Pennsylvania. Today, they have one. We just heard about Halliburton. We know that companies are teetering on pulling out or downsizing or consolidating their administrative offices elsewhere in America, pulling out of Pennsylvania because of a couple of reasons. This tax thing concerns them and they are not willing to make investments here when they know that anytime over the next 4 years there is going to be an effort to take away more of their bottom line, and they are operating on thin margins now and they cannot afford to have that erosion. So, they are not going to invest in Pennsylvania any longer. The thousands, the tens of thousands and hundreds of thousands of jobs that have been created are starting to evaporate in this State, and then we will look at the employment figures and say we are losing employment here. Well, we have to look in the mirror and figure out why we pass things in Pennsylvania that cause companies to leave.

His \$1 billion--the Governor, I am talking about--projection for severance tax, that is an impossible figure to meet. Impossible. In fact, his refusal to acknowledge that we already have a severance tax in Pennsylvania, we just call it an impact fee, but it is a severance tax. Everybody in the industry calls it a severance tax, we just called it by law an impact fee. That fee last year collected more in revenue than the severance tax called a sever-

ance tax in West Virginia that taxes not only gas but also oil, timber, and coal in that State. People think, well, it is not enough. We tax them now, but we should tax them more. In fact, the worst insult is that we do not tax them at all. We certainly know that these companies pay every tax that is levied in Pennsylvania, and in addition, they pay the impact fee, which is a severance tax.

The second issue that the Governor is talking about with a veto is that we are not spending enough on schools. I think we have misportrayed what we are really doing in this budget that we are voting on today. We have talked about \$100 million of additional spending on K through 12. We talked about \$20 million more for special education, \$30 million more for early childhood. When we look at what we are spending on K through 12, and the Governor is asking for a billion dollars in increased spending, we are spending \$3.5 billion more on K through 12. Now, that is not good enough for the Governor. He wants more. We are spending \$100 million in the budget line. We are spending \$400 million more in pension increases for the schools. So that is a half-billion dollars right there. Then, we have arrived at a way to generate \$3 billion for school construction through changes to the PlanCon system. That is a total of \$3.5 billion in additional funding for K through 12. We talked to the PSEA and we talked to the Governor and we talked to others in this building, and that is not enough money. I mean, when do we have any sense of responsibility for the taxpayers of this State? We cannot afford to give away a penny more than we are doing today. We have given them substantially more money over the last 4 years of the Corbett administration, each and every year was an increase for our public school system, and it was never enough. They blamed us, the Republicans, for cutting a billion dollars during the Rendell administration, cutting a billion dollars in State funding, which was not true. That was during the Rendell administration, not during the Corbett administration, and they continue to perpetuate that story.

We know that all you have to do is look at the budget figures over the last 4 years and you will see increased funding. So, today, before we even pass this budget, we spend more State dollars on public education than we ever have in the history of the Commonwealth, and the Governor wants a billion dollars more. We are giving him \$3.5 billion more. His system, to do the tax swap, and he said he wants property tax relief for people on a temporary, as we discussed, temporary basis for people to alleviate temporarily their school property taxes and swap that out for income and sales. There are some plans in the building that I have supported that are an elimination, but what we are looking at is a temporary swap, and using the figures that the Governor has. In the two districts that I have looked at in my area, in both cases the people who live in that district, when you calculate how much the people who live there would pay additionally for their income and their sales tax, it would be twice as much as the relief they would see on their school property taxes. They would pay double the amount of money than they would see in return for relief on their property taxes. That is not a swap, that is an increase. This is a substantial tax increase for people in this Commonwealth. In fact, in 414 school districts out of the 500, people would pay much more in taxes than they would see in relief from their school district property taxes. So that formula just does not play across this Commonwealth, and it should not.

So, when we look at trickery, when we look at gimmicks, one-time scams and deals, I am looking at the Governor's proposal and saying that fits the description of where we are today. What we put on the table before this General Assembly is a solid, defensible budget that provides real relief for people in many ways. It provides real investment for people in many ways, and we are looking at solving the underlying problem of the pension issue. As we went through hearings of the Committee on Appropriations for 3 weeks a couple of months ago, in every department that spoke at that hearing of the Committee on Appropriations, they told us that the single largest cost driver they had was pension costs in their department. So, we are not going to get away from this. We are not going to get away from structural deficits year after year after year. We have to fix the underlying problem, and the underlying problem is the pension system we have in this State. So, I do not understand the mystery. I do not understand the consternation, the problems. I understand that there are people involved in the system who do not want to see change, but the rest of the Commonwealth does. That is 90 percent or more of the people in this State want to see change. The few who are still in this system who want to take all of the spoils and take it away from their neighbors and their communities and hurt the taxpayers of this State should not win out today. The people who should win out are the vast majority of Pennsylvanians who want to see a better day, who want to see a return to an industrial age when Pennsylvania can be the leaders again in this energy sector, like we were when the Carnegies and the Mellons were king in this State many years ago. We have that ability, we have that opportunity today, but we are trying to kill it, and we are killing it slowly with a lot of different steps. Overtaxing all of us and overtaking the energy industry is a sure way to curtail any opportunity for growth in this great State.

So, I ask my colleagues today to consider these issues and understand this is a very, very fair proposal, a very reasonable and a very well-reasoned proposal for the budget and to support it and go back home and explain it to people. Either the people of Pennsylvania will understand because they want to see the opportunities that we have in this State for growth and prosperity for themselves and their families and for businesses in this State so that we have good-paying, sustainable jobs and not kill those things with the tax burdens that we see coming from the Governor's budget proposal.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from York, Senator Wagner.

Senator WAGNER. Mr. President, I rise today in support of House Bill No. 1192. It is a budget that does not increase taxes to the taxpayers and it is a budget that we have worked very hard on. I had the opportunity this year to participate in this budget, as I was not able to last year when I arrived in April. Senator Scarnati talked about the skills of Senator Browne serving as chairman of the Committee on Appropriations, and I have been very impressed by the committee and its work. I sat through approximately 33 hearings, and a lot of time was spent.

Let us go back and talk about history for a moment. People want to talk about the billion dollars of stimulus money that came into Pennsylvania 4 years ago, 5 years ago after the credit crisis. Frankly, today we have nothing to show for that billion dollars that was spent. We do not have a bridge, a single bridge, we do not have a single road, we have nothing to show for the

billion dollars that came in. Where it went, we can sit here and try to speculate, but the bottom line is, it is history and it is over with.

We have an opportunity to grow Pennsylvania's economy. Senator White talked about the gas industry, Halliburton leaving. Two months ago, I had the opportunity to go to western Pennsylvania on a coal tour and I will tell you that I toured a coal mine, a Consol Energy coal mine, and of three mines that they own, they employ almost 2,000 people. Based on Federal regulations, the EPA, and the President's mission to shut down the coal industry, I will bet today that probably in 4 years, 1,000 of those 2,000 coal miners will lose their jobs.

There are many things happening, and one thing I have observed up here in the last 14 months, and I have observed in the last 30 years in the private sector, that government, whether it is Federal or State, is strangling businesses. It was published in *The Wall Street Journal* about a month ago that there are now 177,000 pages of Federal regulations. I was trying to look on my computer to see how many pages we have here in Pennsylvania. We need to let private enterprise work. What I have observed up here is that we continue to pass bill after bill, more regulation, and Governor Wolf ran on a platform that he went in and saved his family business. We need to save the family businesses that we have here in Pennsylvania, and there is a lot of work to do.

I just asked Senator Browne, in the current fiscal cycle, we are \$360 million ahead in revenue over last year. What does that mean? It means that the economy is improving. Does it mean that we have a great economy? No. Does it mean it is far, far better? It is improving and it is getting better. It was reported in the *Central Penn Business Journal* that Dauphin County just issued more building permits recently than they have in 10 years. Our problem today is we are talking about taxes, we are talking about growing government. I believe we need to shrink government, and we need to become more business friendly, and if we become more business friendly, it is going to yield more entrepreneurs, more business, more revenue, and we all pay taxes on that. What I have observed in the last 14 months, and again, I talk about my private-sector career, is that agencies in the State of Pennsylvania are not here to help businesses, they are here to punish businesses. So let us just keep punishing our businesses, let us run them out of town, and pretty soon we will all be sitting around the campfire and there will not be anything to do.

Government is out of control. I have not heard one single thing in the last 14 or 15 months about just going into an agency and totally reinventing that agency. DEP is one example, an agency that I have experience with. Inspectors show up, they fill out papers for reports. In the private sector, companies have tablets, things are downloaded electronically. DEP inspectors go back to the office and they key in everything. It is not efficient. DEP has asked to increase inspectors by 50 in the State of Pennsylvania under the Governor's budget. Well, if we got more efficient, we probably could do 20 percent more work in DEP with the same amount of people.

And something that has bothered me, and it just really bothers me, for almost 30 years, every day when I left my business, I walked around and I turned out lights and I turned down the thermostat. We turned down our heat to 60 degrees, and sometimes even lower, and we went around and made sure everything was turned off. I can tell you that the unfortunate thing about here in Harrisburg, there is no owner here in the business going

around at night turning out the lights, turning down the thermostat, trying to make Harrisburg more efficient so we can reduce our expenses. So, people out there watching, it is really sad for me to know that there is no one around here that specifically takes ownership on all of the light switches and all the thermostats, and think about all of the buildings that we own across the State.

During the hearing process of the Committee on Appropriations, we talked about pensions, we talked about benefits. I am not picking on people, but this is reality. I learned a long time ago that you have to learn to align your expectations with reality. The benefit percentage up here in Harrisburg is running 20 percent to 50 percent more than the private sector, and at some point the numbers just do not work, and they are not working. I have talked about this repeatedly, that I believe that 10 years ago the benefit cost control lost control, and 10 years ago we started spending \$100 million more on benefits, and the next year it was \$200 million, and I believe today that if you applied private-sector percentages, benefits that the private sector uses, factoring costs for their employees, we are somewhere between \$750 million and \$1 billion over the private sector. That has been going on for the last 10 years. So, if I had an Excel spreadsheet and I did 100, 200, 300, we have probably paid almost \$4 billion more in costs than we should have, okay? So that is the \$4 billion hole that we are looking at, but nobody wants to talk about that.

My email account in my Senate office is flooded with emails from people involved in the pension system. Folks, just remember, 2008 was not that long ago. It was 7 years ago. Our country faced a credit situation and a financial calamity that was just unprecedented. Today, if you pick up the paper and look at the news, Greece has closed their banks. They are limiting their ATM withdrawals, if you can get money, to basically I think it is 60 Euros, and Senator Scavella converted it, it was \$80. We have big problems ahead of us. There is a lot of stuff we need to work on. We need to get our house in order. We need to fix the leaks on the ship, and we are not willing to do it. I can tell you, in 2008, I know businesses that laid off anywhere from 10 percent to 30 percent of their workforce because of the credit crisis. Those businesses were faced with, if they did not do it, they were going to shut down. They made tough decisions. Today, those businesses are healthier.

Again, we enjoyed, back to probably 8 to 10 years ago when we really started drilling for gas in this State, it was Katy, bar the doors. As a driller told me in western Pennsylvania earlier this year, we drilled ourselves into oblivion. There is so much gas out there. I think the number is, Senator White said, 2,000 wells. I think it is somewhere in the 1,200 range, wells that are drilled and capped and there are no gathering lines, and if we were to get gathering lines, there is more supply on the market. In the meanwhile, we have Federal regulations that we cannot ship oil out of the country, we should be building an LNG conversion plant so we can take this precious resource that we have and sell it internationally.

There is so much, and I could go on for hours, and I am not going to do that, but I am in support of House Bill No. 1192. I can tell you right now, if House Bill No. 1192 is passed, we have a lot of work ahead of us. I think we all have to sort of look in the mirror and figure out what can we do to get Pennsylvania back on track and become more efficient. That is what we do in business.

I had a real quick conversation with Governor Wolf about 2 months ago, and I said, Governor, I know you went into your business and you turned your business around, and he said, well, Scott, we turned our business around, we did not raise prices and we are paying more wages. Well, what the Governor did not mention is he moved his cabinet manufacturing operations to Indiana, where he was able to get cheaper products. That is what businesses do. He did what he had to do to survive. We are now at the crossroads today where we have an opportunity to become more efficient, but we have to get government out of the way. Trying to get a shovel-ready project in this State, it takes years to get shovel-ready projects. There is an opportunity to grow this economy. Government needs to get out of the way, and passing this budget is the first step because we can tell the constituents and taxpayers we did not raise taxes. I can assure you there is so much work ahead of us, probably 10 years' worth of work, to get this State back on track, but we do not have a lot of time. We are running out of oxygen.

Thank you, Mr. President.

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

Senator HUGHES. Mr. President, I had a confined set of notes that I was going to speak to, but the previous speakers gave me a whole lot more that I am obligated to discuss, and I apologize for that given the circumstances we are in. I sincerely apologize. But just as a point that the DEP, the Department of Environmental Protection, Mr. President, is funded at the same level that it was in 1999. So, they have not seen any real increase in their funding situation, and consequently, there are certain folks who are making off like bandits.

The energy discussion really has me perplexed. I am going to tailor my comments to my colleagues, but I am also going to tailor my comments to the average person in Pennsylvania, who hopefully is figuring out a way that they can take some time from their two or three jobs that they are working right now to make ends meet, to find a few minutes to watch what is going on here in Pennsylvania. Parenthetically, getting back to the original issue that we are standing here on the floor to discuss, which is the Republican proposed budget, I just noticed that we went far afield and started talking about the Governor's budget that he proposed, but what we are talking about right now, this budget, House Bill No. 1192, Mr. President, House Bill No. 1192 offers up, just as a point of reference, a grand total of \$8 million increase in basic education funding. A grand total of \$8 million increase in funding for our kids from kindergarten to 12th grade to support all 500 school districts in Pennsylvania. They get, in this budget masterpiece here, House Bill No. 1192, \$8 million of additional funding. Now, they had a billion dollars in cuts, but in this budget, they get an \$8 million increase. I did not say \$8 billion, I said \$8 million. Now, just keep that in the back of your mind as we go forward.

Please, listen to the energy discussion just real quick. Folks crying crocodile tears for the energy industry. I mean, come on, give me a break. Let me read this one right here to you real quick. Range Resources, the number three producer, says it is currently, quote, currently not in a taxpaying position for Federal income taxes. They admit, quote, we generally do not pay significant State income taxes. I want to read that again, if I might. I will. Thanks for paying attention. Range Resources, the number three Pennsylvania producer, says it is currently, and this is a

quote, currently not in a taxpaying position for Federal income taxes. What that means, Mr. President, is that they are not paying Federal income taxes because they are not in a taxpaying position. That is artful conversation. That is artful accounting conversation for not paying Federal income taxes, and admits we generally do not pay significant State income taxes, which means that all of the other businesses in the State of Pennsylvania are paying their State income taxes and this one right here, not quite a small mom-and-pop shop called Range Resources, they are not paying their fair share, and we need them to pay their fair share because we need them to contribute equitably, as does every other business in the Commonwealth of Pennsylvania.

Cabot Oil & Gas, the number two Pennsylvania producer, reports it paid no State income taxes in 2014. They did not pay anything. Nothing. Zero. Nothing. Zero. This energy giant, Cabot Oil & Gas, the number two Pennsylvania producer, reports it paid no State income taxes in 2014. They are so bold and brazen enough that they admit that on their own Web site. On their own Web site. On their own Web site they admitted that they pay no State income taxes in Pennsylvania.

Now, you go to the local mom-and-pop operator, business owner, dry clean owner, doing and cutting hair, doing nails, whatever, in the neighborhood, in McKeesport, in Scranton, in West Philly, in North Philly, in the great northeast, in Bustleton, around the neighborhood, in Harrisburg, they are paying their fair share, but Cabot Oil and Range Resources and all the rest of these guys, they do not pay their fair share? Oh, come on. Give me a break. Give us a break. Where is the fairness? Where is the equity? Where is their contribution to the State's economy? We are in this problem of being 50th in the nation in job creation, Mr. President, because the policies of the Corbett administration drove us here. This budget that is presented to us right now is the fifth year of the Corbett administration. Year number 5. We thought we got rid of him, the election occurred, he lost dramatically, first time in the history of the State of Pennsylvania that a sitting Governor lost reelection, the people said we cannot have any of that anymore. Now, what is appearing again? Here it is, House Bill No. 1192. The local mom-and-pop operator, they still pay their taxes, but these guys are rich operators, they do not pay theirs. You have to give us a break. Speak to the people of the Commonwealth of Pennsylvania and be honest with them.

Let me see, there is another one here, Chesapeake, another big operator in Pennsylvania, I am told. The number one Pennsylvania producer paid a combined Federal and State effective income tax rate of only 1.5 percent in 2014, combined Federal and State in 2014, 1.5 percent. You expect me to cry crocodile tears? Oh, they are so sad, they are not doing so well. Come on. Speak to the people of the Commonwealth of Pennsylvania who are working two and three and four jobs to try to make ends meet. They get up early in the morning, 4 o'clock or 5 o'clock in the morning to get to work at a 7-Eleven or Sheetz or Walmart. Even Walmart figured out how to raise the minimum wage, by the way. Even Walmart figured out how to do that, but speak to the people who are working in those environments and those situations, speak to the people whose wages have been stagnant for the last 10 years, last 12 years, last 15 years while private corporate profits are going through the roof.

Have you checked the stock market lately? Have you checked the stock market prices lately? The stock market, even with the problem in Greece, is at 17,600, and this is under President

Barack Obama. Be careful now. Do not say the President's name. The private sector is going up through the roof under a Democratic President, Barack Obama. So, I am supposed to cry crocodile tears for Chesapeake, for Cabot, for Range, for Halliburton? Did not Dick Cheney used to run that operation? Did not Dick Cheney used to run Halliburton? I am supposed to worry about him? The 12 million people in Pennsylvania are supposed to worry about Halliburton? They are leaving not because we are talking about a tax, they are leaving -- they have this ability to move from one place to another because they are flexible. They are nimble like that. So they move from one place to another where, at that particular moment, they can figure out how to make a few extra dollars off of the backs of the people in the State that they are operating in. So that is how they operate. They develop themselves. Please do not cry crocodile tears for the energy industry.

Oh, and by the way, in House Bill No. 1192, did I tell you that the grand total increase for basic education funding is \$8 million? Did I tell you that? Eight million dollars. You have kids in schools where the parents are now having to pay for extracurricular and afterschool activities. You have kids in schools where the parents who have--by the way, although wages have been stagnant for the last 10 to 12 years, and, in fact, are going down--who are now having to pay extra money for kids to be in football practice and band and things of that nature. They really cannot afford it. They really cannot make ends meet to afford it, but they are committed to their children and try to figure out a way. Oh, and by the way, did I tell you that the increase for the entire State of Pennsylvania for the 2.1 million students in Pennsylvania who go to the public schools across the Commonwealth of Pennsylvania, in House Bill No. 1192, is \$8 million. That is why you cannot vote for this thing. That is why you cannot vote for it. You cannot vote for it because there is no help for property tax owners, because for the last 4 years we have not helped out the way we should have helped out in our education system, and so the property taxes have gone up for 80 percent of the school districts multiple times, 1 year, 2 years, 3 years, 4 years for all 500 school districts. Oh, and by the way, did I tell you that the total increase in basic education funding in House Bill No. 1192 is \$8 million? Divided by 2.1 million students, somebody do the math for me real quick, run a calculator and tell me how many extra dollars there are. Senator Blake, run a calculator for me real quick, tell me how many extra dollars there are for 2.1 million students when you have \$8 million total statewide.

Somebody is watching right now and they are saying, wait a minute, did he just say \$8 million increase for the 2.1 million students in Pennsylvania? Did he just say that? Yes, and let me tell you how we get to that number. It is the Houdini move. All right? You put \$120 million here, but you take out \$112 million there. So just like some of those big shots at Halliburton or whoever those corporations are, they get an extra paycheck of \$120 million there, but then someone takes \$112 million out of the other pocket. So, the State is deciding--not in this budget, in this budget proposal, House Bill No. 1192, and I think I said it before, but there is only \$8 million of new money for basic education in this budget, but in this budget right here, the offer is \$120 million but the decision is, well, we are not going to make \$112 million of mandatory payments for Social Security and for pension costs, we are not going to make those payments of \$112 million, so the net is--the school district says, wait a minute, you

give me \$120 million here but you take out \$112 million there. That is a net of \$8 million. That is how we get to the number. By the way, there was a cut of hundreds of millions, maybe \$1 billion, probably, give or take, in basic education funding for the last 4 years under the previous Governor that put us in the travesty and devastation that we are in right now.

We talk about private-sector job creation. New York, New Jersey, Delaware, West Virginia, Maryland, Ohio, and Pennsylvania, of those seven States, Pennsylvania is last in private-sector job creation. New job creation total in all of that, Pennsylvania is last, at the bottom of the list, 50th. There are 49 other States ahead of Pennsylvania in job creation. We want to continue that policy? That is what is continued in House Bill No. 1192. By the way, I just might add, there is only \$8 million of new money for basic education spending in House Bill No. 1192. Divided by 2.1 million students, Senator Blake tells me that is close to about \$4 per student. That is what they get, \$3.80—a smart staffer gave me the exact number. In fact, he works for you, Mr. President—\$3.80, that is what every student in Pennsylvania gets, \$3.80 more as a result of House Bill No. 1192.

What else do we get in House Bill No. 1192? More than likely we get dramatic tuition increases from our colleges and universities. You see, Governor Wolf put on the table a proposal on March 3 when he put out his budget proposal. He said, look, I want to begin the process of restoring the 50-percent cut that Penn State and Temple and Pitt and the State System of Higher Education, Lincoln University, they all got dramatic cuts. But the big four, our State-relateds - Penn State, Pitt, Temple, Lincoln - they had 50-percent reductions. This is what Governor Wolf said, I want to begin the process of restoring the funding for those institutions. So he proposed in his budget that he delivered on March 3 a restoration, 50 percent, but he said, now, all institutions, I am going to begin this process of restoring your funds by 50 percent, but what I need from you is a freeze on your tuitions. If I give you an increase, if the State appropriates an increase at this level, will you commit to freezing your tuitions? In front of the Committee on Appropriations, all of the presidents, the chancellors, said, you know what, done. Done, Governor. If you give us our resources back, we will hold the line on tuitions. Well, in House Bill No. 1192, which, by the way, there is only \$8 million of new money for basic education, \$3.80 per child, House Bill No. 1192 offers a modest 3-percent increase for our higher education institutions, which puts our institutions in a position where they have to raise tuitions just to make ends meet. That agreement that Governor Wolf successfully negotiated now cannot hold because there is going to be, at least in House Bill No. 1192 and the bills that relate to it, a 3-percent increase.

So now tuitions will go up when our modest and middle-income families need the line to be held, so the opportunity for all of our kids to realize their dreams through higher education, through attending Penn State, through attending Pitt, through attending Lincoln and Temple Universities, those dreams will be deferred because the tuitions will have to go up because there is only a 3-percent increase. The agreement that Governor Wolf successfully secured will not be able to be fulfilled. By the way, did I mention, there is only an \$8 million increase in basic education funding for our schoolchildren in Pennsylvania?

Tuition increases go up, no property tax relief, because there is none that is evidenced in House Bill No. 1192. House Bill No.

1192 has no help for property tax owners. None. Zero. Zippo. Nothing for property tax owners. Nothing. No assistance at all. And renters, nothing. No improvement in support for our renters who, by the way, pay a portion of their property taxes because it is factored into the rent payment that they make. No help for them either. That is what we get in House Bill No. 1192.

There is no restoration for the human services programs. Governor Wolf said, look, I want to begin the process, over 3 years, of restoring the Corbett cuts in our human services programs that provide assistance for those who are on the margins of life, who are having difficulties, having problems, mental health problems, other physical, mental, and disabled challenges. Governor Wolf said, look, they should not have been cut, but let us go down the process of trying to restore those cuts, get the money back in to provide additional services for those caseworkers who are working so hard to try to provide help for folks who are suffering and hurting so badly. I want to restore that. Governor Wolf wants to restore that support for them over a 3-year process. House Bill No. 1192 offers no help there, offers no help for those workers or the individuals whom they take care of, offers no assistance for folks who are suffering mightily in very tragic situations to try to get them additional help, additional services. No help there. No help in human services. No help in higher education, no help for property tax owners, and by the way, did I mention that for our school kids, 2.1 million of them, in this budget, there is only \$8 million of new funds for our schoolchildren?

Job creation, job expansion, economic development, one of the roles that a State has to play, or should play, is spurring economic activity and spurring economic development. One of the things that we found out is that when the State does not pay its fair share, does not play that role, over the last 4 years we found out when the State does not step up, when the State does not provide assistance, then it starts to cripple, it starts to grind to a halt, and the last 4 years the State did not provide any assistance of any significant level and what happened is we wound up 50th in the nation in new job creation. Not a place that we should be happy about or pleased about, because when it started off 4 years ago, we were seventh in the nation in new job creation. What happened over the last 4 years in this budget presentation, House Bill No. 1192, this is the fifth year, more of the same. No economic investment in the Department of Community and Economic Development to jump-start and revitalize important businesses, new innovations, new technologies, all across the Commonwealth of Pennsylvania. And did I mention for the 2.1 million students in Pennsylvania who are suffering mightily in difficult situations and in difficult circumstances, not getting the resources they need, some of them in classrooms with 30, 31, 32, 33 kids in a class, maybe even more, not having any nurses or counselors available to them because over the last 4 years, 22,000 of those individuals lost their jobs. Did I mention there is only an \$8-million increase in basic education funding for those children?

This budget is also built on a house of cards, Mr. President. The liquor privatization deal, the liquor privatization giveaway, hand-off of \$200 million, there is no done deal on that. There is no agreement on that. The pension reform concept that we discussed earlier that we will see later on this evening, there is no assistance in the pension reform proposal. In fact, the pension reform deal that they are talking about in Senate Bill No. 1 does nothing for the unfunded liability issue that folks have been cry-

ing about and claiming that there is a problem for years now. It does absolutely nothing. Well, this budget is built on some voodoo economic numbers that come out of that piece of work, \$1.5 billion in revenues that are mystery money. Assumptions, assumptions that resources will come in, or revenue will come in, and it is similar to the revenue prediction that occurred, what was it, in our tavern bill? Was it small games of chance? What was that? Small games of chance in the taverns, right? Two years ago, the same folks who put this document together put that document together saying, the previous administration put that budget bill together, and they said that we would get, for small games of chance in our taverns, we would get \$154 million, \$154 million that the State would receive as a result of that.

Well, do you know what we got? Five hundred and fifty thousand dollars is what came in instead of the \$154 million that was supposed to come in. So, they want us to believe that the budget assumptions that were made to embody the foundation of House Bill No. 1192 are going to be consistent and as on-time and as reliable as in the past. Unfortunately, we have a history of the past, a recent history of the past, a short-term history of the past, that says that those numbers do not add up, or as one public official said, that dog does not hunt. It does not even get off the porch.

Mr. President, what we have here, and over and over and over again, is a budget that does not reflect the needs or concerns of the people of the Commonwealth of Pennsylvania. Aside from the fact that it puts us at a \$3.1 billion structural budget deficit for the next year, 2016-17, it does not help or address the issues that the people want us to address this year; no help for property tax relief; and no investment in job creation or raising of the minimum wage. By the way, those other States around Pennsylvania, they have raised their minimum wage. As I said before, even Walmart has figured out a way to raise its minimum wage. Oh, and by the way, this budget, no tax on Marcellus Shale. The richest corporations in the world that collectively made billions of dollars in profit over the last couple of years admit on their own Web sites that they pretty much do not pay much in taxes. All right? Admit that. It is on their Web sites. I am not making it up, it is on their Web sites. What is it? Cabot.com? Something like that. They do not pay their fair share. Every other business is paying its fair share and the people of Pennsylvania get cut out of the deal. That is what happens here. Did I mention at any point in the course of this conversation, and if I did not, I will mention it again, that the increase for basic education for the school kids in our State, for the 2.1 million schoolchildren, for the 3,000 school buildings across Pennsylvania, is \$8 million. That is the increase.

A structural deficit going forward, an \$8-million increase for our kids, a revisitation of the 4 years of the previous administration that took us from a leading State to a worse performing State, a budget presentation that is not worthy of the support not just of the people on this side of the aisle, not worthy of the support of the people in the Majority, the Senators and legislators in the Majority, clearly not worthy of the support of the average Pennsylvania citizen who is working hard, trying to make a difference, and watching their dreams continue to get further and further away from them. Their wages are stagnant and falling behind. Their schools are crumbling. Their dreams are dying. Their hope for the future of their children is getting dimmer and dimmer and dimmer because there is only an \$8-million increase

in funding for our schools. The opportunity to send their children to higher education is getting more and more difficult. Pennsylvania is the State in the nation that has the second-highest amount of student debt. The way you deal with that is to provide more assistance to relieve the burden. The way you deal with that is, and you know, it is kind of funny that--and actually, it is not even funny--when you understand that the student debt that folks are carrying, when their children, college students graduate from colleges, is \$100,000 or \$150,000, and that is the debt that they have to pay off, but when you read that Range Resources or Cabot Oil or Chesapeake Energy are not paying pretty much anything in taxes, where is the fairness? Where is the fairness? Combined, these three companies reported more than \$4 billion in net income in 2014. Range, Cabot Oil & Gas, Chesapeake Energy, the number one Pennsylvania producer, paid a combined Federal and State effective income tax rate of only 1.5 percent in 2014. If you have student debt, I can guarantee you that interest rate is a lot higher, and they come to collect pretty quickly.

So here we have it, Mr. President, a budget crafted, House Bill No. 1192, that does nothing to help create jobs, does nothing to raise the minimum wage in Pennsylvania, does nothing and only makes it harder for Pennsylvania families to send their children to college without the debt that they have to deal with, and fails dramatically on the financial support or lack thereof for our children to attend school in quality 21st-century schools. By the way, did I mention, and if I did not, I will say it again, there is only \$8 million of new funding in this budget presentation for our children in Pennsylvania. That averages out to \$3.80 per child. That, Mr. President, in and of itself, is a significant enough reason to vote "no" on House Bill No. 1192. Thank you.

The PRESIDENT. Thank you, Senator Hughes. You have spurred the interest of your Republican colleague.

The Chair recognizes the gentleman from Centre, Senator Corman.

Senator CORMAN. Mr. President, I was wondering if the Democratic chairman of the Committee on Appropriations would stand for interrogation.

The PRESIDENT. Senator Corman asks Senator Hughes whether he will stand for interrogation.

Senator HUGHES. Yes, Mr. President.

The PRESIDENT. The Senator agrees. Senator Corman, you may proceed.

Senator CORMAN. Mr. President, would the gentleman agree with me that school construction costs are a significant cost to our local school districts?

Senator HUGHES. Yes, Mr. President.

Senator CORMAN. Mr. President, is the gentleman aware that in this budget proposal that billions of dollars, billions with a "B," billions of dollars that school districts in this Commonwealth are waiting for from the Commonwealth to pay for their school construction, a lot of it already completed, and some in the queue, they are waiting for the Commonwealth to pay, and in this budget proposal, they will get paid in this fiscal year?

Senator HUGHES. Mr. President, I am aware.

Senator CORMAN. Mr. President, would the gentleman agree with me that pension and benefits are some of the most significant costs our local school districts have?

Senator HUGHES. Mr. President, I am aware.

Senator CORMAN. Mr. President, would the gentleman agree with me that in this budget proposal there is a \$573-million in-

crease in the PSERS payment for local school districts by the Commonwealth?

Senator HUGHES. Mr. President, I am aware.

Senator CORMAN. Mr. President, that concludes my interrogation.

The PRESIDENT. Thank you, Senator Corman.

Senator CORMAN. Mr. President, now may I speak on the bill?

The PRESIDENT. Proceed.

Senator CORMAN. Mr. President, there is an old myth, an old wife's saying I think by a southern gentleman, something that goes like, if you perpetuate the same myth over and over again, eventually people believe it. This is a complicated budget, it is a complicated year, and the one thing we all know about statistics is that you can make them work in any direction you want. Obviously, people can take numbers and move them in the direction they want to tell the story they want. Mr. President, this is a good budget that increases our basic education subsidy by \$100 million, and increases pre-K education by \$25 million. This is a budget that will solve a significant problem for our school districts by getting billions of dollars of construction costs to those school districts in this fiscal year. My guess is, when the gentleman, the previous speaker, was talking about \$8 million, or whatever it was, he was not including the school construction costs of billions of dollars--billions of dollars--that will go to our school districts, that will help our school districts with their costs and with their property tax problem. Mr. President, this is a good budget for education. This is going a long way to helping our schools with their construction costs, with their pension costs, and if we get to a part where we can do Act 1, that is the problem with school districts right now, their pension costs. Their costs, our costs, hopefully by getting to pension reform we will get to that point and make this happen.

Mr. President, there has been a lot of discussion on property taxes here this evening, and I certainly understand that it is a passionate issue. In my time here, and I am not a historian, I would have to defer to the gentleman from Schuylkill, but in the history of the Commonwealth, I do not know that property taxes have ever been dealt with in a General Fund bill. Property tax reform is a Committee on Finance issue that comes up independently to the budget. So if we are excited about doing property taxes, we should do that. As a matter of fact, we are participating with the Governor and the three other Caucuses on doing property tax reform. We are participating in a work group. I add that our Caucus is the only one that is pushing for complete elimination. So, I know some of my friends on the other side of the aisle were talking about how they would like complete elimination. Maybe you should get that point of view through your Leadership to those meetings, because right now we are the only ones advocating for that, but we will continue that process with the Governor. We will continue to work with the work group and with the Governor and the other three Caucuses to try to achieve property tax reform. That does not have anything to do with the General Fund budget though. The General Fund budget is how we are going to appropriate dollars for this fiscal year. So, that issue is there.

Obviously, the gentleman talked about minimum wage. Again, not a General Fund issue and we have allowed a little leeway of people going off topic with this because it is such a big issue, the budget. Our Senator from Luzerne, who is handling the

Committee on Labor and Industry, has held hearings and had interesting testimony over the minimum wage issue, and like any other issue, if we can come to some sort of compromise and some sort of proposal that makes sense for the people of Pennsylvania, both the employees and the employers, we can move forward with that issue.

So, Mr. President, there has been a lot of talk about the energy issue, as well. Now, I do not expect anyone to cry crocodile tears for big corporations. I do not expect anyone to cry crocodile tears for Halliburton, but, Mr. President, you might want to cry some tears for the 450 people who just lost their jobs in Indiana County. You might want to have a little sympathy for the 450 people who just lost their jobs. Now, Halliburton is not a Marcellus Shale company. They are not out there drilling for natural gas. They are servicing natural gas companies. They are out there working on the wells and working on things that service the natural gas industry. They have made a business decision, for whatever reason, that business is not good here in Pennsylvania and so they are leaving because there is not enough work for them. So, no, I do not have crocodile tears for Halliburton or the former Vice President, but I do have crocodile tears for the 450 people in Indiana County who just lost their jobs. I think we need to think seriously about the environment that we are creating here, that people want to come to work in Pennsylvania, whether it is in the environmental industry, whether in the energy industry, or the service industry, whatever that industry may be, we should try to make that industry as positive, the business climate as positive as we absolutely can so that industry wants to locate right here in Pennsylvania.

Maybe we do not care about energy jobs. Maybe the environmental extremists whom we brought into this administration do not care about energy jobs. A good energy job is a job that is gone. Maybe that is the viewpoint. My guess is the 450 people in Indiana County have a different viewpoint today, when they go home and they try to figure out how to put food on the table, when they go home and try to figure out how to pay their rent, when they go home and try to figure out how to pay their mortgage, when they go home and try to figure out how to pay for college tuition. Maybe there are a few sympathy tears for those people. Maybe there are not, but I think there should be.

Mr. President, there is a lot of talk about the mandate. Governor Wolf won a historical election, to his credit, first time an incumbent Governor ever lost, and I have great respect for him, but do you know what? We had a few people who won elections around here, too. We had a gentlewoman from Washington who won an election, a gentleman from Fayette who won an election, a gentlewoman from Mercer who won an election, a gentleman from Monroe who won an election this year, a gentleman from Delaware who won an election this year, a gentleman from Lancaster who won an election this year, and a gentleman from York who won his first full term this last year. As I look at them, I am pretty sure that none of them ran on an \$8-billion tax increase. I am pretty sure, I watched their campaigns, and none of them ran on an \$8-billion tax increase. So, they came here with a mandate as well. They came here to try to implement the strategies that they ran on as Senate candidates last year and now as new Senators in this General Assembly. So they have come here and said clearly what their job to do is to hold the line on spending and no more taxes on the people of Pennsylvania. That is the philoso-

phy with which they came here and that is the philosophy that we have implemented in this budget.

It is a budget that makes significant increases in education. Billions of dollars. Billions of dollars for school construction; hundreds of millions of dollars for pension benefits; \$100 million for the basic education subsidy; \$25 million for pre-K; a significant increase in higher education. By the way, in 2012, myself, along with Governor Corbett, negotiated a no-tuition increase for our State-related universities in the State System, with no increase in the general appropriation. We still convinced them not to raise tuition that year as well. So, we are glad Governor Wolf has tried to keep that tuition rate down and we are certainly supportive of that, but we were able to do that in 2012, and hopefully at the end of the day we will be able to do that again and keep the tuition down on our students. As someone who has three kids, and I am paying for college, anytime we keep tuition down is a good year for me.

So, Mr. President, we will move forward with this general appropriation budget. And I know it was intimated earlier by a previous speaker that we are doing this budget so that we can get home for the Fourth of July holiday. Well, that is absurd on its face, and I take offense to that. As someone who proposes the schedule for the Senate, I take great offense to that. We have been in Session for 17 days in the month of June and we tried and had discussions with the Governor to get a general appropriation budget completed. We have been unsuccessful. I am not casting aspersions on him or ourselves. We have different ideological viewpoints and we have not been able to come to the middle. So, for whatever reason, we have not gotten that completed. So it is incumbent upon the General Assembly to pass a budget. As the President pro tempore said earlier, the Governor challenged us on his Budget Address day that if we do not like his plan, okay, then what? And that is a fair challenge. It is an absolutely fair challenge by the Governor. So, this is then what. This is a budget that meets significant responsibilities by the Commonwealth, makes significant new investments by the Commonwealth, and does not increase the burden of taxes on our citizens. So, this is the then what. We are passing it. We also passed, earlier, a liquor privatization bill, and hopefully by the end of the night we will pass a pension reform bill. I think if the Governor signs all of these bills, his dwindling poll numbers will go up significantly, and we will be happy to help them because the people of Pennsylvania are not for more taxes. People in Pennsylvania are for pension reform and people in Pennsylvania are for liquor privatization.

If he chooses to veto it, so be it, and I will be here. I will be here to work with the Governor to try to come up with a plan. I will be here tomorrow. If need be, I will be here the next day and the day after that and the Fourth of July, whatever it may be. We will be here rolling up our sleeves ready to go and do our job for the people of Pennsylvania. So to intimate that we are passing a budget today so that we can be home for the Fourth of July holiday—I sat here with the Senator from Allegheny in 2009, I do not even know how many days we were here, and nobody wants to repeat that any more than I do. I like to brag about how I have lots of kids playing Little League baseball. Trust me, I would rather be there than here, but I will be here. I will be here whatever day it takes to get this done. Hopefully, the Governor signs this and we can move forward and tackle the issues like property tax reform, tackle some of the other issues that are important to

both sides of the aisle. If he does veto it, so be it. We will work with him to try again, but it is our responsibility.

It is easy to vote "no," cast aspersions, and go home. That is the easiest thing to do in this General Assembly, vote "no" and go home. You can always pick out something you do not like. You can always pick out a little thing here and there that we do not like and I can vote "no" and get under the cover of voting "no." That is nice. I do not have responsibilities, I can vote "no." That is great. Vote "no." Okay. Some of us have responsibilities. The responsibility of the Majority party is to get a budget done by June 30. This budget is done. This is a good budget. I am impressed with the work of the chairman of the Committee on Appropriations. I am a little upset that he has surpassed me in the President pro tempore's eye in one year, but nevertheless, he has done an outstanding job working with the chairman of the Committee on Appropriations in the House, and I think this is a budget the people of Pennsylvania can be proud of. If the Governor does not like it and decides to veto it, we will be back here tomorrow to negotiate again with the Governor and hopefully bring this to an end. With all due respect to the previous speaker, I encourage a positive vote on House Bill No. 1192.

Thank you, Mr. President.

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

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

Senator HUGHES. Mr. President, let me be real clear. First and foremost, my heart does go out to those 450 folks who lost their positions and who lost their jobs because of Halliburton's decision to shut down their operation and move somewhere else. My heart also goes out for the 4,700 people who, because of the passage of the liquor privatization bill that was done a few minutes ago, will lose their jobs. So, my heart goes out to those 450 people in Indiana County, and my heart goes out to the 4,700 people who live all across the Commonwealth of Pennsylvania who will lose their jobs. I do know that if this budget invested in the Department of Community and Economic Development and jump-started Pennsylvania's economic development apparatus, that there would be a greater likelihood that those 450 people would find a job somewhere else. If this budget in House Bill No. 1192, if this budget decided to put money in DCED, then there would be more money to stimulate other business activity to put those 450 people in Indiana County and the 4,700 people who work for our liquor system, to find them jobs also, because we could do more in terms of stimulating job growth in the Commonwealth of Pennsylvania.

The Governor's poll numbers are all right. You know whose poll numbers are worse? The poll numbers of the Senate and the House of Representatives here in Pennsylvania, because historically, for the last 4 years, and it looks like now creeping into year 5 of a 5-year run, we have not responded—or the Majority has not responded—to the issues and the concerns of the people in Pennsylvania. So, our poll numbers are dropping. Those of us on the Minority side suffer for work that the Majority is doing in this circumstance.

On the issue of the shale tax, taxing the industry that, as was said - Range, Cabot, and Chesapeake - who, combined, those three companies reported more than \$4 billion in net income in

2014 but paid at a Federal and State combined tax rate of 1.5 percent. They made \$4 billion in 2014 with no shale tax and no severance tax in Pennsylvania, the only State in the nation that has a significant shale gas industry that pays no severance tax. West Virginia, Texas, North Dakota, Louisiana, all of the rest of them, they have a shale tax. Pennsylvania does not have a severance tax on the shale drillers.

I would say, as the gentleman ran down the victories in the Senate that occurred in the November election cycle, and we know those victories oh so well, that a number of those individuals who won supported and campaigned on the idea of paying a shale tax. So, let us make sure the record is reflected appropriately, let us make sure the record is reflected correctly that if we had the opportunity to put up a shale vote, that maybe, in this budget, in this cycle, we could create some competitiveness, some fairness, some tax fairness for our business taxpayers in the Commonwealth of Pennsylvania, both those small business ones and the large business ones, because right now the shale industry is not paying a severance tax while in just about every other State in the nation they are.

Again, I remind us that in House Bill No. 1192 there is only an \$8-million increase in basic education funding for classrooms in the 3,000 public schools across the State of Pennsylvania. They suffered dramatically over the last 4 years, and House Bill No. 1192 responds to them with only an \$8-million increase.

With that in mind, with that fact being laid upon the table, I encourage a "no" vote on both sides of the aisle.

Thank you, Mr. President.

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

Senator BARTOLOTTA. Mr. President, just a few short remarks regarding taxing an industry out of the great State of Pennsylvania. There is no other State in the country that charges the gas industry an impact tax, and we should be calling it an impact tax, because that is exactly what it is. We ended up calling it an impact fee because we had a Governor who promised no new taxes. It is a tax. It is an impact tax. And from that impact tax, Pennsylvania has received over \$800 million. The gas industry has paid a total of \$2.3 billion in taxes to the Commonwealth of Pennsylvania in the last several years. It has provided at its height almost a quarter-million really great-paying jobs. If my colleague really, truly wants to defend good-paying jobs and says that Pennsylvania is last in job growth in the country, why is it then that we want to literally use a severance tax to sever an industry from Pennsylvania?

At the moment, it is not just Halliburton laying off 450 employees. Range Resources, Cabot, EQT, and others like them in the shale industry have been laying off workers by the hundreds in recent days because their product is at such a low value at the moment. It is worth about a \$1.10. Our Governor wants to tax the industry as though their product were selling at \$2.97. That is almost 300 percent more than what they are getting for their product right now. That is like paying tax on \$80,000 of income when you have only made \$40,000. That does not promote growth, that does not promote expansion, and the good Senator mentioned that the nail salons, dry cleaners, mom-and-pop pizza shops, and things across the Commonwealth, they pay their taxes. Yes, and like I said, the gas industry has paid \$2.3 billion in taxes to the Commonwealth, as well as investing \$7 million for every single new well that they want to start. I do not think

any nail salon or dry cleaner is capable of investing \$7 million for every new location that they want to start throughout the Commonwealth.

These are great-paying jobs. There are times when a 19-year-old could graduate from high school and go right into the drilling industry and make \$80,000 to \$100,000 in a year. These are excellent, family-sustaining jobs where we can keep our kids in Pennsylvania and watch their kids grow up. We have that capability. It is right under our feet, and if we continue to try to tax an industry that can provide literally hundreds of thousands of jobs not just in their industry, but the thousands of other jobs in industries and institutions and manufacturing that have popped up around this industry, then we do not need to chase this opportunity out of Pennsylvania. That is exactly what taxing Marcellus Shale at the highest rate of any State in the country would do.

In closing, there was also a comparison with West Virginia. Well, you know what? I am starting to think that maybe being like West Virginia is not so bad. They have a 6.5-percent corporate income tax. Pennsylvania's is 9.995 percent. Their severance tax, they do not just tax the gas and oil industry, they tax everything - timber, coal, limestone, and quarry stone. That is not what we want to do in Pennsylvania. We want to tax one industry. Also, they do not have an artificial floor in West Virginia. They do not have an artificial floor calling their gas at the price of \$2.97. That is what we want to do in Pennsylvania. When Katie McGinty came into my office and wanted to talk about a severance tax and said they break even at 87 cents, I think we should get bumper stickers that say, "Welcome to Pennsylvania and Break Even."

Thank you, Mr. President.

The PRESIDENT pro tempore. The Chair recognizes the gentleman from Lycoming, Senator Yaw.

Senator YAW. Mr. President, I guess I am going to say one of those things, I did not intend to speak on this bill, as a lot of other people have said here today, but they ended up talking about it. I do not know how many hours ago it was that we started this discussion, 4 hours ago or something like that, but it started off talking about 4,700 jobs in PLCB. Senator Bartolotta reminded me of the fact that we are talking about the gas industry. That is one of the things we have been talking about here, and we are talking about a couple hundred thousand jobs. So, one of the things is that the point has already been made about the billions paid - personal income tax, sales and use tax, and fuel taxes. The comments are that this is business, it is not personal. I agree with that. There have been comments made, probably somewhat disparagingly, about Halliburton. Halliburton just laid off 450 people; luckily, they have a facility in my district of about 500 people that is still safe. Halliburton, for everybody's information, Mr. President, has been a fixture in Pennsylvania for about 65 years. So, this is not some company that just happened to fly in here with the gas industry. They have been here for a significant period of time. What this industry has also done, it has trained workers here in Pennsylvania to the point where I have spoken to many of the industry people and we are now exporting workers because we have a trained workforce.

The Independent Fiscal Office testified at a hearing that I had recently, that if the Governor's severance tax proposal were enacted, we would have the highest severance tax in the country. Now, I am not sure that is really what we want in this State. Al-

though, the Governor has made comments, at least I have read them publicly, whether they are correct or not, that he will veto any bill that does not have a severance tax in it. We have been accused here today of ignoring reality. Well, let me just mention a couple of things about reality. Number one, the unemployment rate in Pennsylvania is lower than the national unemployment rate. So, we must be doing something right to get businesses to come here and put people to work. Also, the reality is that about 40 percent of our electricity is now produced by natural gas. So, if we want to be really accurate about what we are doing here, then let us just turn out 40 percent of our lights and then we can understand what the impact is of this industry.

The other thing that is important that we fail to recognize is that natural gas prices in Pennsylvania are the lowest that they have been in 15 years. Those prices affect what residents pay and what every homeowner is required to pay, as well as what industry can do. We talk about the severance tax like, well, we are going to bring new industry into Pennsylvania because we are going to take part of the severance tax money and bring new industry into Pennsylvania. I am not quite sure how that is going to work that we are criticizing this industry for paying no taxes, but yet, what we want to do is give away taxpayer money to entice people to come to Pennsylvania. This industry came to Pennsylvania. They did not come at the request of any grants or any special incentives. All they asked is that they have a level playing field and that they be allowed to do business.

One of the things that I hear all of the time, and to some extent, I hear about we have to invest in our children. Well, "invest" is just a euphemism that we have to spend more money and we are not sure why we have to spend more money, because actually, the number of high school graduates in Pennsylvania is the lowest that it has been in many years. I happen to be involved with a local school district, I am also involved with a college, and that is where it comes from. I mean, there is going to be a lot of competition with colleges to get high school graduates because there are not enough of them in Pennsylvania. I will give you one example, a specific example. In the past 15 years, the Williamsport School District has gone from 7,500 students to 5,000 students. That is a one-third reduction.

Now, there was much said about education, about the increase in property taxes, and about the fact that there are problems with faculty and substandard facilities. As I said, I have been involved with the school district for many years, and I cannot help but ask a few questions. I ask them when I go to school board meetings, who is in charge of the buildings? I mean, if the buildings are substandard, who got them that way? I do not think we did. Who is in charge of the programs? We are not. Who votes on the collective bargaining agreements, which incidentally creates the pension obligation that is our responsibility? I love the comments about local control. We want local control, but we do not want local control when it comes to raising money. We want the State's money, because, as we all know, the State's money is free. There are no ramifications if we use State money. It makes good sound bites to say that it is somebody else's fault.

The other comment I would like to make is we have heard much about Range Resources and Cabot and Chesapeake. I do not know about their individual tax returns, but the thing that I remember learning when I was in college is that tax avoidance is completely legal and that is to be encouraged, and there are many, many businesses that thrive in our economy based on

helping people avoid taxes. Now, what it does not consider, though, are the thousands of jobs that those companies provide. I know that Halliburton alone, not in Pennsylvania, but nationwide, they employ 65,000 people. That is a significant number of people who pay taxes because they have jobs. Also, if you stop and think about what I said before, it is consistent with what the Governor is proposing. He is saying, oh, we are going to give taxpayer money to these people if we can get them to come here to Pennsylvania. One problem we have, though, is in Pennsylvania, I am not sure that we have a business-friendly climate.

I think that one of the things that I hear, and we have heard it repeatedly, that we are the only State that does not have a severance tax, and as the speaker before me said, we are the only State with an impact fee. We are also the only State that has the Johnstown Flood Tax. I do not know what is wrong with Texas and Oklahoma and Louisiana, why they do not have a Johnstown Flood Tax. They are really losing it. I think that one of the things that I learned from being around some major corporations, and I will refer to this as Economics 101, we are in competition. The individuals who work in this State are in competition for corporate money. You may have divisions in the same corporation that do the same work, and they compete with each other for the capital of the corporation. So, and in some cases, as much as a fraction of a cent will make a difference as to who gets the work, whether it comes here or it goes someplace else.

So, when you look at a major corporation, I do not care what it is, whether it is Kellogg's, who makes PopTarts in my district, or whether it is one of the gas companies, the way that they do business is they will look at where they can get the greatest return. I have said to them, I wish you would come here and do business in Pennsylvania because you liked us, but I understand the economics as to how they do it. That is exactly how they will sit down and make a decision as to whether or not they want to spend money in Pennsylvania, what is the return on investment, or do we want to spend the money in Africa or Mozambique or somewhere else? That is the way the decisions are made.

I think, unfortunately, we have to ask ourselves the question: Do we really want the gas industry here? Do we want them here at all? Or maybe we should just say, why do you not just leave so that we can have an unemployment rate that will lead the country? I think we need to ask ourselves that. When you look at this budget, this may sound trite to say, but this budget is based on a spending of what we have, not what we wish we had.

Thank you, Mr. President.

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

Senator BAKER. Mr. President, I also rise to support House Bill No. 1192. As I listened to my colleague, Senator Yaw, just speak about a budget, a budget that reflects responsible spending, a responsible spending plan, spending what we have, it contains no new taxes, no tax increases. We have to remind individuals that there was no legislative support on the House side for the Governor's massive tax and spending increases. The Governor's plan failed to gain one vote when it was brought for a vote in the House.

This plan is based on controlling costs. Many of our speakers have covered the various issues in the budget, and so I would like to take a moment to clarify some of the comments about the natural gas industry, in particular within my senatorial district. I represent five counties, some in the Susquehanna River Basin

Commission, where we have some of the most active drilling occurring; some in the Delaware River Basin Commission, where they are still under a moratorium; but I would like to talk briefly about one rural community, 84-percent rural. It is in a sixth-class county, 45,000 people, and ever since natural gas drilling has occurred, the economy in this small rural community has improved. Our unemployment rate has gone down. Our population decline has steadily improved and even shown an increase. The natural gas industry has brought new jobs. It has expanded opportunities for small business owners, contractors, and others. In fact, one of our local colleges, Lackawanna College, has created an oil and gas program offering a 2-year degree for young people and others who seek jobs in the natural gas industry. Upon graduation, the average wage is about \$60,000, a significant impact in a small, rural county like Susquehanna County that I share with Senator Yaw.

Interestingly, one of our previous speakers referenced a particular company doing business in Susquehanna County, implying that they really pay little or no tax here in the Commonwealth. I would like to share with you Cabot's impact to Susquehanna County. In 2014, they paid \$4 million in corporate net income tax. They also pay the capital stock and franchise tax, as well as other Pennsylvania taxes. This company has invested \$4.4 billion in small, rural Susquehanna County. In 2013-14, individuals residing in this county received \$450 million in royalty payments. All of those payments require the individuals to pay personal income tax. They paid \$15 million in 2014 in impact fees, and their total is over \$50 million. So, they have truly created many jobs within the company and the ancillary companies that have come. They had planned to spend a billion dollars this year, and they have cut their expenditures in half and reduced the number of rigs just right now.

So, I have listened and we all have heard the Governor talk about the proposed severance tax. I believe the impact fee has done a good job. We have collected, you have heard other speakers talk about that. The Governor has said, we want a reasonable severance tax, but there are three elements of the Governor's plan that significantly drive up the effective rate of his proposal, and according to the Independent Fiscal Office, would make this the highest in the country. The three elements include: a tax based on the volume of 4.7 cubic feet; a price floor, which others have talked about at \$2.97, at a time when the price is our lowest in history, and even the *Philadelphia Inquirer* has editorialized that the Governor should abandon the price floor. In addition, his plan lacks a deduction for the investments, the investments as I just shared with you, over \$4.4 billion in Susquehanna County alone.

So this plan would hurt some of our small, rural communities. Interestingly enough, we have not heard many people speak today about how the severance tax plan would also use a portion to finance a \$675 million bond issue for other alternative energy programs. We would be using one industry to incentivize another. Also, part of the Governor's original plan would have put one of my major companies in significant footing. His manufacturing initiative, and I applaud the Governor's effort to support manufacturing, but the severance tax would have had a great impact on Procter & Gamble. Everybody here probably has used Charmin, Pampers, or Bounty paper towels. They are the largest manufacturing plant in the world in Mehoopany Township in my

Senate District, 2,000 direct jobs and 2,000 indirect jobs. If they had to pay a severance tax on their home-grown gas to run their facility, that would have had a significant impact. There was no exemption for manufacturing.

So as we look at this budget, what we have proposed today I believe is good for the Commonwealth. As we move forward, we have to look at what impact this will have on the industry and the jobs and the individuals who are working throughout the natural gas industry. So I rise today to share that information to clarify some of the comments of other speakers with specific examples that are occurring currently in my Senate District. So, today, I join all of my colleagues in asking for an affirmative vote on House Bill No. 1192. Thank you.

The PRESIDENT (Lieutenant Governor Mike Stack) in the Chair.

The PRESIDENT. The Chair recognizes the gentleman from Cambria, Senator Wozniak.

Senator WOZNIAK. Mr. President, under the previous administration, I supported three out of four of Governor Corbett's budgets because I believed they gave an effort to reduce government spending, to try to get us on an even keel. On the fourth, when it became increasingly apparent that the numbers really were not working, and what we are attempting to do here is to try to move that fourth one into the fifth year. I have no problem with the arguments and the negotiations back and forth, but I think it is obvious that what is going to pass the House and pass the Senate is going to be passed by the Majority in the House and Majority in the Senate, and probably by a party-line vote, but I really came up to talk about the Johnstown Flood Tax that the good gentleman from Lycoming County brought up.

If it was truly a Johnstown Flood Tax, I would ask the Commonwealth of Pennsylvania to pay my city \$8,492,000,684.72, because that is about how much money the tax has probably driven in since 1936, and we did not get any of it. What that bill originally did, passed in the fall of 1936--Johnstown had a flood on St. Patrick's Day in 1936. It was the first revenue enhancement in Pennsylvania since the Great Depression. What that bill actually said was to put a 6-percent sales tax, and it slowly built up to 18 percent on liquor, that would pay for manmade and natural disasters - the Johnstown Flood - veterans, infrastructure, and education. So, tongue-in-cheek, I know we call it the Johnstown Flood Tax, but that money was spent on the Commonwealth and the greater good. And I think sometimes we miss, in our concept here of taxation, whether it be urban Pennsylvania or rural Pennsylvania, somehow the bitterness comes through. We are all in this together. I do not think anybody wants to tax Pennsylvania out of existence, but I think we need to come to compromise and consensus and realize that what we have been doing over the past 4 years has not proven itself, and look at the empirical evidence of other States that have made their adjustments.

So we are going to see what happens with this budget, and see what the Governor does, but I think we might have another bite at this apple and maybe sit down and have some serious negotiations.

Thank you very much, Mr. President.

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

Senator LEACH. Mr. President, I, again, like so many of my colleagues, had not intended to speak on this, but there were some things that were said that I do think need to be cleared up.

First, I do support the idea of Texas adopting the Johnstown Flood Tax. I think that would be awesome for all concerned. I also point out that there was a comment made earlier, I believe by the Majority Leader, that, well, Governor Wolf was elected and he was elected on a platform of the budget that he submitted, but that is offset by the fact that there were a number of State legislative races which went the other way, and that is true, but people should be aware it was not, in part, as Senator Hughes said, because they campaigned against this, it was largely because of gerrymandering. The Republicans controlled the process, they drew districts that they could not lose, and that is why those seats are the way they are. I promise you that if the Democrats had drawn the map, many of those races would have been very, very different. That is gerrymandering. That is the purpose of it. It is what it is. People should understand that. You cannot gerrymander an entire State, which is why I think Governor Wolf's victory on his platform is more significant.

Now, I just want to talk about the Marcellus Shale, because there has been a lot of talk about how we are going to drive this industry out of the State if we taxed them at all. In fact, we had a hearing before, I believe, the Committee on Environmental Resources and Energy, and maybe the Committee on Appropriations, on the tax, and they came and testified, and one of the testifiers for the industry said, literally, we cannot afford one additional penny. I felt bad for them, because, I mean, that is a really thin profit margin. Not one additional penny to help the schools, not one additional penny to go above, what was the figure? Eight million dollars. So, feeling bad for them, I did a little research and I actually had it with me, and I asked them, because while they came before our committee and they talked about how they are struggling and they are talking about how the prices are so low and how much difficulty they are having, that is not what they tell their investors.

There were interviews by the same people in investor publications and also press releases, some of which I have with me now, where the industry tells a very different story. They talk about how great things are, how much money they are making, and how rosy things look for the future.

So I asked, why are you telling us one story and telling the investors another story? It is important to know, as a legal matter, that you have a fiduciary duty when you talk to investors to give them accurate information. There is no such legal fiduciary duty when you are talking to the legislature. All right? So, here is a release from Cabot Oil & Gas, "Cabot delivered an impressive operational performance in the first quarter, highlighted by the 15 percent sequential growth in daily production volumes." It goes on and on. We have Chesapeake, who talked about meeting the challenges of the market head-on, "delivered a very strong first quarter," this is their news release. "Adjusted for assets sales, our production in the 2015 first quarter grew by 14% compared to the 2014 first quarter." In terms of how they hedge their prices, which is what they predict their prices will be in the future, they are all hedging their prices around \$4 as opposed to \$3, which means they expect greater growth in the future.

Now, what does this mean in terms of actual dollars? What does this mean in terms of driving an industry out of business? Last year, Range Resources posted in 2014 a profit of \$634 mil-

lion. According to the staff and me, as we looked at this, if Governor Wolf's proposal for a tax had been in place, out of that \$634 million, they would have had to pay an additional \$16 million to the State of Pennsylvania, which means that they still would have made a profit of \$618 million. So you are telling me that they are going to walk away from the State of Pennsylvania because they have to pay \$16 million out of \$634 million? They are just going to leave \$618 million on the table? That does not sound rational, and, in fact, it is not in keeping with what is happening in every other State that has an extraction tax or a severance tax. Again, Texas, very aggressive, much more aggressive than Governor Wolf's proposal. Sarah Palin signed a much more aggressive proposal than Governor Wolf's proposal. The industry did not leave those States.

We also looked at not only Range Resources, we looked at EQT. They posted a profit of \$519 million, 74 percent higher than the year before, I would add. That would be about \$13.6 million of taxes that they would have to pay under Governor Wolf's proposal, which means that instead of \$519 million, they would make approximately \$503 million in profit. And they are going to say, no thank you, we are so upset that we have to pay this \$13.6 million that we are not going to stay in this State. We are pulling up stakes. We are going to leave that \$503 million on the table. That is not rational.

Too often in this body we view taxes not as a fiscal matter, we view it as a theological matter. The word "tax" is like kryptonite to Superman. People hear that term and it is like, oh, my God, if we put any tax on anything it is going to disappear. That is, of course, not what happens. That is what every other State realized. So I just want people to understand that when people stand up and say we are going to drive this industry out of the State, we are talking about a tiny percentage of the profit that they are actually making, a profit that they brag about how big it is to their investors, and a profit that they are anticipating being much larger next year than this year, and which is much larger this year than last year. So before we say, as they say, we cannot afford one additional penny for the kids in our schools, let us actually look at what this proposal means and what this budget fails to do for the children of Pennsylvania.

Thank you, Mr. President.

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

Senator WILLIAMS. Mr. President, I ask the Majority Leader to stand for a brief period of interrogation.

The PRESIDENT. Senator Corman, Senator Williams asks if you would stand for interrogation.

Senator CORMAN. Yes, Mr. President.

The PRESIDENT. Senator Corman indicates he will. Proceed, Senator Williams.

Senator WILLIAMS. Mr. President, my apologies in the delay in responding to his comments. He may not remember every specific thing he said, so I wrote it down for you, just so you know. I want to house my comments not around the tax stuff, but around education and the specific area of education. There were comments made regarding the significant contribution in this offered budget as it relates to schools and school construction. I noted "billions of dollars" a few times. I ask the gentleman, if we are spending billions of dollars, how do we plan to pay for the billions of dollars?

Senator CORMAN. Mr. President, currently in our budget we have an appropriation that goes toward what they call PlanCon, which is obviously an acronym for school construction funding. The plan that is going to be adopted through this entire process, I believe in the Education Code, what we get to next, is that we are refinancing the debt that we have. Right now, the appropriation that we are making is not even putting a dent into the debt that we have currently dealing with school construction projects that are in the queue, some of them have already been completed. So we will refinance this debt and be able to pay off the school districts immediately, save ourselves hundreds of millions of dollars in interest, and then use that appropriation to pay off the reconstruction of our debt, plus still be able to put more money toward new projects.

Senator WILLIAMS. Mr. President, to make this as simple as possible, we are borrowing money? Correct?

Senator CORMAN. Mr. President, that would be correct. We are refinancing. Actually, it is not the State's liability, ultimately it is the authority of the school districts, but, yes, there will be a refinancing of the debt so we can pay it off immediately and save ourselves hundreds of millions of dollars in interest.

Senator WILLIAMS. So we are refinancing similar to someone refinancing their home?

The PRESIDENT. I would give you some guidelines, Senator. I know it seems tedious at times, but the appropriate way to interrogate is to direct a question to me and I will relay it to Senator Corman.

Senator WILLIAMS. Mr. President, I have been here a while and I totally forgot that. I am sorry. Because I know you so well, therefore, I do not want to ask you a challenging question, but I will.

The PRESIDENT. I know, but you should want to ask me a challenging question. Go ahead, Senator.

Senator WILLIAMS. Mr. President, the question at hand is, is it similar to the refinancing of one's home?

Senator CORMAN. Mr. President, similar, not exact by any stretch, but obviously anytime you refinance a debt, this is what we are doing here.

Senator WILLIAMS. Mr. President, the second part is, as I understand it, the bonds shall not be considered debt for the Commonwealth nor require school districts receiving blah, blah, blah. There is an authority, Mr. President, that is created that would be the entity to refinance?

Senator CORMAN. Mr. President, the only thing that I would say to that is that I believe the authority is already in place. We are not creating an authority.

Senator WILLIAMS. Mr. President, I apologize. I understand.

Senator CORMAN. But yes, Mr. President, there is an authority that is in place that, I believe, there are appointments of each Caucus to handle this issue. Yes.

Senator WILLIAMS. Mr. President, if for whatever reason that authority was not able to meet its obligation, who would be responsible for the debt?

Senator CORMAN. Mr. President, could the gentleman repeat his question?

Senator WILLIAMS. Mr. President, if the authority were not able to meet its obligation, who would be responsible for the debt?

Senator CORMAN. Mr. President, the debt is the authority's itself, and it would be the bond purchaser's obligation. We are

obviously making payments through our appropriation, but ultimately the bond purchasers would be responsible for the debt.

Senator WILLIAMS. Mr. President, would that be anybody like a taxpayer?

Senator CORMAN. No, Mr. President.

Senator WILLIAMS. Mr. President, so we are suggesting to the public that if the authority collapses, someone is held off the hook, and it would not be the tax -- well, borrowing the money, the authority is responsible for paying it. Where does that money come from to repay it?

Senator CORMAN. Mr. President, again, it is the bond purchasers, the ones holding the bonds who are ultimately holding the debt.

Senator WILLIAMS. Mr. President, who are the bond purchasers?

Senator CORMAN. Mr. President, private industry, private enterprises who purchase the bonds.

Senator WILLIAMS. Mr. President, so we are going to go to the market and ask the marketplace to securitize a debt for declining schools across Pennsylvania and then, when they cannot make it, when they cannot pay for it, we are expecting it to -- I am not quite sure how the taxpayer avoids it because in every other authority we have ever created in Pennsylvania, even the one in Harrisburg, it ultimately came back to someone in the Commonwealth, in a district, in some geographical part of Pennsylvania, was responsible. So I am not sure how this one is sort of avoiding that. So, tell me the miracle of mathematics or the theory behind it, how we can avoid Pennsylvanians from holding and paying any portion of this.

Senator CORMAN. Mr. President, the school districts are obviously getting the benefit. The Commonwealth makes the payments through our appropriation, but the debt is held, again, by private industry who purchased the bonds.

Senator WILLIAMS. Mr. President, so we will drop the tease for the moment. Collateralizing debt, everyone is very clear on that, everyone knows what that is. The consequence of it is, we are going to be held responsible for it. And if it works out, wonderful. I just want to make sure we are clear about this.

The other thing I would suggest, and I will close on this final question, with all of the wonderful things we are going to do with this, paying for construction in classrooms, what does this do to the academic standing of school districts across Pennsylvania and how does this help students across Pennsylvania?

Senator CORMAN. Mr. President, I believe, obviously, that since the school districts right now are making these payments on these construction projects, that is money they could be putting toward school curriculum, toward the classrooms, technology, whatever they think is best for the education of their students. Unfortunately, because they had entered into this PlanCon process with the State, and the State is not living up to its obligation, they are putting in money that they did not plan on putting into that debt. Once we wipe out this debt, that frees up their dollars that they are putting toward these payments, and they can put money as they best see fit into the classroom to help their students and their school districts.

Senator WILLIAMS. Mr. President, is there a county-by-county breakdown that the gentleman can present to the general public so they can understand how much more, for instance, Philadelphia County would have because now it has no more

obligations, if you will, or refinancing responsibilities? I guess it is the cash flow difference. Is there a breakdown of that?

Senator CORMAN. Mr. President, I just happen to have such a document. There are 539 projects. I am looking at--and I am happy to provide this to the gentleman--about a full page-plus of Philadelphia School District projects that are in the queue that will be wiped off. They are currently in the G and H area of PlanCon that they will reimbursed for and wiped off of their debt.

Senator WILLIAMS. Mr. President, I heard about a number of projects. Currently, we owe millions of dollars in Philadelphia that the public is aware of. By the way, does it cover every school district in Pennsylvania? I do not think so, but, more importantly, in Philadelphia, by the way, does that make up the difference that we owe currently? Because I do not think, even if it is 539 projects, which, by the way, so the public understands, these are projects which are projected 20 years, 15 years, 10 years from now. Let us say in the next 2 years of those X number of projects, does it make up the difference in terms of what the school district thinks it is going to owe and how much it is going to take in?

Senator CORMAN. Mr. President, I cannot speak to each school district, what they owe, and what they owe for what. All I know is there are 539 projects all across the State that, due to this, are waiting for money, money that the Commonwealth owes that the Commonwealth will be paying immediately, which will save them significant money and save the Commonwealth significant interest. So it is a good plan all the way around.

Senator WILLIAMS. Mr. President, that ends my period of interrogation. I have closing comments.

The PRESIDENT. That ends Senator Williams' interrogation. For remarks, the Chair recognizes the gentleman from Philadelphia, Senator Williams, for the second time.

Senator WILLIAMS. Mr. President, on this issue of education, I am pretty passionate to the point of where I am very independent with regard to my perspectives. I call things as I see them, and this one, unfortunately, I have to call it for what I see it to be. To cite the number of projects as opposed to having a dollar amount attached to it is a yellow flag. Even beyond that, to suggest that construction projects are going to save a child in a failing building in Pennsylvania is to suggest that I am going to fly to the moon tomorrow. I think the only ones who stand up and applaud for such a plan would probably be those contractors who are around Pennsylvania who cannot wait to get their hands on the freed-up millions of dollars to build buildings in areas that no longer need buildings. As a matter of fact, the last time I checked, the General Assembly said, before we send Philadelphia another penny, they are going to have to close some schools. So, we are going to close schools and we have been closing schools in Philadelphia to save money and be accountable. I think it is a tragic ruse to suggest that the construction industry is going to be the salvation of the Philadelphia School District or a Delaware County school district. It is not.

What is needed is money in classrooms. We need to have teachers paid consistent with what their value is to performing in classrooms. Now, understand, I have held the system to account. Schools which do not work should not be online, whether they are charter or public. Teachers who do not perform should be measured consistently with the value that they are adding to the students. Those schools and those teachers which are of value

and contributing, even in tough situations, should be paid, should be supported, and resources are needed. This game of saying that we can shake down a few nickels from the tree because we refinanced the couch is three-card monte again. It sacrifices the ultimate.

I think last night I was on this floor yelling about students. I am on this floor again yelling about students. We play these games around what we think to be some conversation about education. This is not about education. This is about contractors. This is about the construction industry. This is about people getting paid for, again, adults getting paid. I hold all parties accountable to when children are sacrificed for adults getting paid. I hope, and I cannot wait for when the Governor forces us to come back to the table, I hope the plan does not talk about construction. I hope it talks about valuing students. As a matter of fact, we talked about 90,000 students the other night. I do not think those 90,000 students would stand up and applaud that construction is going to happen in the building. I think they would be happy to have a teacher fully capable of educating them. Understand, I come from a generation of African Americans in this country who idealized education when it was denied to them. They sat in broken-down buildings, my father came from a dilapidated building, my mother came from a similar situation, and it never stopped them from pursuing education and driving it to their children. I sure as heck would love to have astroturf fields and new buildings in Philadelphia, but I will tell you what I need first. I need a well-compensated teacher who feels safe in a building, along with a student who feels safe in a building, and begin educating. That is the backbone of America. We have some of the most extraordinary business leaders, civic leaders, and religious leaders who came out of this country through education. Some came from pristine suburbs and some came from some of the toughest neighborhoods in Chicago or Philadelphia. First came the commitment of providing the resources for those who were in those buildings. This does not pan out. I cannot wait, as I said, for the Governor to veto this so that we can get to the table and we can start doing what we know to be most important - funding public education at the level that we need to fund it and holding that system to account that when we fund it, it will produce productive citizens for America and for Pennsylvania. Thank you.

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-30

Alloway	Eichelberger	Pileggi	Vogel
Argall	Folmer	Rafferty	Vulakovich
Aument	Gordner	Scarnati	Wagner
Baker	Greenleaf	Scavello	Ward
Bartolotta	Hutchinson	Smucker	White
Brooks	McGarrigle	Stefano	Yaw
Browne	McIlhinney	Tomlinson	
Corman	Mensch	Vance	

NAY-19

Blake	Farnese	Leach	Wiley
Boscola	Fontana	Sabatina	Williams
Brewster	Haywood	Schwank	Wozniak

Costa
Dinniman

Hughes
Kitchen

Tartaglione
Teplitz

Yudichak

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 762 CALLED UP

HB 762 (Pr. No. 1999) -- Without objection, the bill, which previously went over in its order temporarily, was called up, from page 6 of the Third Consideration Calendar, by Senator CORMAN.

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 762 (Pr. No. 1999) -- 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 powers and duties of the Secretary of Education; in grounds and buildings, further providing for limitations on approval of public school building projects and establishing the Public School Building Construction and Reconstruction Advisory Committee; in pupils and attendance, further providing for education and training of exceptional children; in charter schools, further providing for school staff; in vocational education, further providing for vocational education equipment grants; in community colleges, further providing for financial program and payment reimbursement; in disruptive student programs, further providing for applications; in private alternative education institutions for disruptive students, further providing for contracts with private alternative education institutions; providing for the rural regional college for underserved counties; in funding for public libraries, providing for State aid for fiscal year 2015-2016; in reimbursements by Commonwealth and between school districts, providing for student-weighted basic education funding; further providing for payments to intermediate units, for special education payments to school districts, for extraordinary special education program expenses and for special education funding for eligible students with disabilities in Cost Category 3; in reimbursements by Commonwealth and between school districts, providing for reimbursement for school districts without required documentation, for public school building lease and debt service reimbursements for fiscal year 2015-2016 and for ready-to-learn block grants; providing for school district debt refinancing bonds; and repealing provisions of The Fiscal Code relating to rural regional college for underserved counties.

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, what concerns me is what is missing from the bill, as well as some of the points that are within the bill. Education has changed significantly, as our economy has changed. We are still educating students today as if we were preparing them for the Industrial Age, which no lon-

ger exists. So nowhere in this bill, nowhere in this Education Code, do I see a recognition of the significant changes that must occur within education if we are going to prepare students for today's economy. Also in this bill, we still have not made any effort to correct the SPP. All of what we do in terms of rating schools is based on the School Performance Profile. We also evaluate teachers based on the School Performance Profile, as well as principals. I would have hoped in the School Code we would have recognized that the SPP is not an effective means of evaluating schools that has been shown in a report, in study after study, and, yet, we continue to use it. In addition, when this was being used for teacher evaluation, do you know it is harder now to fire an incompetent teacher than it was before we put the SPP into effect? Senator Blake had a group of principals come up here and they made that point clear. So, what we thought we were doing positively in getting rid of teachers that were ineffective is actually harder now.

We are not going to get change unless the School Code deals with a new means for us to evaluate, one that truly evaluates the effectiveness of the school. Right now what happens, the only thing the SPP does is it evaluates if someone is in poverty. It has a direct correlation to poverty. In fact, in one study done out of Penn State, interestingly, here is what we found, that when you use it in elementary schools, 62 percent of what it is testing is not under the control and cannot be changed by the teachers who are in that school. If you go to middle schools, it goes up to 68 percent. If you go to high schools, it is as high as 76 percent. In other words, you have a system to evaluate school performance and a system to evaluate your teachers and your principals that is ineffective. What we should be doing in the School Code, and what I do not find here, is looking at the very basis of how we want to change our schools.

I am also disappointed that we do not see in the School Code, and we voted 49-0 to put a 2-year delay on the Keystones, and I thank the Majority Chair for his leadership on that. I would like to see it here, and it is a shame that our friends in the House have not acted so that we can put it in here. I do not blame the Majority on this one, I blame the House on this one. Even if we forget the Keystones, there is nothing in this bill, in the School Code, which helps us deal with the one-size-fits-all mentality that we still continue to see in the schools, and we have a chance in the School Code to change that. You know, what we are really doing is, we have already said there are 140 buildings that are not working, so what we do is have all of the other buildings in the Commonwealth spend millions of dollars to go through these tests and these forms when they are doing quite well themselves anyway. It does not make sense. So, I would have hoped to have seen in the School Code something that we would have at least recognized that not only does SPP not work, but the one-size-fits-all does not work either. Again, thirdly, I would have hoped to see something on the Keystones, but that I blame on the House. The first two we could have done right here in the Senate.

Thirdly, in terms of the School Code bill, listen, I am not going to carry on again about the property tax, but we did have an opportunity to change that. We are not doing it in the School Code, we are not doing it in the budget, but I think out of respect for all Members, we all want to do it. So maybe, God willing, we will have the opportunity to do this yet, if the Governor decides to veto the budget and the School Code because what we know and we do not see in the School Code is this: The property tax is

no longer capable of supporting public education in this Commonwealth. Why do we not just admit it and find an acceptable way of a variety of taxes, maybe allowing every county and every community to figure that out, and I hope we can get there.

Finally, what I find missing, Mr. Chairman—I mean, Mr. President, we want to give the right term, and we are so fortunate to have our Lieutenant Governor—finally, do you know what is really missing? There is no definition of what the ends of education should be in terms of the new economy. We test, we do all this stuff throwing around terms like we are going to have students who are career and school ready. What does that mean? No one defines it. Certainly, the Federal government has not defined it. I would have hoped that we could have developed some of those definitions, Mr. President, so that we all know the direction that we are going in. We all know what we are trying to accomplish in the schools, because when you do not define what your objectives are, you are not going to get there, and that is one of the problems. Also, I would have hoped that the School Code, which I do not see, is once we define the terms, we would have related education to the needs of the new economy. It is the same old, same old. You know, we do not put down the rules of the game. We do not state what we want to achieve in terms of education. We do not relate it to the new economy. We are using systems of evaluation which really are not evaluating. So, we have a lot of work to do.

If, in the end, we have to come back here, I am looking forward to working with the chair of the Committee on Education, the Majority chair, and all of you so we can finally define and put into a School Code what is missing there, because if you do not put new things in that will change education in Pennsylvania, that will define what we want to get done, you are never going to get there.

By the way, Mr. President, I hope, and what I do not see in the School Code is any willingness to stand up to the Federal government. Listen, my friends, the Federal government has no business in education and telling us what to do. The 10th Amendment to the Constitution is quite clear, and I would have hoped we could have even seen in the School Code some statement that education is the prerogative of the State and we are not going to let the Federal government tell us what to do, because it is Pennsylvania education, it is not Federal education, and we are not going to play the game of saying that there is Pennsylvania Common Core, because the truth of the matter is, it is the same as National Common Core. We could have put that into the bill and made that clear in the code as well.

So, these are some of the things I am missing. In terms of what is in there, I am glad to see we are going to help the schools in terms of PlanCon, but we are in a different age now. So, while we are paying to reimburse the schools, including in my area for fancy buildings, the truth of the matter is, in the new age that we are in, a lot of this education is going to be done virtually. A lot of this education is going to be done either on the factory floor or in the company. What we needed in a PlanCon is to at least put some of the money aside so we can encourage the schools. Instead of building a new school building, it would be good if you figured out how you can do it virtually. It would be good if you can figure out how you can have year-long schooling so you could use the same building. It would be good if we can figure out ways that our schools are not only open 7 days a week, but we also have schools at all hours for all needs in the community.

You see, when we do not do that, one of the problems, Mr. President, is this: We are assuming that a school system is K through 12. That is not the case anymore. I thank you for putting in the money for early childhood. It really goes from early childhood to death, because people have to be trained on the job site what they are doing. The average citizen graduating from college today or from high school will face seven different careers in their lifetime, and the only thing we can really do is make sure that we have students who are prepared always to be learners, Mr. President.

I also see the matter of the Basic Education Funding Commission formula here. I am glad we all got together to do it, but if you remember, in all of the charts that we shared with everyone around the Commonwealth, we shared it based on a \$400 million Governor Wolf proposal. The formula is right. We said it again and again, the formula is a good thing. We agreed that we had no right to determine the amount. That is up to the Senate and up to the House. The formula only works if there are sufficient amounts of money in it, and I do not believe there are sufficient amounts of money within it, and that is a problem in terms of us being proud to have a formula. A formula works when it is funded appropriately. The whole idea that we had discussed, and the Senate and House have every right to reject what we had discussed, was that we would have waited a year so we could catch up, have those schools which had experienced cuts, the poorer schools. You see, the wealthier schools had the money, and some of our schools that are in wealthier districts only got about 12 percent, 14 percent of the money from the State anyway. So these cuts really did not make a difference. It did make a difference in Philadelphia and Reading and Allentown and a series of other places. So we had hoped that we could catch them up and then put it into effect. So I am a little disappointed, or I am a lot disappointed, that we have decided to put it into effect this year and not later on.

Mr. President, looking at some of the other matters, I am glad we are putting the special education formula into effect. I appreciate the additional money added to special education. I think if you go back to your school districts and you talk to them, I think they are going to tell you that they are not prepared. Just as you are making a very legitimate argument that we have to deal with pensions, I think you are going to hear from your school districts that they are really not prepared to deal with the costs and the Federal mandates on special education with the amount that has been added to this budget. I am glad about the contingency fund that you have done in special education, Mr. President, but 1 percent is not going to solve it. One special education case that the Federal government will tell a school district it has to handle can cost easily \$500,000 to \$750,000. When you have this in school district after school district, the contingency fund will not take care of it. It is happening in districts.

The final two things: community colleges, we all praise the community colleges, but as we have said before in our larger budget discussions, if you take the community colleges, PSSHE, the nonpreferreds, which we will vote on, but we know that in all of these institutions, it is only a 3-percent increase, Mr. President, under the Majority budget. The problem is they have already set their tuition rates. The students are expecting it, and either there are going to be massive cuts in faculty and programs in these higher education institutions, or the students will end up

paying a higher tuition, and we are going to end up with higher student debt.

I notice here at the bottom of the page something called the use of undistributed funds. We did that last year, too. This is what is left over, and how we are going to help all of those school districts that are in deep trouble. Those school districts that are under receivership or on the border of bankruptcy--although there is no such thing as bankruptcy for a school, because, in the end, we have to take care of it--but anyone who thinks that \$4.5 million is going to assist those schools which the State has taken over or is threatening to take over - Harrisburg, York, Chester, and other places - listen, any one of those schools, 4.5 percent is not enough. There is an undistributed fund. I am glad to see something there, but it is clearly not enough.

So in sum, here is the problem. There are some good things, I am not going to be one who attacks anyone when some people make an effort. I come from a Republican county and I try to be as fair as I can in my evaluations of what goes on, and I thank the Majority for the things it puts in. But the question on the matters it puts in clearly does not take care of many of the real needs that are here. In terms of what is not here, to review it, we have not and we could have taken hold of the whole way we evaluate schools, which we all know, we all say we want accountability, but if you do not have an evaluation of effectiveness, you are never going to get the accountability. All right? We all say we are concerned about the property tax, but we all know that it cannot sustain public education anymore, and we have not done anything. We all say that every student is an individual, and individualization is the key to education, but we still have not done anything in the School Code to make sure that we do not have a one-size-fits-all matter. We had a chance to finally delay on the Keystones, and I can only hope that the Senate Leadership will pressure the House so that we can finally get this done. We all said that we have to make education make sense and make it meaningful for the new economic age, but we have not even defined, as we could have, in education age, in this funding, what we mean by the terms, what we mean to make it meaningful.

An example, Mr. President, is this: we have said again and again that we are doing all of this testing because we want to be like China. You know, I just came back from China. You know what the truth is in China? First of all, they are not telling the truth about their figures anyway. Second, they are trying to adopt the American model of education, not this testing that they are going away from. You know what, once you get out of urban China and into rural China, it only goes up to the 10th grade, and they are now talking about finally having high school there. So, let us start to make it clear, let us understand what we need to do to be competitive in the global economy and let us develop our Pennsylvania model and let us not keep having programs that are doing what some nations are doing who are now turning to look at our system when it works best.

I am disappointed in what we did not put in. I am thankful for what was put in. I do not think it will cover what we need, and so I cannot vote for this and I do not think most of my Caucus can vote for this. Hopefully, there are some Republicans who would not vote for this, but I am looking forward to the possibility, if this thing gets vetoed, that we are going to come back as brothers and sisters, because I do not think anything I said and what needs to be done is different than what most of the Senators

who care about education, including the Majority chair, including most of the Senators here, certainly from the suburbs, the ones who I know, know exactly what I am saying. Let us figure out a way to do it. Let us figure out a way to solve it and let us figure out a way to have a Pennsylvania education, which is now 9th in the nation, become number one, a way to have Pennsylvania, which is 16th worldwide, if you believe the test scores, but based on more than the test scores so we are also one of the tops in terms of the global economy. We can do it if we are willing to listen to each other, if we are going to work together, and that is my prayer, that is my hope. And I thank you, Mr. President, for allowing me to express it.

POINT OF ORDER

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

Senator TEPLITZ. Mr. President, first, I need to request a Rule 20(c)(2) ruling because the original purpose of House Bill No. 762, which remains, deals with higher education. My wife teaches at an institution of higher education, and I am also an adjunct professor at the same institution.

The PRESIDENT. Thank you, Senator Teplitz. On this question, the inquiry about a conflict of interest, in the factual situation that you have just given, the Chair rules that there is no conflict of interest and that in accordance with Senate Rule 20(c)(2), which you cited, you must vote on this legislation. The Chair finds that you, sir, are a member of a class of individuals who may or may not be affected by any actions on this bill. The Chair makes the finding that any votes that the gentleman may cast would not be particularly personal to the Senator or privately affect the Senator. Therefore, you must vote on the bill. Similarly, your wife is a member of the second class, and therefore this bolsters the argument that you should, in fact, vote on this legislation.

Senator Teplitz, please proceed.

Senator TEPLITZ. Mr. President, thank you. I do not want to be the one to tell my wife she is part of a second class.

The PRESIDENT. I fully understand, and it is no accident you made it to the Pennsylvania Senate.

And the question recurring,
Shall the bill pass finally?

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

Senator TEPLITZ. Mr. President, on the original purpose of the bill, it is a very good purpose being able to have the State Department of Education enter into an interstate compact that would make online or distance education easier for all parties involved. It would give Pennsylvania students access to education online from institutions in other States. It would allow Pennsylvania institutions to provide online education to students from other States. It is a very worthy thing that would be occurring if this bill were to be enacted into law. That is why I had originally introduced it as Senate Bill No. 108, months before House Bill No. 762 was introduced. So I agree with that purpose of the bill.

I also am pleased to see the Basic Education Funding Commission formula put into the Education Code. Many of us spent the last year working on that formula. That has been discussed in

other forums and discussed by the preceding speaker, so I will not belabor the point. What is unfortunate is that the money that would be applied to this formula is not being applied fairly. What we really need to do, rather than apply that formula immediately, is to first restore the cuts that were made over the last several years, because otherwise we are not catching up and we are not helping the districts that were the most affected by the cuts. The formula was illustrated with a \$400-million increase to education. I believe that is what the Governor had requested. I think that is a fair amount. I would have liked to have seen us proceed down that line. For that reason, I have to vote "no" on the School Code, but I did want to compliment the drafters for incorporating the formula into the bill. I was a co-prime sponsor of the separate standalone bill that would implement the formula. As I said, I was also pleased to see the State authorization reciprocity agreement included as well. So, that is just for the record.

Thank you, Mr. President.

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

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-30

Alloway	Eichelberger	Pileggi	Vogel
Argall	Folmer	Rafferty	Vulakovich
Aument	Gordner	Scarnati	Wagner
Baker	Greenleaf	Scavello	Ward
Bartolotta	Hutchinson	Smucker	White
Brooks	McGarrigle	Stefano	Yaw
Browne	McIlhinney	Tomlinson	
Corman	Mensch	Vance	

NAY-19

Blake	Farnese	Leach	Wiley
Boscola	Fontana	Sabatina	Williams
Brewster	Haywood	Schwank	Wozniak
Costa	Hughes	Tartaglione	Yudichak
Dinniman	Kitchen	Teplitz	

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 Mike Stack) in the Chair.

RECONSIDERATION OF HB 164

BILL ON THIRD CONSIDERATION AND FINAL PASSAGE

HB 164 (Pr. No. 787) -- Senator CORMAN. Mr. President, I move that the Senate reconsider the vote by which House Bill No. 164, Printer's No. 787, went over in its order.

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

On the question,
Will the Senate agree to the bill on third consideration?
It was 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-49

Alloway	Eichelberger	Mensch	Vogel
Argall	Farnese	Pileggi	Vulakovich
Aument	Folmer	Rafferty	Wagner
Baker	Fontana	Sabatina	Ward
Bartolotta	Gordner	Scarnati	White
Blake	Greenleaf	Scavello	Wiley
Boscola	Haywood	Schwank	Williams
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Browne	Kitchen	Tartaglione	Yudichak
Corman	Leach	Teplitz	
Costa	McGarrigle	Tomlinson	
Dinniman	McIlhinney	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.

HOUSE MESSAGE

SENATE BILL RETURNED WITH AMENDMENTS

The Clerk of the House of Representatives returned to the Senate **SB 1**, with the information the House has passed the same with amendments in which the concurrence of the Senate is requested.

The PRESIDENT. Pursuant to Senate Rule 13(c)(2)(i), the bill will be referred to the Committee on Rules and Executive Nominations.

RECESS

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

Senator CORMAN. Mr. President, I request a recess of the Senate for the purpose of an off-the-floor meeting of the Committee on Rules and Executive Nominations to be held in the Rules room immediately.

The PRESIDENT. For the purpose of an off-the-floor meeting of the Committee on Rules and Executive Nominations, without objection, the Senate stands in recess.

AFTER RECESS

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

BILLS REPORTED FROM COMMITTEE

Senator CORMAN, from the Committee on Rules and Executive Nominations, reported the following bills:

SB 1 (Pr. No. 1132) (Rereported) (Concurrence)

An Act amending Titles 24 (Education), 51 (Military Affairs) and 71 (State Government) of the Pennsylvania Consolidated Statutes, extensively revising pension provisions: for the Public School Employees' Retirement System, in the areas of preliminary provisions, of membership, contributions and benefits, of School Employee's Defined Contribution Plan and of administration and miscellaneous provisions; for health insurance for retired school employees, in the area of preliminary provisions; for military pensions, in the area of military leave of absence; for boards and offices, in the area of Independent Fiscal Office; for the State Employees' Retirement System, in the areas of preliminary provisions, of membership, credited service, classes of service and eligibility for benefits, of State Employees' Defined Contribution Plan, of contributions, of benefits and of administration, funds, accounts, general provisions; and providing, as to the revisions, for construction and administration, for applicability, for funding, for liability, for State Employee member statements and for State Employees Retirement Board obligations.

SB 620 (Pr. No. 1130) (Rereported) (Concurrence)

An Act authorizing the release of Project 70 restrictions on certain land owned by the Borough of Carlisle, Cumberland County, in return for the development of park and open-space lands within North Middleton Township, Cumberland County.

SB 655 (Pr. No. 1137) (Rereported) (Concurrence)

An Act amending the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, establishing the Non-narcotic Medication Assisted Substance Abuse Treatment Grant Pilot Program; in special funds, further providing for funding, for State Workers' Insurance Board and for expiration; in the Tobacco Settlement Fund, further providing for use; in the Pennsylvania Race Horse Development Fund, further providing for distribution; in general budget implementation, further providing for the Department of Community and Economic Development, for the Department of Public Welfare, for the Pennsylvania State Police and for the Environmental Quality Board; providing for 2015-2016 budget implementation, for 2015-2016 restrictions on appropriations for funds and accounts and for required lapses of money in funds and accounts; and making related repeals.

SPECIAL ORDER OF BUSINESS
SUPPLEMENTAL CALENDAR No. 1

BILLS ON THIRD CONSIDERATION
AND FINAL PASSAGE

HB 88 (Pr. No. 2000) -- The Senate proceeded to consideration of the bill, entitled:

An Act designating a portion of State Route 309 North in Lynn Township, Lehigh County, between the intersections of Northwest Road and Long Court and Mosserville Road and Mountain Road, as the Lance Corporal Brandon J. Van Parys Memorial Road; designating a portion of State Route 2014 in Lycoming County as the Petty Officer Thomas Johnson Memorial Highway; designating a portion of State Route 61 in Schuylkill County, from State Route 443 to State Route 2014, as the Captain Jason B. Jones Memorial Highway; designating a portion of State Route 254 in Northumberland County as the Staff Sergeant Thomas Allen Baysore Memorial Highway; designating the portion of State Route 443 within the municipal boundaries of Orwigsburg Borough, Schuylkill County, as the Corporal David F. Heiser Memorial

Highway; designating a portion of State Route 15 in Lycoming County as the Kelly Rae Mertes DUI Awareness Memorial Highway; designating a portion of State Route 153 from segment 80 to segment 310 in Clearfield County as the Austin M. Harrier Memorial Highway; designating a portion of State Route 422 in Lebanon County as the Officer Michael H. Wise II Memorial Highway; designating Exit 26 from the Mon-Fayette Expressway in Luzerne Township, Fayette County, as the Ronald F. DeSalvo Memorial Interchange; designating a portion of Davisville Road in Upper Moreland Township, Montgomery County, from State Route 611, also known as York Road, to Terwood Road as the PFC Robert S. Alexander Memorial Highway; and designating a portion of State Route 22/322 in Juniata County as the Honorable Daniel F. Clark Memorial Highway.

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-49

Alloway	Eichelberger	Mensch	Vogel
Argall	Farnese	Pileggi	Vulakovich
Aument	Folmer	Rafferty	Wagner
Baker	Fontana	Sabatina	Ward
Bartolotta	Gordner	Scarnati	White
Blake	Greenleaf	Scavello	Wiley
Boscola	Haywood	Schwank	Williams
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Browne	Kitchen	Tartaglione	Yudichak
Corman	Leach	Teplitz	
Costa	McGarrigle	Tomlinson	
Dinniman	McIlhinney	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.

SB 95 (Pr. No. 1152) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in particular rights and immunities, providing for immunity for constitutionally protected communications.

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 Philadelphia, Senator Farnese.

Senator FARNESE. Mr. President, first of all, I thank the Majority Leader on the other side and some of the other Members, Senator Alloway, for their support of the bill, and Senator Greenleaf, the Majority chair of the Committee on Judiciary, for having a hearing on Senate Bill No. 95 last year and moving the bill out of committee earlier. I sincerely appreciate that. I also thank the Leadership on my side of the aisle, of course, Senator Costa and others, for their help and assistance in getting this bill across the goal line in the Senate, which is actually a first for me, Mr. President. In addition, Mr. President, I thank all of the community groups, civic associations, and individuals, both in my district and across the State, who advocated on behalf of this legislation. With the help of organizations like the ACLU of Pennsylvania, the Public Participation Project, and the PA News Media Association, we learned that our local issue, the closure of a longstanding civic association in my district, due to the threat of a SLAPP lawsuit, turned out to be a statewide epidemic.

In particular, I would like to thank some people who reached out to me personally to support my efforts here because they have experienced, Mr. President, the horror that SLAPP suits wreak over people's lives. Angelique Smith, a wife, student, and involved parent of a cyber charter school from Upper Chichester, Delaware County, has had her life dismantled from a SLAPP suit that began 6 years ago. She lost her home, she has been unable to find adequate legal representation, and, recently, had her case stayed pending a criminal case against the person who sued her. The SLAPP case against her originated from comments and concerned communications regarding the financial practices of the cyber charter school's principal. She faces more than \$300,000, Mr. President, in awards should the plaintiff prevail in the case against her and her husband. Jenny Stephens of Lansdale, Montgomery County, an animal welfare advocate, and her lawyer, Garen Meguerian, have fought a SLAPP suit against her in the Dauphin County courts for over 3 years. She has endured a mountain of bills to this point, suffered numerous years of emotional and mental torture, and missed more holidays than she could count to work on her case. I thank them both for further bringing the ramifications of these types of cases to light. Others have reached out to me personally regarding their struggles with SLAPP suits from the Lehigh Valley, North Wales, Lancaster, and other areas around Pennsylvania, to as far away as Florida, highlighting why it is so necessary for us to pass legislation to address frivolous litigation. Today we are taking a significant step towards a cure for frivolous lawsuits for people across Pennsylvania.

By way of background, Mr. President, and just to insure we all know what we are talking about here, specifically in my bill, Senate Bill No. 95, which is known as anti-SLAPP legislation, provides for immunity from civil claims based on protected communications, a SLAPP - or strategic lawsuit against public participation - brought against an individual or organization solely to have a chilling effect on debate of public issues. Specifically, Senate Bill No. 95 would allow any part of a civil claim based on a protected communication to be dismissed and the party seeking immunity may be entitled to damages. A protected communication is defined as, quote, "Any good faith communication in furtherance of a right to petition or a right to free speech, which right is exercised in connection with an issue of public concern or social significance...." If a claim is based on protected communication, the parties seeking immunity are entitled to attorney

fees and may be entitled to damages. The bill also contains a SLAPP-back provision, so if a party seeks immunity frivolously or solely to cause unnecessary delay, the court will award attorney fees and costs to the nonmoving party.

The bill strikes a vital balance, Mr. President, between access to our courts and the freedom to debate and comment on issues of public concern. I thank my colleagues, like I said earlier, on both sides of the aisle for their support of this bill. I can say I know we are doing the right thing in this body today by passing Senate Bill No. 95, and I appreciate the bipartisan nature of our work on this. Mr. President, let us get this done for the men and women across Pennsylvania who are threatened and slapped with these suits. Let us make a real difference in the lives of our citizens today.

Before I close, Mr. President, I want to thank again my entire staff, specifically, my former chief of staff, Anthony Mannino; and my current chief of staff, Sally Keaveney for her support, her advice, her counsel, her tireless work, along with other Members of my staff, both in Philadelphia and in Harrisburg, setting up the hearing that we did last year. Sally and others worked so hard on getting this done and, as we know, Mr. President, it is the staff in this building who makes things work. We benefit solely from having folks with the drive and the work ethic on both sides of the aisle. I appreciate not only the work of my staff, but the Republican side with Senator Greenleaf's staff and Senator Corman's staff on his work in the last few days here to get this across the goal line.

So I certainly thank all of those folks who have been there and who have supported this bill from the initial stages all the way through to this right now. I will tell you, this really means a lot to me. I have been here for 8 years, and I am getting this bill out of the Senate, it is something I have worked very, very hard for. I will tell you, when you are in the Minority you really appreciate how hard it is to get something done and across the goal line. I really appreciate that. I appreciate the folks who have supported this along the way. So, thank you again, and I encourage and ask, respectfully, for a "yes" vote.

Thank you, Mr. President.

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

Senator CORMAN. Mr. President, I was going to make a motion to go over the bill. Just kidding.

LEGISLATIVE LEAVE

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

Senator CORMAN. Mr. President, I request a temporary Capitol leave for Senator Wagner.

The PRESIDENT. Senator Corman requests a temporary Capitol leave for Senator Wagner. Without objection, the leave will be granted.

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-48

Alloway	Dinniman	McIlhinney	Tomlinson
Argall	Eichelberger	Mensch	Vance
Aument	Farnese	Pileggi	Vogel
Baker	Folmer	Rafferty	Vulakovich
Bartolotta	Fontana	Sabatina	Wagner
Blake	Gordner	Scarnati	Ward
Boscola	Greenleaf	Scavello	White
Brewster	Haywood	Schwank	Wiley
Brooks	Hughes	Smucker	Williams
Browne	Kitchen	Stefano	Wozniak
Corman	Leach	Tartaglione	Yaw
Costa	McGarrigle	Teplitz	Yudichak

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 present said bill to the House of Representatives for concurrence.

HB 501 (Pr. No. 2001) -- The Senate proceeded to consideration of the bill, entitled:

An Act designating the Conodoguinet Bridge on that portion of State Route 641 over the Conodoguinet Creek, Hopewell Township, Cumberland County, as the Army Pfc. Harold "Sam" E. Barrick Memorial Bridge; designating the bridge located on that portion of State Route 865, over the railroad tracks and Main Street in Bellwood, Blair County, as the Dominec M. "Patsy" Padula Memorial Bridge; designating the bridge on that portion of State Route 940 over Tobyhanna Creek (Pocono Lake) in Tobyhanna Township, Monroe County, as the Sullivan Bridge; designating a bridge on that portion of State Route 155 over the Allegheny River, Port Allegany Borough and Liberty Township, McKean County, as the Port Allegany Veterans Memorial Bridge; designating a bridge on that portion of Local Route T-325 over the Allegheny River, Coudersport Borough, Potter County, as the Lt. William E. Daisley, Jr., Memorial Bridge; designating the bridge on that portion of State Route 3005 over the outlet of Lily Lake, Conyngham Township, Luzerne County, as the Senior Officer Eric J. Williams Memorial Bridge; designating the bridge on that portion of State Route 3005 over the West Branch of the Susquehanna River, Greenwood Township, Clearfield County, as the 1st Lieutenant Wendell Elbert Ross Memorial Bridge; designating a bridge on that portion of State Route 3007 over the Redbank Creek, Summerville Borough, Jefferson County, as the Summerville Veterans Memorial Bridge; and renaming the bridge on that portion of U.S. Route 219 over U.S. Route 422 in Ebensburg Borough, Cambria County, as the Alexander Miller Abercrombie Memorial Bridge.

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-49

Alloway	Eichelberger	Mensch	Vogel
Argall	Farnese	Pileggi	Vulakovich
Aument	Folmer	Rafferty	Wagner
Baker	Fontana	Sabatina	Ward

Bartolotta	Gordner	Scarnati	White
Blake	Greenleaf	Scavello	Wiley
Boscola	Haywood	Schwank	Williams
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Browne	Kitchen	Tartaglione	Yudichak
Corman	Leach	Teplitz	
Costa	McGarrigle	Tomlinson	
Dinniman	McIlhinney	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.

SPECIAL ORDER OF BUSINESS SUPPLEMENTAL CALENDAR No. 2

SENATE CONCURS IN HOUSE AMENDMENTS

SB 1 (Pr. No. 1132) -- The Senate proceeded to consideration of the bill, entitled:

An Act amending Titles 24 (Education), 51 (Military Affairs) and 71 (State Government) of the Pennsylvania Consolidated Statutes, extensively revising pension provisions: for the Public School Employees' Retirement System, in the areas of preliminary provisions, of membership, contributions and benefits, of School Employee's Defined Contribution Plan and of administration and miscellaneous provisions; for health insurance for retired school employees, in the area of preliminary provisions; for military pensions, in the area of military leave of absence; for boards and offices, in the area of Independent Fiscal Office; for the State Employees' Retirement System, in the areas of preliminary provisions, of membership, credited service, classes of service and eligibility for benefits, of State Employees' Defined Contribution Plan, of contributions, of benefits and of administration, funds, accounts, general provisions; and providing, as to the revisions, for construction and administration, for applicability, for funding, for liability, for State Employee member statements and for State Employees Retirement Board obligations.

On the question,

Will the Senate concur in the amendments made by the House to Senate Bill No. 1?

The PRESIDENT. The Chair recognizes the gentleman from Centre, Senator CORMAN.

Senator CORMAN. Mr. President, I move that the Senate do concur in the amendments made by the House to Senate Bill No. 1.

On the question,

Will the Senate agree to the motion?

The PRESIDENT. The Chair recognizes the gentleman from Lehigh, Senator BROWNE.

Senator BROWNE. Mr. President, I am proud to rise with many of my colleagues today as we concur in a, I am not sure if I am understating this, very historical prospective change in the retirement benefit policy within the Commonwealth and something that, I believe, will properly rebalance the relationship that the public sector in Pennsylvania has with the private sector.

There is no doubt that one of the themes of this year's financial conversation is that proper relationship. There is no doubt the Governor has challenged us in some of his budget proposals to reconsider that. Things that we talk about all of the time, but with the Governor's significant proposal, we are talking about in more detail and in different ways than we have talked about them in the past, what is the appropriate cost structure that an enterprise has to incur to be competitive and also meet its public obligations? What is the appropriate regulatory structure that a company has to comply with to insure health and safety but also to manage costs? We focus on these issues consistently and long-standing, and, ultimately, we come to consensus. One of the newer items on the table, in this regard, that must be taken very seriously in this relationship is in regards to decisions we collectively make in legacy costs and retirement benefits and how these decisions by State government and the private sector affect competitive positions and growth. The answer to that question, that fundamental balance, is the main theme of Senate Bill No. 1.

To accomplish this, we first must look at the evolution of retirement provisions in the private sector over time and why they are where they are. What are the reasons they are where they are? It is a discussion essentially in risk management, and that is essentially what providing retirement benefits is all about. There was a time when benefit plans in the private sector, primarily the 1960s and going back, were defined benefit plans. At that time the economic conditions were truly very different than they are now. Large enterprises dominated business segments, there was less competition, less exposure for product integrity risk, less competition, so there was less pressure on companies to protect their product, and markets were better defined. The U.S. market was growing, the European market was growing, there was enough business from both so they did not have to venture into other markets and expose market risk. So total risk exposure, at that time, in terms of protecting their products in the market, was relatively limited.

In the 1970s, things changed: massive business segment fragmentation, more small players in the market, more competition against products, especially in the technology sector. Businesses had to respond with a lot more investment in ingenuity and intellectual capital to manage threats to their products and the integrity of their products, and markets became a lot more fluid and unpredictable. Companies needed to look beyond the U.S. market and the European market to other developing markets in the import/export business to maintain the same level of volume in terms of businesses.

Therefore, at that time, the risk profile of all enterprises in the United States, in regards to their core operations, started to escalate. Managers had to start focusing heavily on market and product risk to survive. Inevitably, there is only so much risk that a private sector company can take on and manage and still be viable as a growing concern. So managers, officers, and investors decided that in order to grow and prosper, they could only manage risk they understood, were skilled to manage, had the competence to manage, and were most potentially able to control. So, in order to provide for the security of their companies, their families, and their employees, the job security of their employees, they decided to get out of the risk business of managing things that they could not control, and the two most important pieces of that were the uncertainties, the unpredictabilities, very difficult

landscape of capital market risk and actuarial risk - the two primary components of defined benefit plans, two things you need to manage in order to provide retirement security and job security. So to provide that appropriate balance between job security and retirement security, they looked to evolving retirement plans and design models which allowed for deferred buildup for retirement, allowed for retirement and job security balance, but also provided for a more diverse mobile workforce that was evolving in the 1970s and 1980s. That is when the defined contribution plan came in, in answer to a company's and the evolving marketplace's challenges to private sector companies in this country to survive and continue to provide growth. So in 2015, this retirement model is standard, and it is important to be standard because the escalation, as we know, in both of these areas, the core areas that a company needs to manage to survive - product integrity, risk to products and market risks - has escalated.

Now, how has the public sector responded? Notwithstanding our escalating risks, our market risks, the competition we are getting from other States, the competition we get from other countries, hugely more significant than when I started 20 years ago, notwithstanding the escalation in demographic risk, Pennsylvania is one of the States that has to manage that substantially. State government almost universally decided that they could manage all risks, no matter how significant, how variable, or how dangerous to their solvency. We have decided that there is no risk that we cannot manage. This includes the volatility and the unpredictability of the two basic risks that we are talking about today, and that is capital market risk and actuarial risk, the foundation of our defined benefit plans.

I have a son who is a student in risk management at Temple University, and a shout-out to Temple University, their risk management program is the fourth-best in the country. He is in classes talking about risks associated with healthcare and retirement, and he asked me, why are the circumstances so different between public and private sector plans? Does the State do better at managing that risk? Well, if you look at our current financial position, if you look at our current unfunded liability, if you look at what we are talking about today, that is hard to argue. I can also say that private companies that try to manage that same risk throughout that period of time when they are trying to manage their product integrity risk and their market risk would be in the same situation. It is not that we can do any better. We just have decided that for some reason it does not apply to us. Do we have less risk? No, we do not, because we are dealing with huge market risks in States that are competing against us, and international risks from jurisdictions that are trying to compete for our companies. So there is only one reason why we decide to be so much different than everyone outside this building, and that is because we have marble pillars, we have wooden walls, we have perpetual life. It does not matter what we do, does not matter what risk we take, State government will always be around. That is the reason why there has been no change. It is the reason why we can offer plans that provide for 130 percent of pay, full actuarial analysis, superannuation with Social Security, and take-home pay against pre-retirement earnings. That does not exist in the private sector, and is not sustainable, given our demographic changes. To expect someone to be in retirement for 40 years and have 130 percent of pre-retirement earnings coming in, that whole platform, just by its very definition, is unsustainable. It is

why we can assume a 7.5 percent rate of return in our investment plans to afford these types of plans.

Anybody in the financial services sector that looks at our plans and talks to us about the risks that we are sustaining in a 7.5 percent assumed rate of return will tell us that is flying at 300,000 feet. The reason why we can do it is because we are always going to be around. It is why we can talk about the fact that the amount of debt we have on our books does not matter. It does not matter. That debt would only matter--and I have heard this argument a couple of times--if everyone retired at the same time. Well, what is relevant in analyzing the financial position of an organization is their net financial position at one point in time, and given our current inability to manage the risks associated with these plans, that includes market risk, actuarial risk, and payment risk associated with managing our budgets, which are already--and growing, unless we continue to meet our obligations--\$22 billion in debt. The inevitable result of this is a massive exercise in risk replacement. Enterprises that have spent very difficult times competing in the marketplace have decided the only way that they can survive is to get out of the business of managing risks that they cannot control - capital markets risks, actuarial risks - now have it back. They have not gotten away from it because we have given it to them. The risk on our books, the debt on our books, our inability to manage our defined benefit plans, is their responsibility. So things have not changed for them. They are the ones who ultimately have to pay the bills. So in regard to that relationship between the public and private sector, we have decided to put back on their books the same risks that they took off in order to survive. As long as we believe that we will be around forever and act like that, we will continue to put at risk the decisions they have made to survive.

I have heard some conversations in the building, and I think that is reasonable, that we have to set the example. I heard the words "retirement dignity." That is reasonable. The problem is that we cannot set the example. Somebody who is looking at our books, somebody who is looking at our balance sheet, somebody who is looking at our debt in our benefit plans, will say, you have to be kidding me. You guys cannot set an example for retirement security. If we had that on our books, we would be bankrupt and there would be no job security.

So we have shown that on the same platform, if we required the private sector to do the same thing and manage those risks, they would not be around. What we need to do, what we need to do to make the right decisions here is take off the veil. Consider ourselves as an organization that, regardless of our financial position, may go bankrupt, just hypothetically. If we do that, we will look at ourselves and say, oh, my God, we cannot sustain risks like this. We are \$22 billion insolvent. Regardless if we make the payments on the plan and try to manage the risks of these plans, we have way too many risks that we have to manage in State government to take that chance. We have to make sure we can balance our books. We have to make sure we can do the best to keep a competitive climate for business to invest. That is the Governor's objective. That is our objective, but as long as we do not make the decision that there is not every single risk on the planet that we can manage, we will never make those decisions.

Senate Bill No. 1 makes that decision. It makes important changes to some of the risks in our current plan design for current workers prospectively, things that set that plan design cost way too high, while providing a fair retirement security for our

current workers, and moves us away to make the same decisions as every organization that has to survive and can reflect honestly on their financial position in taking care of their obligations.

There has been a lot of conversation about the value of this plan, that it does not have enough value in terms of the sustainability retirement security for our workforce. Again, talking about what is standard in the private sector, talk to any retirement security expert, they will say, standard replacement income in order to replace pre-retirement income is around 80 percent. When you take the value of the defined contribution plan, the value of the cash balance plan, and some reasonable savings--every single retirement security expert will tell you it is a three-legged stool--this plan, based on analysis done by other experts, not the systems--I think they used assumptions that people are going to keep their money under their mattress in their analysis--provides for that security. It is also, in regards to what the workforce in the Commonwealth is now - a more mobile workforce, many not making it to 35 years, or those who want to move and make alternative decisions in their careers - it provides a more valuable benefit. It is a targeted benefit that meets the needs of retirement security and puts the Commonwealth on a realistic platform for fiscal solvency and respects our relationship, that important relationship that we have with the private sector.

Mr. President, Senate Bill No. 1 is the recognition that in addition to taxation, regulation, the risks associated with maintaining the status quo and not making the hard decisions we need to make in the defined benefit structure is probably the greatest imbalance that this Commonwealth needs to face. So for the long term, for our families, for the job security of our employees, let us embrace together and advance Senate Bill No. 1. Thank you very much.

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

Senator BLAKE. Mr. President, to begin my remarks, I need to express my deep and abiding respect for Senator Browne and his intellectual depth on these rather complicated matters. I really cannot disagree very much with him about the history lesson he just gave us about the change in demographics in markets and economics in our nation and in our State. I think it is important to begin my remarks on this confirming or affirming that the Senate Democratic Caucus holds similarly with our colleagues on the other side that State pension reform is absolutely necessary. We have, for the past several years, and I will echo the comments of my Democratic Leader in the recent off-the-floor meeting of the Committee on Rules and Executive Nominations, we have held that there have been four driving paramount criteria that we think should inform and guide any State pension reform. I have mentioned them on the floor before. One, do not increase the State's unfunded liability. Do not aggravate the situation that we already have put ourselves into with respect to unfunded liability. Two, do not impair the contract with our employees, our current workers, and stay out of court, because we have already lost that battle. Three, and Senator Browne did express some eloquence on this, retirement security for our workers. Four, if possible, fiscal or budgetary relief not only for our State's General Fund, but also for our school districts. We have already had plenty of dialogue on this floor about the struggles that our school districts are facing.

I think it is very important, again, to walk through a little history here, because Senator Browne is right. Most of the problem that we are in with respect to our pension system is a function of policy decisions made here in this Chamber and across the building in the House, and agreed to by governors past. Probably 60 to 70 percent of the problem that we face right now is a direct result of decisions made on this floor. Our friend, Senator Wagner, had remarks earlier on the floor talking about the generosity of benefits granted in prior legislation. Of course, even Senator Corman mentioned he was around when that decision was made, and the information that he had at his disposal did not seem to reflect that that would be a poor decision. We passed Act 9 in 2001 and increased the multiplier and basically created a very generous benefit package. But, of course, at the time, PSERS, the Public School Employee Retirement System, was 123 percent funded. Our SERS system for State employees was 132 percent funded, so we were sitting pretty. Senator Browne mentioned what happened in 2003, restraint in the growth in employer contributions; 2008, as Senator Corman mentioned in the Committee on Rules and Executive Nominations, lost \$30 billion. PSERS investment returns were 26 percent underwater, SERS investment returns were nearly minus 30 percent.

In 2010, thanks in great measure to the work of Senator Browne, we tried to rein in the problems that we had created for ourselves. We took a lot of the generosity off the table. We reset the clock in terms of how we were going to amortize our debt. But let us face it, we have, still, today, over \$50 billion in unfunded liability in our two systems, and it is a direct function of our failure to meet our actuarially required contributions to those systems. We are 49th out of 50 States, New Jersey being the only one behind us, in meeting our actuarially required contributions to our pension systems over the past 13 years. We have actually contributed about 40 percent of what the actuaries have said we were supposed to contribute over that period of time. That is why we are where we are, with respect to the unfunded liability. I think it is an important point to make that our employees have paid their bill every 2 weeks, contributing 6.25 percent or 7.25 percent of their pay to guarantee their retirement when they leave us. They have done their job. And we also have systems that work reasonably well if they were properly funded. You heard Senator Browne talk about the three-legged stool for the retirees: savings—which, by the way, are usually not what they should be for most of our middle-class working-class families—hopefully a pension, and Social Security. Three things that guarantee a dignified retirement. There is also a three-legged stool with respect to the management of the systems at the State level: employee contributions, employer contributions, and investment returns. For PSERS, about 15 percent of the money that they get comes from our employees, 15 percent is supposed to come from us, the Commonwealth, the employer, and fully 70 percent of the benefits we are currently paying out are from investment returns. It is a well-managed system. So is SERS.

So, I thought it was important to talk a little bit about how we got here. I want to repeat, the Senate Democratic Caucus and this Governor realize that serious State pension reform must occur. I also say, and again, I commend Senator Browne, there have been things, Mr. President, that have been revealed in this process of evaluating potential reforms that are necessarily agreeable to people on this side of the aisle, things that speak to fairness to the taxpayers. The issues of lump-sum withdrawals and

whether or not they are actuarially neutral in terms of the amount of contributions that our workers put in. There is an issue referred to as spiking. We have heard of this, where the rules as they are now allow for certain employees, maybe later in their careers, to get in some overtime and maybe it creates a distorted view of what they are entitled to in retirement. Some of what Senate Bill No. 1 suggests is not too far afield. We think those are fairness issues. The Governor himself even suggested risk sharing, not dissimilar to what Senator Browne put into Act 120, where if the systems did not meet their investment goals, then perhaps risks should be shifted to the workers to pay for that. It is under Act 120.

I think it is important to add one little piece of history to Senator Browne's earlier remarks, and that is the 401(k). The 401(k) is called 401(k) because it was an adjustment in the IRS Code, I think back in the 1970s. I think the gentleman was right on that. It was really meant for some money people to try to take advantage of the upside of the market. It was never meant to replace the pension system as a true retirement security vehicle. But unintended consequences through the years, smart, as Senator Browne said, risk management decisions by the private sector puts the 401(k) now as the golden offering by the private sector as the only retirement security vehicle.

Senator Browne is right about our failure in this building to make proper risk management decisions. We have demonstrated that we have not been able to do that very well, otherwise we would not have an unfunded liability. The Senate Democratic Caucus is not necessarily opposed to this idea of introducing a 401(a), which is the government sector equivalent of a 401(k), into some plan adjustment for pension reform going forward. But—and I know I can get away with this because the Republican Leader already let my Democratic Leader off the hook—we think that there is responsible pension reform and we think there is irresponsible pension reform, and I think that we can get this better. We can get this better.

So I wanted to talk a little bit about how we got here. I think that there is a way to craft pension benefit reforms that could be responsible and that can guarantee retirement security and that could shift risk, but I also think there are two things that have not been proposed here that I think we need to be mindful of. One, this plan provides no immediate fiscal relief to the General Fund budget in this fiscal year, and this plan does not really deal with the unfunded liability, except across a 38-year horizon. Even Senator Browne agrees with me that a 38-year horizon is about 8 years longer than a GASB standard, which is reasonable.

Nevertheless, the Governor has suggested a proposal to refinance some pension debt, and I will say the word "refinance," Mr. President, because that is exactly what it is. We did it when we were trying to refinance our obligation to the Federal government under unemployment compensation, trying to secure the solvency there. We heard the Leader talk today about maybe refinancing some of the PlanCon debt because it could save the taxpayers money. So, the Governor has proposed refinancing some of our PSERS debt, and he has done it in such a manner that I think should have been considered as Senate Bill No. 1 was being crafted, quite simply because he tries to minimize the risk to the taxpayers. How does he do that? The Governor said it is not a typical pension obligation bond. What we will do is modernize our liquor system, connect those new revenues that we talked about on this floor earlier today, we will lockbox them to

guarantee that we can meet our actuarially required contribution, and we will go to the capital markets and probably get a very fair interest rate, an interest rate that would reduce the arbitrage between the required return that we demand of our systems and the debt service obligations that we would bear for that bond. When they came into the Committee on Appropriations, the folks from PSERS, they told us that would save them about \$8 billion over the next 20 years, which I think is something worth considering as a matter of pension reform.

I would, if I can, Mr. President, say a few more things about Senate Bill No. 1, and these are not my words, these are words from the actuary. I think it is an important consideration. Based on the current evaluation methodologies used by the systems, meaning our pension systems, the new class of members created under Senate Bill No. 1 would be expected to be subsidizing the future costs of current members. I will say that again. The new members under Senate Bill No. 1 would be expected to be subsidizing the future costs of current members. How is this so? This is so because the cash balance element of this plan does not have an employer match. It is only really interest earnings that come from that that pay for the annuated benefits. What is really important to keep in mind is what I said, Mr. President. I said that we did not meet our obligations. We now have an unfunded liability, and what is going on in Senate Bill No. 1 is that future workers will have less benefits in order to pay off the bill we did not pay. That is the reality of this. There is a better way, I think, for us to deal with it.

I also want to talk a little bit about the process, Mr. President, because I sit on the PERC board, the Pennsylvania Employee Retirement Commission. It has a statutory obligation to guarantee that we as legislators should be informed about the impact of any pension legislation coming to this floor that might affect the fiscal position of our systems to our General Fund. So, when Senate Bill No. 1 was reviewed by the PERC actuary in order to provide a note to us to inform our judgment on this vote, this is what they said in their letter when they actually reviewed Senate Bill No. 1. They said, "Due to time constraints dictated by the Commission for providing this actuarial note, we are providing this letter..." without a complete review of all facets of the legislation nor all actuarial cost projection information used by the system actuaries in their analyses. We are disclosing that the time available for preparing this letter was insufficient to perform a complete review, thus, this letter should be considered preliminary. Due to the lack of time available to complete this preliminary letter, we did not read the entire bill. So the actuary, upon whose recommendation, or at least objective assessment, we were supposed to base this vote, did not have time to read the bill. I understand that they think they provided what is statutorily necessary, and I know the Leader will express that, but I thought it was important for the people to know the process that was attended in the devising of this bill.

There were amendments in the House which we are considering right now under this vote. Those amendments were also subject to the review by the actuary, and this, again, is the word of the actuary: "Due to time constraints dictated by the Commission for providing this actuarial note, we are providing this letter on an accelerated basis. If additional time was available, some of the issues described in this letter could have been discussed with the Systems' actuaries in more detail, leading to potentially additional and/or different commentary." These are very serious qual-

ifiers, Mr. President, of the information that we are using to vote on this bill. So, I thought I should get that on the record.

I would ask the maker of the bill, Senator Corman, if he could answer two questions for me. Or if he would rather defer to Senator Browne, his choice.

The PRESIDENT. Senator Browne, will you stand for interrogation?

Senator BROWNE. Yes, Mr. President.

The PRESIDENT. Senator Browne indicates he will.

Please proceed.

Senator BLAKE. Mr. President, I just have two simple questions. One, is it correct that what I said earlier, that this bill, if adopted and signed into law by the Governor, would not provide any immediate fiscal impact on the General Fund budget for this year?

Senator BROWNE. Mr. President, as you know, we have a payment schedule that was set up under Act 120. In order for it to provide current budget relief, since we are still on that payment schedule, we would have to adjust that payment schedule for current budget relief. However, that budget relief starts within a year and provides \$10 billion in budget relief over the actuarial period of the reform. So, in regard to, as we have to look at, and you know this, one of our challenges is we look at what it does for this year. It is one of the problems we have had in managing these things, the only way we manage these things, if we are doing it correctly, is looking over 30 years, and that is why the notes are done over 30 years. It provides a \$10 billion total relief to the General Fund's obligations to its retirement plans over that actuarial period.

Senator BLAKE. Mr. President, I thank the gentleman. The only other question I have is the impact on unfunded liability. What are the impacts on unfunded liability of Senate Bill No. 1 this year and going forward?

Senator BROWNE. Mr. President, it is really the same answer. The same answer is our obligations to the plans as a result of the provisions of Senate Bill No. 1 will go down by \$10 billion, unfunded and prospective. So if we are talking about the overall obligations of the Commonwealth to managing our current plans, it is an overall reduction of \$10 billion.

Senator BLAKE. Mr. President, thank you. I have no more questions for the gentleman.

Just looking at the actuarial notes, our unfunded liability will continue to rise in the short term under Senate Bill No. 1, at least to 2020 on PSERS, and at least to 2017 on SERS. The gentleman is correct, it does go down and we end up with the elimination of most of our unfunded liability over that period of amortization, which, according to some of these notes, is 38 years, not 30, but that is immaterial.

Again, I think pension reform is necessary. The Senate Democratic Caucus would have liked to have been involved a little bit deeper in the crafting of this, because I think we could do a little better, and I think it is important to keep in mind that the reason that we save that \$10 billion is a direct function of some severe cuts in benefits to future workers, because that is what is paying for the bill that we did not pay for the last 13 years.

To finish my remarks, Mr. President, and I am taking this from the actuary, so I am going to put it out there, and I will qualify my remarks by saying Senator Browne is right, the workforce is different, a little more mobile, we may not have people staying as long, but I think it is important to draw some

contrast here. The cost of living has not gone down. Wages have been pretty stagnant. We try to attract talent into our schools and into our State agencies by virtue of the benefit package we offer, and again, notwithstanding the earlier remarks of Senator Browne regarding retirement security, so if someone, say they come in at 30 years, say they stuck around for 35, let us say they were making \$31,000 when they left. If they were retiring under PSERS, they would have gotten about a \$21,000 a year pension. Under Senate Bill No. 1, they will get \$6,300 a year. So let us say somebody came in at 30 years of age, stuck around for 35 years, when they retired they were making \$72,000. Under the current PSERS, they would be making about \$49,000 a year. Under Senate Bill No. 1, as we are voting here, they will make \$14,000 a year. One more, someone comes in at 40, they work for 25 years until they are 65, they were making about \$51,000 when they retired. Under PSERS, they would be getting about \$25,000 under the current benefit. Under Senate Bill No. 1, they would get about \$7,700. That is about 30 percent of the current benefit that we have been offering under our current system.

Now, again, I am going to repeat what I said earlier. We agree that pension reform is necessary. We agree that there is a possibility for a 401(a) in the reform package. We agree that we should look at actuarial fairness under the lump-sum withdrawal, under the spiking issues, maybe we look at risk sharing, as the Governor has suggested, but, Mr. President, I mentioned the four criteria that this Caucus holds for responsible pension reform, and Senate Bill No. 1 does not pass the test. I encourage a "no" vote.

Thank you, Mr. President.

The PRESIDENT. The Chair recognizes the gentleman from Montgomery, Senator Haywood.

Senator HAYWOOD. Mr. President, one of the things that was raised in the presentation this evening is regarding sharing of risk. That is, distributing risk away from the business owners, whom we have heard cannot manage them, and distributing those risks to the employees. So I ask you and our fellow Pennsylvanians, what have we received in return for the shifting of the risk to the employees? Have we received employment security? We are seeing employment go up and down over the last 30 years. If you feel that your employment is more secure because your employer does not have to pay any pensions to you, I would be surprised. Second, do Pennsylvanians have more income security because the employers do not have the pension risk? Today, I saw a study that indicated that the top 1 percent of our nation has received far more than half of all the real income that has been generated over the last 5 years, and so the benefits of the risk-sharing have gone to the owners, not the employees.

Finally, how have the employees fared with accepting the risk of retirement under these 401(k) plans? The Pension Research Council says that over half of individuals with 401(k) plans in the private sector have \$26,000 or less at retirement. Is that retirement security or worth the risk? Over one-third of individuals with 401(k) plans have only \$1,000. Is that retirement security or worth the risk? So I say to you and my fellow Pennsylvanians that clearly the risk-sharing that has been described has not been to the benefit of the average Pennsylvanian, the Pennsylvania workers. We have taken on that risk and not received anything other than being in a much weaker position on income and retirement. In Pennsylvania, we are moving toward having 4 million individuals over the age of 60 in the next several years. It is re-

ported that we will have one-quarter of our population over 60. Plans that put more individuals into 401(k)s, where they only have \$26,000 or less, will just further exacerbate the number of low-income elderly persons. In my county, Montgomery County, the Department of Aging has said to me that many people, when they get to 85, run out of money. This is not the kind of policy that is good for the Commonwealth, and not the policy that is good for workers.

Now, I do agree that 130 percent of income is too high. That is more than we can commit. I also see that 20 percent is far too low. I would be very interested in seeing the actuarial study that indicates that Senate Bill No. 1 will produce 80 percent of replacement income. If that is reliable, I would be willing to further evaluate my position. Whether we have a 401(k) or 401(a) or a cash balance, the key question for me is to having adequate retirement replacement income.

Thank you, Mr. President.

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

Senator WILLIAMS. Mr. President, this, indeed, is a very complicated issue for legislators and certainly for the public to follow, so I will try to make it as simple and straightforward as possible. Will there be a pension at the end of somebody's service who serves the State, and can the taxpayers afford to do such? How did we get here? We got here because of what we are doing tonight, politics, a lot of back-slapping, and a lot of agreeing to conditions that we cannot support. I do not care whether you are a Democrat or a Republican, I do not care whether you are part of the Wall Street crew or those who represent organized labor, there has never been a consensus about how we get to an objective standard as it relates to supporting pensions. Because we have so much politics in the middle of it, we are allowed to not make payments that we all, everyone, every year, anyone who served here since Ed Rendell or Tom Corbett or Tom Ridge, for that matter, knows we have gone without paying these obligations for many years.

So we are here tonight because of us. I want the public to understand, now we are back here telling you that we can solve a problem again, ourselves. I suggest to you, what should we do about it? We should take the politics out of it, take the back-slapping out of it. We hired a bunch of professionals to give us information. We should follow that. We should follow those professionals who are actuaries, those who are paid a lot of money and go to many schools to determine whether the assumptions that they made are realistic and can be achieved. By the way, they, too, can be wrong. So when I hear this comment about the private sector, understand the private sector, in terms of 401(k) accounts today, are not doing that great. They are not doing that great because human beings are involved and Wall Street did what it did and caused a crash. So 401(k) or defined benefit, whatever it is, America has its challenges, and certainly Pennsylvania is a part of that.

But I say there is a path to getting out of this problem. The path is, as I mentioned, follow those who are professionals whom we have hired to do it. Tonight we have before us a plan that, frankly, is marked incomplete. There are those who have done due diligence, and many of the terms that are going back and forth, some of us, our brains are spinning. The one thing that you can understand, that there was a path, a process set up by professionals, not politicians, that would say and verify, if you do these

things, we can protect you, and almost guarantee you that in 30 years your problem will not present itself. Even if we agreed with that, even if we agreed with the assumptions in this particular plan, the process by those professionals was not followed. A third-party evaluator, an actuary, said they had not had the time to complete their process of review. Their pick, not ours, said this. Yet, tonight, we are moving forward without full confidence and full information about what this plan actually represents and the consequence of it. That does not mean that I would suggest anyone offering it has not done due diligence, has not great understanding, and significant comprehension, but the bottom line is, even those, the best of those in America, make mistakes.

So, therefore, I suggest that if we are going to move forward with a plan to repair the pension problem we have in Pennsylvania, then we should follow the advice of those professionals, and they have said, we have not finished our work. So why are we going forward tonight? Understand, all of us today who will walk home and talk to our families, do not know that what happened in Greece, that ticking time bomb that is taking down a nation, that same cancer is in America. That same problem is in this State, and it is replicated State by State, city by city, and that ticking time bomb is pensions. Back-slapping in Greece, political agreements, not following the professionals' advice, have literally broken a nation and will spread pain to Europe and to America. Why we are doing this tonight, in the manner that we are doing it, only suggests that we think that we are better than, that we are smarter than, that frankly we are more arrogant than anyone else. The lessons are right in front of us. These are no longer conversations that we sort of whisper about. What are we going to do about that pension problem? You know that pension problem is a big issue. You know that pension problem could bankrupt us. It has bankrupted a country, and what they did there is exactly what we are doing here.

So I suggest we do what we should have done before: take the politicians out of it, be cautious, and be conservative in our assumptions and follow the professionals' advice. Let them finish their work. Wherever the cards fall, they may, and understand that may mean a lump or two on our side, but it sure as heck means a lump or two on those folks who are depending upon these pensions.

I think what we are doing tonight is wrong. Not wrong because of who is supporting it, not wrong because of the intention behind it, not wrong because of the research, it is just incomplete. So, I am no longer nervous; I am panicking. I am panicking because I have seen what happens in other places that follow the same road. We are on that path. Pennsylvanians need to understand this is that moment. This is that time that we require our politicians to have a backbone and tell the public the truth: we do not have the resources. It is not 20 years ago, it is now. There are changes which have to be made and they will be tough, but whatever they are, they will be honest, and they will not sacrifice our children and our grandchildren to a debt that we should be paying right now.

Thank you, Mr. President.

The PRESIDENT. For the second time, the Chair recognizes the gentleman from Lehigh, Senator Browne.

Senator BROWNE. Mr. President, before we finish I want to take an opportunity to thank several people who have invested a lot of time, energy, and expertise in pulling this bill together and advancing it along. First, Senator Corman for his tremendous

leadership in advancing a bill of this significance through the Senate and the Assembly; Stacey Connors and Scott Sikorski, who have worked endless hours on a matter that takes a tremendous amount of work given all of the moving parts. Also, Senator Blake for his continued work and expertise in working towards a collaborative solution on pension reform that is necessary for the future of Pennsylvania.

Thank you, Mr. President.

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

Senator RAFFERTY. Mr. President, I want to thank the negotiators for the Senate and the House on listening to some of the concerns of Members in both this Chamber and the House and taking out the Troopers, the corrections officers, and the F.O.P.

Thank you, Mr. President.

And the question recurring,

Will the Senate agree to the motion?

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

YEA-29

Alloway	Eichelberger	Rafferty	Vulakovich
Argall	Folmer	Scarnati	Wagner
Aument	Gordner	Scavello	Ward
Baker	Hutchinson	Smucker	White
Bartolotta	McGarrigle	Stefano	Yaw
Brooks	McIlhinney	Tomlinson	
Browne	Mensch	Vance	
Corman	Pileggi	Vogel	

NAY-20

Blake	Farnese	Kitchen	Teplitz
Boscola	Fontana	Leach	Wiley
Brewster	Greenleaf	Sabatina	Williams
Costa	Haywood	Schwank	Wozniak
Dinniman	Hughes	Tartaglione	Yudichak

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.

SENATE CONCURS IN HOUSE AMENDMENTS

SB 620 (Pr. No. 1130) -- The Senate proceeded to consideration of the bill, entitled:

An Act authorizing the release of Project 70 restrictions on certain land owned by the Borough of Carlisle, Cumberland County, in return for the development of park and open-space lands within North Middleton Township, Cumberland County.

On the question,

Will the Senate concur in the amendments made by the House to Senate Bill No. 620?

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

Senator CORMAN. Mr. President, I move that the Senate do concur in the amendments made by the House to Senate Bill No. 620.

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

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

YEA-49

Alloway	Eichelberger	Mensch	Vogel
Argall	Farnese	Pileggi	Vulakovich
Aument	Folmer	Rafferty	Wagner
Baker	Fontana	Sabatina	Ward
Bartolotta	Gordner	Scarnati	White
Blake	Greenleaf	Scavello	Wiley
Boscola	Haywood	Schwank	Williams
Brewster	Hughes	Smucker	Wozniak
Brooks	Hutchinson	Stefano	Yaw
Browne	Kitchen	Tartaglione	Yudichak
Corman	Leach	Teplitz	
Costa	McGarrigle	Tomlinson	
Dinniman	McIlhinney	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 inform the House of Representatives accordingly.

SENATE CONCURS IN HOUSE AMENDMENTS

SB 655 (Pr. No. 1137) -- 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, establishing the Non-narcotic Medication Assisted Substance Abuse Treatment Grant Pilot Program; in special funds, further providing for funding, for State Workers' Insurance Board and for expiration; in the Tobacco Settlement Fund, further providing for use; in the Pennsylvania Race Horse Development Fund, further providing for distribution; in general budget implementation, further providing for the Department of Community and Economic Development, for the Department of Public Welfare, for the Pennsylvania State Police and for the Environmental Quality Board; providing for 2015-2016 budget implementation, for 2015-2016 restrictions on appropriations for funds and accounts and for required lapses of money in funds and accounts; and making related repeals.

On the question,

Will the Senate concur in the amendments made by the House to Senate Bill No. 655?

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

Senator CORMAN. Mr. President, I move that the Senate do concur in the amendments made by the House to Senate Bill No. 655.

On the question,

Will the Senate agree to the motion?

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

Senator COSTA. Mr. President, I will try to be brief. We are about to vote on the last piece of the complex series of bills that

represent our budget negotiations and budget process here in Pennsylvania. My remarks are not specifically to the Fiscal Code, but rather to the activity that has taken place over the course of this day. We started, Mr. President, around 10:30 this morning discussing and debating a number of bills, some of which, of course, were budget related, others were policy issues. This, as you indicated, brings to a close the budget discussions for this particular bill, being the implementation document to help implement the budget.

Senate Democrats today tried to demonstrate, not only to our colleagues, but also to our viewers who watched today, and spread across the record as we go forward some of the positions that we have taken that are different than the positions that we voted on in various parts of the budget, but also as it relates to things that we did not vote on and other matters that we did. Just to summarize, we started out earlier this morning with a discussion and debate on wine and spirits privatization. As we indicated, while we recognize that we have to enhance this asset and do things along the lines of creating customer convenience and allowing folks access to wine and spirits across Pennsylvania, we disagree about how we get there. We believe that those conversations will continue over the course of the next several weeks and look forward to the opportunity that we have, although the fact that the bill is passed, my understanding is that the Governor and the administration will not support what passed here.

With respect to the issue of pensions, we had a lengthy conversation just a few moments ago, again, drawing a difference between where we stand and where my colleagues on the other side of the aisle stand. With respect to the budget, Mr. President, we believe that there should have been input from the administration, there should have been input from the House and Senate Democrats. That was not the case. Unfortunately, I think that will also meet the same fate that the pension bill and the wine and spirits legislation will meet later this evening and tomorrow morning, which will drive us back here to begin a new process, in my estimation, where we can have a bipartisan discussion about what is important to the people of Pennsylvania. And our hope is that at the end of those discussions and conversations and sincere negotiations with all four Caucuses, along with the administration, that we will be in a position to address the things that were not in the budget that we raised on this Senate floor. Issues like the lack of property tax relief, which Senator Schwank has raised for us, and have stimulated a very significant and moving discussion along those lines. A lot of folks participated in that discussion because I think we all recognize that we must make that part of what we do before we conclude a true and sincere budget that is going to make its way to the Governor's desk and that will be signed by this Governor.

The Marcellus Shale industry: we have vehement disagreement about the value and role that they play in this Commonwealth. Mr. President, I will close by indicating that we look forward to the opportunity to really work, sit down, and roll up our sleeves with the administration, with four Caucuses, go home after today and begin that discussion where we can talk about these issues that I have laid out. Reviewing the pension issue, recognizing the differences and trying to work towards a more comprehensive approach that is more balanced and fair to allow for better and more significant retirement security for both current workers and future workers.

On property tax relief, coming to grips with the fact that we have to address it in this building. We have not done it on this side of the building. They have addressed it on the other side, the Governor has put something forward. We have to move forward on that, whether it is Senate Bill No. 76 or what Senate Democrats have put on the table, or what the Governor has talked about, or what the House has sent to us. We have to have a comprehensive discussion about property tax relief in this Chamber, and we look forward to that discussion.

With regard to Marcellus Shale, we agree that they are a significant part of our communities and that we have to make certain that we find the right balance between what their role is with respect to the resources to the Commonwealth and what they do in this Commonwealth, and how we continue to try and work with them. But at the end of the day, we are looking for them to be part of our solution to our education funding scheme.

Mr. President, with respect to the budget, I know we have more work to do. I know there is a sincere desire to want to do more in education. I know there is a sincere desire on both sides of this building and both sides of this Chamber to do more for human service programs and for job creation programs. We have to have that conversation. We look forward to it. I want to thank everyone for their patience today. I know a lot of Members had the opportunity to speak today on various issues, but I enjoyed the fact that we had the opportunity to have debate and discussion on these bills, and our Members, and Members on both sides of the aisle, were given the opportunity to be able to vent and discuss their particular views on a particular issue.

So thank you very much, Mr. President.

The PRESIDENT. Thank you, Senator Costa, for your leadership. Thank you to all of the Members.

And the question recurring,
Will the Senate agree to the motion?

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

YEA-30

Alloway	Eichelberger	Pileggi	Vogel
Argall	Folmer	Rafferty	Vulakovich
Aument	Gordner	Scarnati	Wagner
Baker	Greenleaf	Scavello	Ward
Bartolotta	Hutchinson	Smucker	White
Brooks	McGarrigle	Stefano	Yaw
Browne	McIlhinney	Tomlinson	
Corman	Mensch	Vance	

NAY-19

Blake	Farnese	Leach	Wiley
Boscola	Fontana	Sabatina	Williams
Brewster	Haywood	Schwank	Wozniak
Costa	Hughes	Tartaglione	Yudichak
Dinniman	Kitchen	Teplitz	

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.

UNFINISHED BUSINESS BILLS REPORTED FROM COMMITTEES

Senator GREENLEAF, from the Committee on Judiciary, reported the following bills:

SB 606 (Pr. No. 598)

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in particular rights and immunities, providing for limited liability for pilots and apprentices.

SB 773 (Pr. No. 854)

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, in minors, further providing for definitions.

SB 859 (Pr. No. 976)

An Act amending Titles 42 (Judiciary and Judicial Procedures) and 61 (Prisons and Parole) of the Pennsylvania Consolidated Statutes, in judicial boards and commissions, further providing for definitions and for publication of guidelines; in juvenile matters, further providing for inspection of court files and records; in prisoner litigation, further providing for prisoner filing fees; in particular rights and immunities, further providing for immunity of State parole officers and for immunity of program administrators and supervisors; in sentencing, further providing for dispositions of persons found guilty but mentally ill, for collection of restitution and penalties, for sentencing proceeding and place of confinement, for information required upon commitment and subsequent disposition, for transfer of inmates in need of medical treatment, for applicability, for registry, for initial registration, for duty to inform, for assessments, for administration, for global positioning system technology, for immunity for good faith conduct, for Pennsylvania State Police, for duties of probation and parole officials, for duties of facilities housing sexual offenders, for board and for annual performance audit; in preliminary provisions, further providing for definitions; providing for powers of peace officers; in county correctional institutions, further providing for county recording system; in motivational boot camp, further providing for motivational boot camp program; in State intermediate punishment, further providing for definitions; in community corrections centers and community corrections facilities, further providing for definitions, for department, for offenders who may be housed, for authority of Commonwealth employees, for authority of chairman and for escape; providing for certain offenders residing in group-based homes; further providing for probation and parole; in Pennsylvania Board of Probation and Parole, further providing for definitions, for operation of parole system generally, for administration, for Pennsylvania Board of Probation and Parole, for board chairperson, for board action, for meetings, for offices, for district directors, for district office employees, for disciplinary action, for political activities, for advisory committee, for certain offenders residing in group-based homes, for general powers of board, for specific powers of board, for probation services, for sentencing court, for general criteria for parole, for right of access to inmates, for parole power, for violation of terms of parole, for parole procedure, for victim statements, for general rules and special regulations, for investigations for the board of pardons, for early parole of inmates, for definitions, for status as peace officers and for supervisory relationship; providing for supervision of offenders and for agents; in county probation officers' firearm education and training, further providing for definitions, for county probation officers' firearm education and training commission, for commission membership, for powers and duties of commission, for training mandatory, for requirements for program participation and for the County Probation Officers' Firearm Education and Training Fund; in Interstate Compacts, further providing for Interstate Compacts, for deputization and for supervisions of persons paroled by other states; conferring powers and imposing duties on the Department of Corrections and Rehabilitation; and providing for the transfer of functions, powers and duties.

SB 860 (Pr. No. 977)

An Act amending the act of November 24, 1998 (P.L.882, No.111), known as the Crime Victims Act, in preliminary provisions, further providing for definitions; in crime victims, further providing for responsibilities of department, local correctional facilities and board; in administration, further providing for office; and, in financial matters, further providing for costs for offender supervision programs.

HB 874 (Pr. No. 2009) (Amended)

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, in assault, further providing for the offenses of harassment, stalking and threat to use weapons of mass destruction.

Senator FOLMER, from the Committee on State Government, reported the following bill:

SB 411 (Pr. No. 1154) (Amended)

An Act amending the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law, in preliminary provisions, further providing for definitions; in requirements and prohibitions, providing for Pennsylvania Interscholastic Athletic Association; in access, providing for inmate access; in procedure, further providing for access, for requests, for written requests, for production of certain records and for exceptions for public records; in agency response, further providing for general rule and for extension of time; in appeal of agency determination, further providing for filing of appeal and for appeals officers; in judicial review, further providing for Commonwealth agencies, legislative agencies and judicial agencies, for fee limitations and for Office of Open Records; and, in State-related institutions, further providing for reporting, for contents of report and for copies and posting, and providing for contracts.

Senator RAFFERTY, from the Committee on Transportation, reported the following bills:

SB 765 (Pr. No. 824)

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in preliminary provisions, further providing for the definition of "emergency service responder" and providing for the definitions of "electric cooperative personnel" and "electric utility personnel"; and, in rules of the road in general, further providing for duty of driver in emergency response areas.

SB 929 (Pr. No. 1125)

An Act designating a portion of State Route 2014 in Lycoming County as the Petty Officer Thomas Johnson Memorial Highway.

SB 931 (Pr. No. 1143)

An Act amending Title 26 (Eminent Domain) of the Pennsylvania Consolidated Statutes, in special damages for displacement, further providing for moving and related expenses of displaced persons, for replacement housing for homeowners and for replacement housing for tenants and others.

HB 441 (Pr. No. 1675)

An Act designating a portion of State Route 61 in Schuylkill County, from State Route 443 to State Route 2014, as the Captain Jason B. Jones Memorial Highway.

HB 605 (Pr. No. 678)

An Act renaming the bridge on that portion of U.S. Route 219 over U.S. Route 422 in Ebensburg Borough, Cambria County, as the Alexander Miller Abercrombie Memorial Bridge.

HB 735 (Pr. No. 869)

An Act designating a bridge on that portion of State Route 147 over the Wiconisco Creek, Millersburg Borough, Dauphin County, as the Private Warren Snyder Memorial Bridge.

HB 817 (Pr. No. 966)

An Act designating a bridge on that portion of State Route 3005 over the West Branch of the Susquehanna River, Greenwood Township, Clearfield County, as the 1st Lieutenant Wendell Elbert Ross Memorial Bridge.

HB 870 (Pr. No. 1677)

An Act designating a portion of State Route 153 from segment 80 to segment 310 in Clearfield County as the Austin M. Harrier Memorial Highway.

HB 898 (Pr. No. 1121)

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in preliminary provisions, further defining "emergency vehicle"; in operation of vehicles, further providing for drivers of emergency vehicles; and, in other required equipment, further providing for visual and audible signals on emergency vehicles and for visual signals on authorized vehicles.

HB 987 (Pr. No. 1272)

An Act designating a portion of State Route 422 in Lebanon County as the Officer Michael H. Wise II Memorial Highway.

Senator TOMLINSON, from the Committee on Consumer Protection and Professional Licensure, reported the following bills:

SB 874 (Pr. No. 1153) (Amended)

An Act amending the act of August 14, 1963 (P.L.1059, No.459), referred to as the Cemetery and Funeral Merchandise Trust Fund Law, further providing for deposits into merchandise trust funds; providing for price and description reports; and further providing for funds held in trust, for payments from merchandise trust funds, for filing of financial reports and for penalty.

HB 75 (Pr. No. 66)

An Act amending the act of September 27, 1961 (P.L.1700, No.699), known as the Pharmacy Act, providing for nonresident pharmacies.

SENATE RESOLUTIONS ADOPTED

Senators BARTOLOTTA, DINNIMAN, ARGALL, VOGEL, WOZNAK, RAFFERTY, WHITE, COSTA, AUMENT and VULAKOVICH, by unanimous consent, offered **Senate Resolution No. 166**, entitled:

A Resolution designating the week of July 6 through 12, 2015, as "Whiskey Rebellion Heritage Week" in Pennsylvania.

On the question,
Will the Senate adopt the resolution?

The PRESIDENT. The Chair recognizes the gentlewoman from Washington, Senator Bartolotta.

Senator BARTOLOTTA. Mr. President, the Whiskey Rebellion is one of the most notable events of early American history, which took place in Washington County from 1791 to 1794 in protest of a Federal excise tax on whiskey. To end the rebellion, President Washington sent a Federal militia of nearly 13,000 men marching into Washington, Westmoreland, and Allegheny Counties. As rebels fled the area, the rebellion soon disbanded. This event marks the only time in American history that a standing President took command of Federal troops. Is it not fitting that on this day we have made history ourselves in Pennsylvania by offering the freedom to purchase wine and spirits to more than 12 million residents who have been demanding it from their government for decades?

In an effort to properly recognize the Whiskey Rebellion, the city of Washington, Pennsylvania, annually hosts a week-long festival the second week of July. The events are to honor the period of America's early days through historic reenactments, period exhibitions, family fun, frontier art, and more, shining a national spotlight on the city, county, and region. I ask my colleagues to join me in recognizing the week of July 6 through 12, 2015, as "Whiskey Rebellion Heritage Week" in Pennsylvania by voting in the affirmative on this resolution.

And the question recurring,
Will the Senate adopt the resolution?

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

Senator CORMAN, by unanimous consent, offered **Senate Resolution No. 167**, entitled:

A Resolution recognizing the 100th anniversary of Kiwanis International and designating the month of August 2015 as "Kiwanis Month" in Pennsylvania.

Which was read, considered, and adopted by voice vote.

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 Rodney Felix and to Codorus State Park by Senator Alloway.

Congratulations of the Senate were extended to Chief Master Sergeant Kim D. Shollenberger, Stanley D. Petchulis, Nicholas A. Hope, Schuylkill Community Action and to the PetSmart Distribution Center by Senator Argall.

Congratulations of the Senate were extended to Mr. and Mrs. Ethan Kunkle, Darian Gordon, Shianne George and to Laura Dietrich by Senators Argall and Schwank.

Congratulations of the Senate were extended to Mr. and Mrs. Jan Witmer, Mr. and Mrs. Luke Royer, Mr. and Mrs. George Yelagotes, Mr. and Mrs. B. Frank Yunginger, Flora A. Martin,

Lou Sindy Warfel, Larry L. Garman, Frank J. Gale, Jeanne S. Mowrer, Shohini Banerjee, Verna K. Martin, Ruth H. Earhart and to Reinholds Fire Company No. 1 by Senator Aument.

Congratulations of the Senate were extended to Emily Johns, June Hayes, Sr., John M. Tomik and to Edward J. Schwarz, Inc., by Senator Baker.

Congratulations of the Senate were extended to Olive Thompson by Senator Brooks.

Congratulations of the Senate were extended to Mr. and Mrs. Timothy Paul Smith, Beatrice F. Rothenberger, Adib W. Hitti, Carmela Mary Cerami, Elizabeth Marie Murgido, Norman Lewis Nothstein, Paul Mahlon Stofflet, Carol P. Delong, Miriam S. Leeser and to Alice L. Barnes by Senator Browne.

Congratulations of the Senate were extended to Ryan B. McKay by Senator Corman.

Congratulations of the Senate were extended to Derrick Wood, Richard T. Gasparo, Jr., and to the Chester County Pops Orchestra by Senator Dinniman.

Congratulations of the Senate were extended to Michael Warhold by Senator Fontana.

Congratulations of the Senate were extended to Jonathon Hauck by Senator Gordner.

Congratulations of the Senate were extended to Mr. and Mrs. Luke Weaver, Lieutenant Colonel Stephen E. Timmons, Jr., Dorothy Ziegenfuss and to Philip A. Clemens by Senator Greenleaf.

Congratulations of the Senate were extended to Jasmine Daniels by Senator Hughes.

Congratulations of the Senate were extended to Mr. and Mrs. Robert B. Snider, Mr. and Mrs. Merle Mealy, Sr., Mr. and Mrs. Rich Hovis, Mr. and Mrs. Henry Beers, Mr. and Mrs. Bob Siegel, Mr. and Mrs. Ron Amsler, Mr. and Mrs. James Marshall and to Butler Elks Lodge No. 170 by Senator Hutchinson.

Congratulations of the Senate were extended to Patrick F. McKenna by Senator McGarrigle.

Congratulations of the Senate were extended to Steven R. Spong, Jr., and to the National Shrine of Our Lady of Czestochowa by Senator McIlhinney.

Congratulations of the Senate were extended to Jacob Moyer and to the citizens of the Borough of Richlandtown by Senator Mensch.

Congratulations of the Senate were extended to Living Branches and to the members and coaches of the North Penn High School Baseball Team by Senators Mensch and Greenleaf.

Congratulations of the Senate were extended to William A. MacCall, Mary A. Masciantonio, Andrew A. Schiavone, Ann O'Grady, Louis Berra, Margaret Varzaly, John A. Piccard and to Betty P. Allen by Senator Pileggi.

Congratulations of the Senate were extended to Jacob Sekela and to Brendan M. Kelly by Senator Rafferty.

Congratulations of the Senate were extended to the members and coaches of the FC Montco Galaxy U14 Boys' Soccer Team by Senators Rafferty, Dinniman, and Mensch.

Congratulations of the Senate were extended to Mr. and Mrs. Don Bliss, Mr. and Mrs. Bennie Gearhart, Mr. and Mrs. John Shypulefski and to Christopher D. Cope by Senator Scarnati.

Congratulations of the Senate were extended to Eli David Marburger and to the officers and members of The Reading Liederkrantz by Senator Schwank.

Congratulations of the Senate were extended to Michael J. Kuntz by Senator Smucker.

Congratulations of the Senate were extended to Mr. and Mrs. James Stefano by Senator Stefano.

Congratulations of the Senate were extended to Kary Schoenfeld, National Sexual Violence Resource Center and to the Pennsylvania Coalition Against Rape by Senator Tartaglione.

Congratulations of the Senate were extended to Mihai Matei by Senator Teplitz.

Congratulations of the Senate were extended to Matthew A. Heidelbaugh, Ryan A. Margraf and to Porter C. Withers by Senator Vance.

Congratulations of the Senate were extended to the Reverend James A. Downs, Lucas J. McAllen, Nikolaus A. Bentkowski and to Austin Eric McClelland by Senator Vogel.

Congratulations of the Senate were extended to Kyle Domenic Donovan, Matthew Davis, Thomas Krill, Brandon Raymond and to HEARTH of Glenshaw by Senator Vulakovich.

Congratulations of the Senate were extended to Rodney L. Krebs by Senator Wagner.

Congratulations of the Senate were extended to Mr. and Mrs. Delmont Hill Pfeiffer and to Mr. and Mrs. Jim Leasure by Senator White.

Congratulations of the Senate were extended to Dennis Tice by Senator Wozniak.

Congratulations of the Senate were extended to Mr. and Mrs. Edward Cooper, Jay Delaney, Michael Paulas, Genia Cooper Wasilewski, Phil Redline, Josh Hontz, Ryan Bennick, Gail Solomon, Stella Boris and to the 1959 Jim Thorpe Area High School Baseball Team by Senator Yudichak.

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 Lawrence Brown Hilbert, Jr., and to the family of the late Alice C. Foster by Senator Baker.

Condolences of the Senate were extended to the family of the late Honorine A. Segata by Senator Boscola.

Condolences of the Senate were extended to the family of the late Mary Lojeski Lesner by Senator McIlhinney.

BILLS ON FIRST CONSIDERATION

Senator DINNIMAN. Mr. President, I move that the Senate do now proceed to consideration of all bills reported from committees for the first time at today's Session.

The motion was agreed to by voice vote.

The bills were as follows:

SB 411, SB 606, SB 765, SB 773, SB 859, SB 860, SB 874, SB 929, SB 931, HB 75, HB 441, HB 605, HB 735, HB 817, HB 870, HB 874, HB 898 and HB 987.

And said bills having been considered for the first time,

Ordered, To be printed on the Calendar for second consideration.

ANNOUNCEMENT BY THE SECRETARY

The following announcement was read by the Secretary of the Senate:

SENATE OF PENNSYLVANIA

COMMITTEE MEETING

MONDAY, JULY 13, 2015

Off the Floor

ENVIRONMENTAL RESOURCES
AND ENERGY (to consider Senate
Resolutions No. 54 and 55)

Rules Cmte.
Conf. Rm.

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 466**.

BILLS SIGNED

The PRESIDENT (Lieutenant Governor Mike Stack) in the presence of the Senate signed the following bills:

SB 1, SB 330, SB 620, SB 655, SB 687, SB 688, HB 73, HB 140, HB 157, HB 221, HB 229, HB 272, HB 466 and HB 1192.

RECESS

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

Senator CORMAN. Mr. President, I move that the Senate do now recess to the call of the President pro tempore.

The PRESIDENT. Without objection, the Senate stands in recess to the call of the President pro tempore.

AFTER RECESS

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

HOUSE MESSAGES

SENATE BILL RETURNED WITH AMENDMENTS

The Clerk of the House of Representatives returned to the Senate **SB 487**, with the information the House has passed the same with amendments in which the concurrence of the Senate is requested.

The PRESIDENT. Pursuant to Senate Rule 13(c)(2)(i), the bill will be referred to the Committee on Rules and Executive Nominations.

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 88, HB 501, HB 762, HB 972, HB 1071 and HB 1276**.

HOUSE CONCURS IN SENATE BILLS

The Clerk of the House of Representatives returned to the Senate **SB 329, SB 812, SB 813, SB 814, SB 815, SB 816, SB**

817, SB 818, SB 819 and SB 820, with the information the House has passed the same without amendments.

APPOINTMENT BY THE MINORITY LEADER

The PRESIDENT. The Chair wishes to announce the Minority Leader has made the following appointment:

Mr. Alan C. Kessler as a member of the Pennsylvania Intergovernmental Cooperation Authority.

BILLS SIGNED

The PRESIDENT (Lieutenant Governor Mike Stack) in the presence of the Senate signed the following bills:

SB 329, SB 812, SB 813, SB 814, SB 815, SB 816, SB 817, SB 818, SB 819, SB 820, HB 88, HB 164, HB 501, HB 762, HB 972, HB 1071 and HB 1276.

RECESS

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

Senator CORMAN. Mr. President, I move that the Senate do now recess until Monday, September 21, 2015, at 1 p.m., unless sooner recalled by the President pro tempore.

The motion was agreed to by voice vote.

The Senate recessed at 9:22 p.m., Eastern Daylight Saving Time.