



**BILL ANALYSIS -- FISCAL CODE
HB 1348 PN 1932
June 25, 2021**

Prepared by the staff of the House Appropriations Committee

Brief Summary

HB 1348 amends the Fiscal Code with substantive language implementing the General Appropriation Act of 2021, and it makes other amendments to the Fiscal Code.

Analysis of the Bill

THE FOLLOWING PARAGRAPHS CHANGE, ADD, OR REPEAL PERMANENT SECTIONS OF THE FISCAL CODE:

Transfer of Federal Funds

Section 111-C requires federal funds received by the commonwealth under the American Rescue Plan Act's State Fiscal Recovery Fund, **except for amounts specifically appropriated within the General Appropriations Act**, to be transferred to the General Fund for fiscal years after June 30, 2022 (starting in the 2022/23 fiscal year.

Annual transfers shall be made on specific dates, and are capped at the amount allowable under federal law.

School Emergency Relief

Section 143-C provides for the distribution of \$350 million in semi-restricted state-directed ARP ESSER funds (the American Rescue Plan Act's Elementary and Secondary School Emergency Relief).

- The following funds are distributed to school districts, charter schools, and cyber charter schools proportionally based upon the each school's share of federal Title I, Part A funding
 - \$250 million for learning loss
 - \$50 million for summer enrichment
 - \$50 million for after-school programs
- These funds must be used in a supplementary capacity to implement evidence-based interventions in response to the academic, social, emotional, and mental health needs of students.
- These funds will not lapse and must be utilized by September 30, 2024.
- When available, existing personnel shall be utilized by schools to staff the programs and activities established with these grant funds.
- School districts, charter schools, and cyber charter schools must submit a plan to PDE that outlines the proposed use of the grant money, including a narrative outlining the expected benefit of each program.
 - Minimum requirements of funds: 30% to address the social, emotional, and mental health needs of students; 10% to provide professional development and technical assistance to staff to address the social, emotional, and mental health needs of students; 8% to address reading remediation and improvement for students.
- PDE will submit a final report to the Appropriations and Education Committees by November 1, 2025. The report will include details on the use of funds and an analysis of the academic improvements resulting from programs funded through these grants.

Section 144-C provides for the distribution of \$136 million in discretionary state-directed ARP ESSER funds (the American Rescue Plan Act's Elementary and Secondary School Emergency Relief) for emergency relief to other educational entities. These funds will not lapse and must be utilized by September 30, 2024.

- \$43.5 million for Area Career and Technical Schools

- Prorated based upon each school's share of the state career and technical education subsidy
- \$15 million for Approved Private Schools, Chartered Schools for the Deaf and Blind, and Private Residential Rehabilitative Institutions
 - Prorated based upon enrollment
- \$43.5 million for Intermediate Units
 - Prorated based upon enrollment and market value personal income aid ratio.
- \$14 million for additional targeted support and improvement schools (A-TSI)
 - Prorated based upon enrollment
- \$20 million for educational programs for neglected, delinquent and at-risk youth
 - Prorated based upon share of federal Title I, Part D funding

Section 145-C sets parameters for the administration of the \$153 million in Emergency Assistance to Nonpublic Schools (EANS) funding from the American Rescue Plan.

- PDE must provide a notice and application within 30 days of receiving the federal funds; PDE must approve or deny an application within 30 days after receipt; PDE cannot add criteria beyond what is in the federal law; PDE must submit an interim and final report detailing the amount and use of the awards

Section 146-C distributes the \$4.79 million in COVID Relief - ARP - IMLS (Institute of Museum and Library Services) for library assistance. Each library that receives commonwealth funding will receive an equal share of \$890,000 and \$3.81 million will be divided proportionally based upon each library's share of the state Public Library Subsidy. Finally, the State Library is allocated \$86,000 for administration.

Section 147-C describes the non-lapsing \$14 million appropriated to PDE for administrative costs related to managing, overseeing, and meeting the reporting requirements of the emergency funding provided through the American Rescue Plan Act.

Community-Based Health Care Centers COVID Relief

Section 150-C extends the permissible dates previously appropriated CARES Act funds may be utilized by Community Based Health Care Centers from November 30, 2020, to December 31, 2021, as well as, excludes the funds from lapsing back to the COVID-19 Response Restricted Account and subsequently being appropriated to the Department of Corrections.

Department of Human Services COVID Relief

Section 160-C provides \$282 million in COVID Relief funding for the Long-Term Living programs.

- \$247 million for nonpublic and county nursing facilities
 - \$198 million distributed based on medical assistance days
 - \$49 million distributed based on licensed beds
- \$5 million for a long-term care facility grant program for indoor air management strategies
 - Grants awarded by the Department of Human Services may not exceed \$15,000 per facility
 - Long-term care facilities include nursing facilities, assisted living residences and personal care homes
- \$30 million for assisted living residences and personal care homes
 - \$27 million distributed based on occupancy
 - \$3 million distributed based on SSI residents

Extends the permissible dates previously appropriated CARES Act funds may be utilized by DHS grantees from November 30, 2020, to December 31, 2021, as well as, excludes the funds from lapsing back to the COVID-19 Response Restricted Account and subsequently being appropriated to the Department of Corrections.

Pennsylvania Housing Finance Agency

Section 194-C establishes a Construction Cost Relief Program to support the production of developments by addressing financial deficiencies directly attributed to the effects of the COVID-19 pandemic.

An affordable multi-family rental development may be eligible for an award if all of the following apply:



- Has received a low- income housing tax credit during the 2019, 2020 or 2021 application cycle;
- Has not received a certificate of occupancy for each unit within the development;
- Has experienced a cost increase related to construction material pricing or has experienced a loss in equity investment as a direct result of conditions arising due to the effects of the COVID-19 pandemic, which further jeopardized completion of the project.

Rental and Utility Assistance Grant Program

Section 102-D prohibits the counties from placing any stipulations, restrictions, or limitations on assistance or program eligibility that are in addition to Federal law, Federal guidance, or state law. It also repeals the 5 percent limitation on administration costs applicable to counties.

Section 103-D amends Department of Human Services (DHS) reporting requirements to reflect the program end date extension passed in the American Rescue Plan Act. By December 20, 2022, or 90 days after any updated federal deadline for the use of funds for emergency rental assistance, whichever is later, DHS must issue a report to the chairperson and minority chairperson of the Appropriations Committee of the Senate and House of Representatives.

Section 105-D amends the county reporting requirements as it relates to reallocation of funds to reflect the program end date extension passed in the American Rescue Plan Act.

- Before July 31, 2021, counties must certify the following information to DHS:
 - The percentage of its grant funds that have been obligated;
 - The amount of funding that is expected to be obligated for the period of August 1, 2021 through September 20, 2022, or as of any updated Federal deadline for the use of funds for emergency rental assistance, whichever is later; and
 - Projections of any excess funding or a funding shortfall through September 20, 2022, or as of any updated Federal deadline for the use of funds for emergency rental assistance, whichever is later.
- If DHS determines that excess funds will remain on September 20, 2022, the department may recoup and reallocate the excess funding to other counties that have demonstrated a funding shortfall.
- If the Commonwealth receives an additional allocation from the federal government, as a result of other states that have not met their threshold under federal law, DHS must distribute the additional funds to eligible counties by September 30, 2021.

American Rescue Plan Rental and Utility Assistance Grant Program

Article I-E creates the American Rescue Plan Rental and Utility Assistance Grant Program within the Department of Human Services (DHS) that very closely aligns with the Emergency Rental and Utility Assistance Program created in Act 1 of 2021. Major program differences include:

- The definition of utilities does not exclude internet, which is in alignment with the federal legislation,
- Counties may use up to 10% of the funds for housing stability services and up to 15% of the funds for administrative costs,
- Language is included that applicants may self-certify income eligibility, to the extent permitted by Federal law or guidance,
- Aligns final reporting with the end date of the federal funding availability, and
- Counties must certify beginning January 1, 2022, the percent of funds obligated and any projected excess funding or funding shortfall.

Homeowners Assistance Grant Program

Article I-F establishes the Homeowner Assistance Grant Program within the Pennsylvania Housing Finance Agency. The program may provide the following services to eligible individuals:

- Mortgage payment assistance;
- Financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing related costs related to a period of forbearance, delinquency or default;
- Principal reduction;
- Facilitating interest rate reductions;



- Payment assistance, including:
 - Utilities
 - Internet service, including broadband internet access service
 - Insurance (includes homeowner's insurance, food insurance and mortgage insurance)
 - Fees (Includes homeowner's association fees, condominium association fees and common charges, including liens related to those fees)
- Any other assistance to promote housing stability for homeowners (including preventing mortgage delinquency, default, foreclosure, post foreclosure eviction or ejection of a homeowner, or the loss of utility or home energy services);
- Any other housing related purpose allowed by Federal law or guidance.

Associated administrative expenses may not exceed 10% of the grant funds received by the agency.

No later than August 31, 2021 or 60 days after any updated federal deadline, whichever is later, the agency must transmit a plan including the following information:

- Homeowner needs and engagement, including data driven assessment of homeowner needs and evidence of public participation and community engagement;
- Program design, including program description, methods for targeting funding, best practices and coordination with other participants;
- Performance goals;
- Readiness, including staffing and systems, contracts and partnerships and existing and pilot programs;
- Budget.

Reporting- The agency must prepare and submit quarterly reports. The agency must appear before the Urban Affairs and Housing Committee of the Senate and the Urban Affairs Committee of the House of Representatives quarterly to discuss the report submitted. Before September 30, 2025, the agency must issue a final report.

Water Assistance Program

Article I-G establishes the Water Assistance Program within the Department of Human Services (DHS) to provide water assistance to eligible individuals from funding provided for in the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act.

DHS is responsible to implement and administer the program in consultation with PENNVEST and the Department of Environment Protection, as well as, in accordance with Federal law and guidance. DHS must also ensure that assistance is made available to all geographic areas of the Commonwealth. Finally, DHS is required to provide quarterly, cumulative, and final reporting on funding and application adjudications broken down by demographic, geographic, and income information.

Child Care Stabilization Program

Article I-H creates the Child Care Stabilization Program in the Department of Human Services. The program will be funded by \$728.86 million from the American Rescue Plan Act. DHS is instructed to provide grants, on a rolling basis, to qualified child care providers for their operating costs until either funding is exhausted or the federal deadline for the use of the funding has been reached.

Qualified providers must be either 1) certified by DHS as a child day care center, group child day care home, or family child care home, or 2) be a relative provider participating in the subsidized child care program as of March 11, 2021. Certified providers must also, on the date of their application, be either open and available to provide care or be temporarily closed due to public health, financial hardship, or other COVID-19 pandemic related reason.

Awarded grants may be used by qualified providers for the following eligible purposes in accordance with Federal law and guidelines:

- Personnel costs, including salaries, benefits, premium pay, and costs related to recruitment and retention
- Rent, payment against a mortgage obligation, utilities, facility maintenance or improvement, and insurance



- Personal protective equipment, cleaning and sanitation supplies and services, and health and safety practices
- Equipment and supply purchases to respond to the COVID-19 pandemic
- Goods or services necessary to maintain or resume childcare services
- Mental health supports for children and employees

DHS has several responsibilities outlined in the article, including: developing a program application; approve or deny applications within 30 days of receipt; provide additional program funding to providers serving infants and toddlers; distribute funds within 30 days of application approval; limit their own use of administrative funds to 10 percent; and, provide incremental reporting to the House and Senate Appropriations Committee Chairpersons.

Records Related to Tax Collection

Section 731 adds confidentiality protection regarding the identity of persons and corporations receiving tax credits or revenue transfers in economic development or improvement zones, as well as the amount of refunds or credits, to the current protection of taxpayer information.

Oil & Gas Lease Fund transfer to Marcellus Legacy Fund

Section 1601.2-E eliminates the Oil & Gas Lease Fund transfer to Marcellus Legacy Fund and then to Environmental Stewardship Fund for the 2021/22 fiscal year.

Angel Investment Venture Capital Program

Article XVI-P establishes a new grant program to encourage early-stage financing of small enterprises involved in the commercialization of new technologies which will be beneficial to economic growth in the commonwealth. The program will be administered by the governor's office and will be initially financed by a transfer of \$5 million from the Building Pennsylvania Program account to a new restricted account in the General Fund named the Angel Investment Venture Capital Account.

- Eligibility - Business ventures eligible for grants must have fewer than 100 employees, at least 51 percent of whom must be employed in the commonwealth. Eligible ventures may not have been in operation for five or more years and may not have received more than \$2 million in private equity investments, not more than \$1 million of which may have been provided by a single investor.
- Restrictions - Business ventures eligible for grants may not be engaged in the following industries:
 - Real estate or real estate development
 - Insurance
 - Professional services provided by accountants, lawyers, or physicians
 - Retail sales, unless directed to the development or support of electronic commerce
- Reporting - The governor's office must prepare a report listing all approved grants, including the name and address of the recipient, a description of the project for which the grant was awarded, and the amount of the grant. The report must be submitted to the chairperson and minority chairperson of the Appropriations Committees of both the Senate and the House of Representatives.

(new)

Transportation Pilot Program

Article XVI-Q establishes electric low-speed scooter pilot program. The pilot program may only be operated:

- On a pedal-cycle lane on a roadway;
- On a pedal-cycle path within a city of the second class under micro-mobility pilot project;
- Other places of operation may be authorized by executive order, after consultation with property owner.

A micro-mobility project may be authorized through an executive order issued in a city of the second class, and which provides a limited fleet of electric low-speed scooters. An individual operating an electric low-speed scooter shall be granted the rights and shall be subject to all of the duties applicable to operation of pedal-cycles (under 75 Pa.C.S. Ch. 35).



No individual under 16 years of age may operate an electric low-speed scooter, unless authorized by local ordinance. No commercial electric scooter enterprise may rent an electric low-speed scooter to an individual under the age of 16.

An electric low-speed scooter may not be operated on a pedal-cycle lane on a highway or on a roadway or a pedal-cycle path at a speed greater than 15 miles-per-hour. To operate between sunset and sunrise an electric low-speed scooter shall be equipped with a front lamp emitting white light, a red lamp facing the rear, and a lamp worn by the operator.

The operation of an electric low-speed scooter is prohibited on a highway or on a freeway or a street with a posted speed limit of 35 miles-per-hour or more.

A city of the second class may adopt an ordinance/regulation/policy for the safety, operation, and management of electric low-speed scooters.

A reasonable exercise of police power is presumed to regulate the use of electric low-speed scooters. Electric low-speed scooters shall not be required to comply with certificate of title or vehicle registration requirements. Electric low-speed scooters shall not be construed as a motor vehicle.

Within 60 days prior to the expiration of the micro-mobility pilot program, a city of the second class shall prepare a report, in coordination with PennDOT. The report shall:

- Include number of:
 - Rides
 - Incidents
 - Frequency of use
- Be submitted to the majority and minority chairperson of the Transportation Committee of the Senate
- Be submitted to the majority and minority chairperson of the Transportation Committee of the House of Representatives.

A city of the second class shall require financial responsibility to include as follows:

- Commercial electric scooter enterprise shall maintain insurance that is in effect for the duration of the micro-mobility pilot project. Insurance shall include:
 - Commercial general liability insurance coverage with a limit of at least \$2 million each occurrence and \$2 million aggregate;
 - Automobile insurance coverage with a limit of at least \$1 million each occurrence and \$1 million aggregate;
 - When the scooter-share ride operator employs an individual, workers' compensation coverage of no less than required by law.
- Commercial electric scooter enterprise shall provide proof of insurance coverage to the city
- In addition to any fines that may be imposed, city may impose a civil penalty on commercial electric scooter enterprise that does not provide insurance as required, with the amount not to exceed \$1,000 per day that enterprise is operated without insurance

The electric low-speed scooter pilot program shall expire two years after the effective date of this section.

Rainy Day Fund

Section 1702-A requires that 100% of the 2020/21 General Fund surplus certified by the Secretary of the Budget shall be deposited into the Budget Stabilization Reserve Fund, also known as the Rainy Day Fund, instead of the normal 25% deposit.

State Workers' Insurance Board

Section 1732-A extends the State Workers' Insurance Fund investment authority until December 31, 2025.

Tobacco Settlement Fund

Article XVII-A.1 addresses the debt service payments related to the commonwealth's 2018 securitization of future revenues from the Tobacco Master Settlement Agreement (MSA). Act 43 of 2017 authorized the governor



to issue bonds totaling \$1.5 billion backed by future revenues from the MSA. The act established procedures for the resulting debt payments which allowed for repayment either from MSA revenues or tax revenues.

Section 1712-A.1 requires that MSA revenues sufficient to make annual debt service payments must be deposited into the debt service account established by Act 43. Subsection 2(ii) requires that for the 2021/22 fiscal year, revenues equal to the debt service amount will be transferred from cigarette tax revenues and deposited into the Tobacco Settlement Fund.

Section 1713-A.1 specifies how MSA revenues are to be distributed each fiscal year. The 2021/22 formula is unchanged from the 2020/21 formula at the primary allocation level, **however, new sub-allocations have been added:**

- Tobacco Use Prevention and Cessation – 4.5%
- Health and Related Research – 12.6%
 - 70% to National Institute of Health grantees, formula-based
 - 30% net (NEW- previously determined by the Secretary of Health, in conjunction with Health Research Advisory Committee)
 - \$1 million for spinal cord injury research (NEW)
 - Net
 - 75% for pediatric cancer research (NEW)
 - 25% for capital and equipment grants to entities engaging in biotechnology research (NEW)
- Health and Related Research (National Cancer Institute grantees, formula-based) - 1%
- Uncompensated Care – 8.18%
- Medical Assistance for Workers with Disabilities (MAWD) – 30%
- Other Health-Related Purposes – 43.72%

Race Horse Development Fund

For FY 2021/22, Section 1723-A.1 authorizes the transfer of \$19.659 million from the PA Racehorse Development Fund for disbursement to the Animal Health Commission, the Pennsylvania Veterinary Laboratory System, Pennsylvania Fairs, and the State Farm Products Show Fund.

For FY 2021/22, \$10.066 million will be transferred from the PA Racehorse Development Fund to the State Racing Fund to cover costs of enforcement of equine medication rules testing.

Opioid Settlement Restricted Account

Article XVII-A.1, Subarticle J establishes the Opioid Settlement Restricted Account. Money received by a state agency as a result of a legal action relating to opioids will be deposited into the account. Monies in the account may then only be used upon appropriation by the General Assembly.

THE FOLLOWING PARAGRAPHS RELATE TO IMPLEMENTATION OF THE GENERAL APPROPRIATION ACT OF 2021:

Section 1702-B includes certain definitions, including defining ‘Most recent Federal decennial census’ as the Federal decennial census for which final population figures were published as of the first day of the calendar year in which this article is enacted. Therefore, the 2010 census will be used when referenced by implementation language within the bill.

Section 1703-B specifies that throughout the General Appropriation Act of 2021 any reference to the Department of Criminal Justice shall be deemed a reference to either the Department of Corrections or the Pennsylvania Board of Probation and Parole. This language is necessary because the proposed merger of the two departments has still not been codified even though many department functions have been combined and some appropriations language is written as if the departments have been fully merged.



Section 1704-B specifies that for the purposes of this article, a reference to the classification of a county, city, borough or township shall be deemed to be a reference to the classification of such as of the effective date of this section. This language is necessary because of the potential change in classifications based on the most recent Federal decennial census during the fiscal year.

Pennsylvania Commission on Crime and Delinquency

Section 1712-B makes several earmarks to appropriations made to the Pennsylvania Commission on Crime and Delinquency.

Subsection 1 specifies that funds appropriated for intermediate punishment treatment programs shall be distributed competitively to counties. It further specifies that at least 80% will be used for drug and alcohol and mental health treatment programs. This language is unchanged from 2018/19. (same)

Subsection 2 requires that of funds appropriated to PCCD, no less than the amount used in 2014/15 be spent on the Statewide Automated Victim Information and Notification System (SAVIN) and for a residential treatment facility for at-risk youth in a county of the fifth class. It further requires that \$400,000 be allocated for an innovative police data sharing system and that \$400,000 be allocated to a diversion program for first-time nonviolent offenders. (same) It also requires that \$250,000 be allocated for the duties of the Judicial Computer System Financial Audit Committee. (new)

Subsection 3 requires that of funds appropriated to PCCD, no less than \$1.5 million be made available for a pilot program in Philadelphia and Allegheny County to hire additional assistant district attorneys designated as a Special United States Attorneys as part of the Project Safe Neighborhoods program to exclusively prosecute certain firearms crimes. (new)

Subsection 4 stipulates that of funds appropriated for violence and delinquency prevention program, no less than the amounts in 2014/15 shall be used for programs in a city of the second class, and for blueprint mentoring programs addressing you violence in cities of the first, second, and third class. Cities of the second and third class will also receive a proportional share of \$50,000. (same)

Subsection 5 stipulates that funds appropriated for violence intervention and prevention must be used to provide grants and technical assistance to programs and organizations to reduce community-based violence. (new)

Auditor General

Section 1715-B mandates that \$500,000 of any funds appropriated to the auditor general for special financial audits - which amounts to the entire appropriation for the 2021/22 fiscal year - must be used to audit entities that receive funds from the Department of Human Services through its appropriations for:

- Medical Assistance - Capitation
- Medical Assistance - Community HealthChoices
- Medical Assistance - Long-term Care
- Mental Health Services
- Intellectual Disabilities - Community Waiver Program
(same)

Department of Agriculture

Section 1718-B directs money appropriated for General Government Operations shall be transferred to the Dog Law Restricted Account at no less than 2014/15 spending levels.

From General Government Operations, at least \$250,000 shall be used for Commission of Agricultural Education Excellence to assist in development and implementation of agricultural education programming.

From money appropriated for Agricultural Research:

- No less than \$300,000 shall be used for agricultural research center



- No less than \$100,000 shall be used for agricultural law research in conjunction with a land-grant university

From Agricultural Promotion, Education, and Exports \$250,000 shall be used for hemp farming expansion, program development, and outreach.

From Hardwoods Research and Promotion, at least 80 percent will be equally distributed among hardwood utilization groups.

Money appropriated for the Animal Health & Diagnostic Commission shall be equally distributed to animal diagnostic system laboratory system laboratories at a land grant university and at a school of veterinary medicine.

Money appropriated for Livestock & Consumer Health Protection shall be used for IT projects, equipment acquisition, and maintenance within:

- Bureau of Animal Health & Diagnostic Services
- Bureau of Food Safety & Laboratory Services

Department of Community and Economic Development

Section 1719-B contains a number of provisions related to the implementation of the department's FY 2021/22 appropriations.

For funds appropriated for the GGO, at least \$1.2 million is directed to support a manufacturing technology development effort and to assist PA small businesses with enhanced cyber security in Cambria county.

For funds appropriated for Marketing to Attract Tourists, \$4.054 million is reserved for the core mission of DCED's tourism office. The remaining funds are allocated for arts and cultural activities that generate statewide and regional economic impact. \$500,000 is included for a statewide Special Olympics competition in a county of the fourth class. (same)

DCED is instructed to reserve \$6,357,000 in Keystone Communities funds to support Main Street, Elm Street, Enterprise Zone, and accessible housing programs in the same proportion as fiscal year 2012/13. The remaining funding shall be used for projects supporting economic growth community development and municipal assistance throughout the Commonwealth. (same)

Funds appropriated for local municipal emergency relief shall provide assistance to persons or political subdivisions directly affected by disasters or public safety emergencies that do not qualify for federal assistance. Grants will be available for reimbursement when an area is not covered under the Presidential disaster declaration or DCED determines a public safety emergency has occurred. (same)

Up to 3% of the funds allocated from the Community Development Block Grant Entitlement Program for Nonurban Counties and Certain Other Municipalities can be used for administrative costs. (same)

No less than \$8 million of the funding appropriated for PA First must be reserved to support the Workforce and Economic Development Network of Pennsylvania (WEDnetPA). (New)

Lastly, from the funding appropriated for the Office of International Business Development, the Department must reopen and maintain the PA Office of Trade and Investment in Taiwan. This office must be reopened no later than March 31, 2022 (New)

Department of Corrections

Section 1721-B requires that \$1.75 million of the funds appropriated for the general operations of the Department of Criminal Justice must be used for non-narcotic medication assisted substance use disorder treatment. (same)

Department of Education

Section 1722-B directs a portion of the allocation for adult and family literacy programs to go to after-school learning programs servicing low-income students located in a county of the sixth class and a county of the third class. (same)



Section 1722-B requires the Pre-K Counts per-student grant award to be paid at the same rate as in 2019/20. (same)

Section 1722-B states that the appropriation for pupil transportation may not be redirected for any purpose. (new)

Section 1722-B stipulates that the balance of the funds appropriated for PA Charter Schools for the Deaf and Blind after all tuition costs have been paid shall be distributed pro rata based on increased pension costs. Additionally, the four schools will equally share a \$500,000 set-aside for deferred maintenance and capital-related costs. (same)

Section 1722-B provides for an allocation to approved private schools from funds set aside for extraordinary special education expenses. It also ensures an allocation equal to the 2015/16 amount for a certain approved private school (same). This amount will be considered part of the base allocation for 2022/23 (new).

The bill provides for the distribution of funds for regional community college services and community education councils based on funding received in 2019/20. (same)

Section 1722-B prohibits charter schools, regional charter schools, or cyber charter schools from receiving funds appropriated for PSERS or Social Security and Medicare contributions. (same)

Department of General Services

Section 1724-B requires money appropriated for capitol fire protection shall be used by the City of Harrisburg to support the provisions of fire services to the Capitol complex. (same)

Department of Health

Section 1725-B includes a number of provisions regarding the implementation of the department's 2021/22 appropriations.

From funds appropriated for general government operations, sufficient funds are included for the coordination of donated dental services. (existing)

From funds appropriated for diabetes programs, \$100,000 is to be used for Type I diabetes awareness, education, and outreach. (existing)

From funds appropriated for adult cystic fibrosis and other chronic respiratory diseases, no less than the amount provided in 2014/15 is to be used for a program promoting cystic fibrosis research in Allegheny County and research related to childhood cystic fibrosis in Philadelphia. (existing)

From funds appropriated for Lyme disease, \$750,000 is to be used for costs related to free tick testing for residents performed in conjunction with a PASSHE school. (increase)

Funds appropriated for lupus programs are to be distributed in the same proportion as 2018/19. (existing)

Biotechnology research includes allocations for regenerative medicine research, regenerative medicine medical technology, hepatitis and viral research, drug research and clinical trials related to cancer, pulmonary embolism and deep vein thrombosis, genetic and molecular disease research, vaccine immune response diagnostics, nanotechnology, and the commercialization of applied research. (expanded for vaccine immune response diagnostics)

From funds appropriated for leukemia and lymphoma, \$200,000 is to be allocated to a branch of an eastern Pennsylvania chapter of a nonprofit organization whose mission aligns with the issue. (existing)

Funds appropriated for hemophilia, sickle cell anemia, Cooley's anemia, and children with special needs are to be distributed in the same proportion as in 2019/20. (existing)

Department of Labor and Industry

Section 1727-B allocates funds from Industry Partnerships for a workforce development program for veterans in Delaware County. (existing)



Department of Human Services

Section 1729-B contains provisions related to the implementation of the department's 2021/22 budget.

The section includes the following provisions for Medical Assistance (MA):

- Community Access Fund payments to hospitals shall be distributed using the 2014/15 formula -- if total funding is less than 2014/15, payments shall be made on a pro rata basis. (existing)
- Money appropriated for fee-for-services used for Select Plan for Women's Preventive Health Services shall be used for women's medical services, including noninvasive contraception supplies. (existing)
- Mandates separate MA fee-for-service payments to hospitals for healthy newborn care and a mother's obstetrical delivery. (existing)
- From the MA fee-for-service appropriation:
 - No less than the amount in 2017/18 for cleft palates and other craniofacial anomalies (existing)
 - No less than \$800,000 to a hospital in Philadelphia for clinical ophthalmologic services (existing)
 - No less than \$500,000 for improvements to an acute care hospital in Philadelphia (increase)
 - No less than \$2.5 million to a hospital in Delaware county (decrease)
 - No less than \$2 million to a university in Philadelphia to expand research and treatment protocols for combating opioid addiction (existing)
 - No less than \$1.85 million to a Pittsburgh outpatient therapy provider that provides behavioral health and medical rehabilitation pediatric outpatient services (existing)
 - No less than \$2.5 million to an acute care hospital in Greensburg, Westmoreland County (new)
 - Removes \$250,000 to an acute care hospital in Lehigh county
- From the MA capitation appropriation:
 - No less than the amount used in 2014/15 amount shall be used for the prevention and treatment of depression in older Pennsylvanians in a second class county. (existing)
 - Pediatric shift nursing fee schedule increase of \$5 per hour effective January 1, 2022 (new)
- From the Medical Assistance long-term living appropriation, funding is maintained at the 2020/21 levels with the exception of removing \$351,000 for a special rehab from a 1st Class County. (changed)
- Qualifying physician practice plans funding is maintained at the 2019/20 levels. (existing)
- Qualifying academic medical centers funding is maintained at the 2019/20 levels. (existing)
- Funds appropriated for trauma center payments that are not used for payments to level III trauma centers shall be used for payments to hospitals qualifying as Level I or II trauma centers. (existing)
- Funds allocated for Medical Assistance transportation shall be the payment of last resort. (existing)
- Provides \$16 million for Medical Assistance day-one incentive payments to qualified nonpublic nursing facilities. (existing)
- Allows for the department to adjust - with federal approval - premiums for the Medical Assistance for Workers with Disabilities (MAWD) program. (existing)

Subsection 1 requires that from funds appropriated for mental health services (or federal funds) \$580,000 must be utilized to maintain an existing web portal that provides comprehensive referral services for mental health or substance abuse issues and to expand that portal to include resources targeting military veterans and their families. Subsection 2 requires that from funds appropriated for mental health services, \$100,000 shall be used to expand services at a pediatric mental health hospital and an adolescent residential treatment program in a county of the third class. (existing)

Subsection 4 stipulates that funds appropriated for breast cancer screening may be used for women's medical services that include noninvasive contraceptives. (existing)



Subsection 5 states that funds appropriated for women's service programs grants to nonprofit agencies which promote childbirth and alternatives to abortion shall be expended to provide services until childbirth and for up to 12 months thereafter. It also specifies that TANF Block Grant funds for Alternatives to Abortion shall be utilized for services to women with incomes below 185% of the federal poverty line. (existing)

Subsection 6 outlines, that from autism intervention, funding is maintained at the 2019/20 amounts to six entities as specified in the bill. (existing)

Subsection 7 specifies that funds appropriated to community-based family centers may not be considered as part of the base calculation for the county child welfare needs-based budget. (existing)

Subsection 8 requires that of funds appropriated for 2-1-1 communications, \$750,000 must be allocated for a statewide 2-1-1 system grant program. (existing)

Subsection 9 mandates that from funds appropriated for blind and visual services, \$2.584 million shall be allocated to a statewide professional services provider association and \$518,000 to provide specialized services for the blind in Philadelphia. (existing)

Subsection 11 applies federal rules on service eligibility and provider reporting requirements relating to ineligible residents. (existing)

Subsection 12 requires DHS to offer 2021/22 grants to each 2019/20 PA WorkWear grantee under substantially similar terms as previous grants, unless both parties agree to alternate terms. (amended)

Subsection 13 requires the DHS Secretary to report quarterly to the Secretary of the Budget, the chairpersons of Senate Appropriations Committee, and the chairpersons of the House Appropriations Committee on 11 state appropriations and their related federal appropriations. Reporting is to be in person and include caseload, costs, revised budget projections, and calculations of estimated supplemental funding needs. In the cases of estimated supplemental funding needs, the DHS Secretary will need to provide detailed written explanation of the reason for the change. (new)

Subsection 14 requires DHS to submit a Medicaid state plan amendment to permit supplemental rebate agreements with pharmaceutical manufacturers allowing for outcome-based payments. (new)

Subsection 15 prohibits DHS from adding non-medically necessary services to the Medical Assistance program that would require supplemental funding. Rather, all proposed services are to be outlined in the Governor's Executive Budget or subsequent written updates to the General Assembly. (new)

Department of Transportation

Section 1732-B provides \$1.9 million for costs related to capital equipment for a rural transit service.

- No later than September 30, 2021 the department shall issue a report containing: (new)
 - List of routes between the northern most point of Interstate Route I - 99 in the Commonwealth and southernmost point of said route in New York State;
 - Summary of issues related to the designation of the route as Interstate Route I - 99, which did not meet the standards for designation;
 - A date by which the Department expects to submit application to the Federal Highway Administration for the designation of the remaining portions of Interstate Route I - 99.
 - Report shall be submitted to:
 - Majority and Minority chairpersons of the Senate Transportation Committee;
 - Majority and Minority chairpersons of the House Transportation Committee;
 - Each member of the Senate or House of Representatives who represents an area that includes the route.

Restricted receipts accounts created for Capital Assistance Elderly and Handicapped Programs, Railroad Rehabilitation and Improvement Assistance, and Ridesharing/Van Pool Program - Acquisition. (typical)



Pennsylvania Emergency Management Agency

Section 1735-B requires that appropriations for search and rescue programs shall support training service dogs for rescue and public safety. (same)

In addition, the State Fire Commissioner will use a portion of appropriated funding to:

- Fund a statewide recruitment and retention coordinator,
- Fund regional technical advisors to help implement recruitment and retention training programs
- Provide technical assistance to local fire organizations and local governments
(new)

State Related Universities

Section 1737.1-B requires the state-related universities (Penn State University, the University of Pittsburgh, Temple University and Lincoln University) to use their appropriations only for costs directly related to the provision of instruction for graduate and undergraduate students, to provide student-related services and community outreach services, consistent with the existing laws of the commonwealth. (new)

Similar language was included in the University of Pittsburgh's non-preferred appropriations bill starting in 2019/20. The language in this section would apply to all four universities.

Pennsylvania Higher Education Assistance Agency

Section 1738-B requires that PHEAA will allocate \$500,000 for the Cheyney Keystone Academy from the Higher Education Assistance Fund and \$1 million will be allocated to Mansfield University for merit scholarships. (same)

2021-2022 Restrictions on Appropriations:

The bill provides for several limitations on funds and restricted receipt accounts.

Section 1702-C stipulates again this year that Lottery Fund revenue appropriated for PENNCARE shall not be utilized for administrative costs by the Department of Aging.

Section 1720-C provides that for calendar year 2021, the Department of Agriculture shall award grants from the Pennsylvania fairs to county agricultural society/independent agricultural society/other organizations whose agricultural fair was cancelled in 2020. The amount of the grant awarded shall be the same amount that the county agricultural society/independent agricultural society/other organizations received in the prior calendar year.

Section 1725-C stipulates that the Department of Agriculture must use money deposited in the Pennsylvania Preferred Trademark Licensing Fund to promote the funding objectives of the fund through grants awarded.

Restricted Receipt Accounts:

Section 1726-C allows the Secretary to create restricted receipt accounts for the purpose of administering federal grants *only for the purposes designated in this section*.

Fund Transfers

The bill transfers \$12.289 million from Personal Income Tax revenues to the Environmental Stewardship Fund.

The \$15 million transfer from Judicial Computer System Augmentation Account into the School Safety and Security Fund does not apply to the 2021/22 fiscal year.

Payments to School Districts

Section 1722-E incorporates and provides funding for the "Level Up" proposal (HB1167).

The Level Up proposal distributes \$100 million among 100 qualifying school districts (PA has 500 school districts) for 2021/22 as part of the basic education funding. These payments will become part of base allocation of basic education funding in 2022/23 and thereafter. A qualifying school district has an expenditure per selected weighted student that is less than the amount that represents the 20th percentile for all school districts. The selected weights for this calculation are from the fair funding formulas for basic and special



education and include acute poverty, poverty, concentrated poverty, English Language Learners, charter school students, and the weighted special education student count.

Commonwealth Land Transfers

Section 1724-E stipulates that the Department of General Services provide the House or Senate information on a bill or amendment that would grant or convey Commonwealth lands, take title of lands as Commonwealth lands or transfer or alter easements, covenants, appurtenances to property or other interests in land owned by the Commonwealth.

County Redevelopment Authorities

Section 1724.1-E provides that upon notification to DCED of a debt issuance by a county redevelopment authority, \$3,000,000 annually from the Local Share Account – Luzerne County shall be provided to the county redevelopment authority. These funds will be available each year for a period of 25 years to pay the debt service for projects related to construction, maintenance, and upgrades of public infrastructure in Luzerne County.

Applications for these debt-funded projects shall be made to the county redevelopment authority and are subject to approval by the Commonwealth Financing Authority. Annual payments to the county redevelopment authority shall be made prior to award of any other grants.

For all projects under this section, contractors and subcontractors must demonstrate compliance with Federal, State, and local government license, registration, and certificate requirements, as well as the Workers' Compensation Act, Unemployment Compensation Law, and the Pennsylvania Prevailing Wage Act.

Bureau of Occupational and Industrial Safety Fee Waivers and Refunds for School Entities

Section 1727-E requires the Department of Labor and Industry to waive fees for school districts, intermediate units or career and technical schools.

Upon approval of the governor, the department will issue a refund of certain fees charged by the Bureau of Occupational and Industrial Safety that were paid after June 30, 2020. The department shall submit a report to the chairs of the Appropriations and Labor and Industry Committees of the House and Senate detailing number of applicants receiving a waiver and the total amount of fees waived during the prior fiscal year.

Department of Human Services

Section 1729-E is amended to match fiscal code references to the General Appropriations Act (GAA) appropriation names.

The Section is also updated to allow DHS to transfer federal funds from the Temporary Assistance for Needy Families Block Grant to the Child Care Development Fund Block Grant and to the Social Services Block Grant. The authority is granted to DHS each year in the GAA and is now being transferred to the permanent section of the Fiscal Code.

Multimodal Transportation Fund

Section 1798.3-E extends the Multimodal Transportation Fund local match waiver for municipalities and port authorities to December 31, 2022.

Public Transportation Trust Fund

Section 1798.4-E provides for the ability of municipalities to use federal funding allocated through the American Rescue Plan Act of 2021 for Public Transportation Trust Fund's local operating match requirement, for 2020/21 and 2021/22.

PlanCon

Section 1706-E.2 extends the date for which construction bid awards must be made for a certain cohort of existing PlanCon projects.



Repeals

The bill repeals several previously enacted transfers to the General Fund from special funds, as follows:

- Historical Preservation Fund - \$4 million
- PENNVEST Fund - \$10 million
- PENNVEST Drinking Water Revolving Fund - \$26.5 million
- PENNVEST Water Pollution Control Revolving Fund - \$9 million
- Racing Fund - \$10 million.

Repeals the 10% cap on total grant funds a county redevelopment authority is eligible to receive under 4 Pa.C.S. § 1403(c)(2)(i)(D)(1.2), relating to the Local Share Account – Luzerne County grant program.

Effective Dates:

The section related to confidentiality of tax information shall apply retroactively to January 1, 2016.

The section relating to waiver of Bureau of Occupational and Industrial Safety fees shall apply to fees payable on or after June 30, 2020.

The section repealing the previously enacted transfers to the General Fund from special funds shall apply retroactively to July 1, 2020.

The section repealing the 10% cap on grant funds a county redevelopment authority is eligible to receive shall take effect in 60 days.

The remainder of HB 1348 shall take effect July 1, 2021 or immediately, whichever is later.

