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Below is a summary of key public policy issues impacting the Pittsburgh region's nonprofit sector.

Key stories include:

FEDERAL NEWS

Trump Signs Budget Deal to Raise Spending and Reopen Government

<https://www.nytimes.com/2018/02/08/us/politics/congress-budget-deal-vote.html>

Mnuchin Urges Action on Debt Limit as Congress Seeks to Prevent Another Shutdown Next Week

Treasury Secretary Steven Mnuchin urged Congress to lift the debt-ceiling—the total amount of money that the United States government is authorized to borrow to meet its existing legal obligations—so that the federal government can continue to pay its obligations.

[According to Reuters](#), “In a letter to congressional leaders and key committee chairmen, Mnuchin said the Treasury Department would continue to suspend payments into federal employee retiree, health, and disability funds through Feb. 28. Congress must raise the nation’s debt ceiling to avoid a government default. The nonpartisan Congressional Budget Office [CBO] has estimated that the U.S. Treasury would exhaust its borrowing options and could run out of funds to pay its bills by late March if lawmakers do not act.”

CBO further clarified that the debt limit will need to be raised in early March. [In the report they noted](#), “After incorporating the anticipated effects of recent tax legislation and actual spending and revenue amounts in December into its calculations, CBO now projects the range of possible dates as falling earlier in March.”

This comes at a time when Congress is struggling to find a way to fund the government for fiscal year 2018, which began on Oct. 1, 2017. [According to POLITICO](#), “Doubts are growing on Capitol Hill that Republicans and Democrats can reach a long-term budget deal by Feb. 8, when the government will once again run out of money. Party leaders are already pointing fingers at each other, a discouraging sign for the long-stalled talks that could lead to more short-term funding measures both parties loathe.”

The current continuing resolution funds the government through Feb. 8. Without an agreement, the country would see the government shut down for [the second time in less than a month](#).

Tax-Writers in House Continue Work Post-Tax Reform

On Tuesday, the [House Ways and Means Oversight Subcommittee held a hearing](#) to discuss Committee members’ ideas for [improving “tax administration”](#) by reforming the Internal Revenue Service (IRS). The conversation focused primarily on ways to improve responses to taxpayer questions and embracing new technological advances to bolster cybersecurity capabilities. Many members’ ideas involved ways to improve the existing structure of the IRS, but Reps. Louis Gohmert (R-TX) and Jason Smith (R-MO)—proposed more extreme ideas that involved implementing an entirely new tax-collecting/auditing regime in place of the IRS.

Beyond this hearing, GOP members of the Ways and Means Committee [are scheduled to attend a half-day retreat on Feb. 6](#) to map out their legislative agenda for the remainder of 2018. Given that seven of the 24 Republican Committee members will be leaving Congress at the end of this year (including Rep. Pat Meehan, R-PA, who [recently announced he would not seek reelection](#)), this retreat will provide a sense of what type of follow-up the Republicans on Committee hope to undertake this year with regard to the tax legislation that passed late last year.

Source: Washington Snapshot – February 1, 2018

PA STATE POLICY NEWS

Cohen & Grigsby Public Affairs reminds our membership that the window for Round 2018/1 of the **Redevelopment Assistance Capital Program (RACP)** will be open for 30 days during the period from January 29, 2018 through February 27, 2018.

Grants for site development, land acquisition and construction are available for non-profits, municipalities and private developers. The program requires that projects have a total cost of at least \$1 million and requires a 50% match. Grant amounts typically range from \$250,000 up to \$5 million.

Information regarding the new e-RACP and application submission is available on the RACP website at:

<http://www.budget.pa.gov/Programs/RACP/Pages/Main%20Page.aspx>.

If you need assistance or have questions, please email publicaffairs@cohenlaw.com

Governor Wolf’s Proposed 2018-2019 Budget Overview

The main focus of the Governor's proposed 2018-19 budget is to build upon efforts that are aimed at restoring the state's fiscal health. The 2018-19 budget plan limits base expenditure growth to less than \$685 million, while fully funding new mandated pension contributions of \$275 million. Planned initiatives, totaling \$303 million, will prioritize investments in education, job training, opioid addiction, access to quality child care, and services for individuals with intellectual disabilities and autism.

- The General Fund budget spends \$32.9 billion, an increase of \$989.8 million – or 3.1% over the prior year.
- The budget includes no broad-based tax increases.
- The proposed 2018-19 budget has six overarching themes:
 - Protecting Taxpayers
 - Building a Workforce, Growing the Economy
 - Supporting Opportunities for Women and Families
 - Protecting the Most Vulnerable
 - Keeping Pennsylvania Safe
 - Protecting the Environment

Protecting Taxpayers

- No broad-based tax increases.
- Proposes a modest, price-sensitive severance tax while maintaining the existing impact fee in its current form.
- Proposes business tax reforms to create a more competitive business tax climate, provide certainty, and maximize new business investment.
- Continues efforts to consolidate administrative functions to improve agency coordination and collaboration, eliminate duplicative functions, and increase operational efficiencies.
- Continues GO-TIME (Governor's Office of Transformation, Innovation, Management and Efficiency) efforts. In its first two years, GO-TIME identified nearly 300 projects across state agencies generating more than \$373 million in cumulative savings. New and ongoing projects include: modernizing hiring practices; reducing inmate medical costs; and increasing oil and gas drilling inspections.
- Continues to reform our pension systems by fully funding actuarially required SERS and PSERS contributions and implementing [Act 5 of 2017](#) pension reforms by introducing new hybrid benefit plans for new hires and taking further steps to reduce investment management fees.
- Protects services for older Pennsylvanians by launching new product lines including iLottery games, monitor-based games, and keno to appeal to new and younger players, providing long-term stability for Lottery funded programs, while reducing administrative costs for services that support seniors.

Building a Workforce, Growing the Economy

- Provides an additional \$225 million to improve education for every student across the state, regardless of zip code and further ensure a workforce ready for the 21st century, including: \$100 million for Basic Education Funding, \$20 million for Special Education, \$30 million for Pre-K Counts, \$10 million for Head Start, \$40 million for PAsmart to develop 21st century skills, \$10 million for additional Career and Technical Education, and \$15 million for PASSHE.
- Proposes increasing the minimum wage to \$12 per hour which would reduce net entitlement costs for DHS programs by an estimated \$101 million

annually with net federal savings exceeding \$600 million annually.

- Provides a \$5 million increase for PA First. WEDnet, a workforce development tool providing training to Pennsylvania workers will receive \$8 million.
- Continues \$12 million to fund Manufacturing PA to support the Pennsylvania Manufacturing Training to Career Grant Program, the Pennsylvania Manufacturing Innovation Program, and Pennsylvania's Industrial Resources Centers.

Supporting Opportunities for Women and Families

- Invests \$25 million in state funds, matched with \$5 million in federal funds, to expand access to high-quality child care.
- \$10 million to provide more than 1,600 low-income children and families access to high-quality child care throughout Pennsylvania
- \$10 million in state funds and an additional \$5 million in federal funds to increase STAR 2, 3, and 4-tiered reimbursement rates
- \$3 million to establish a one-year pilot program focused on children under age three
- \$2 million to provide a per family rate increase for services provided through Nurse Family Partnerships and other home visiting models

Protecting the Most Vulnerable

- Proposes the consolidation of the Department of Human Services and the Department of Health into a new Department of Health and Human Services
- Includes \$26.5 million in federal Cures Act funding focused primarily on expanding access to treatment services, \$2 million to expand access to accredited specialty drug courts, and \$4.5 million for home visiting services for families affected by opioid use disorder.
- Provides an additional \$74 million for services for individuals with intellectual disabilities and autism, including \$16 million to enroll an additional 965 individuals to receive services.
- Continues implementing Community HealthChoices to right size our long-term care system and serve more people in the community
- Provides \$2.5 million for education, prevention activities and surveillance of Lyme disease activity.
- Provides \$2.35 million to process additional birth certificates and reduce processing times.

Keeping Pennsylvania Safe

- Provides \$6 million for Pennsylvania State Police pilot program to purchase body worn cameras.
- Provides \$53 million for communication and infrastructure purchases to modernize our Statewide Radio System and comply with federal requirements.
- Invests \$100 million in Motor License Fund revenue targeted for road and bridge construction and maintenance.

Protecting the Environment

- Provides an additional \$2.5 million to the DEP for high-quality, responsive oversight and improved customer service.
- Includes \$1.597 million in new funding to increase Spotted Lanternfly detection, control, and eradication efforts to protect Pennsylvania business and agriculture.

• *Source: Pennsylvania Office of the Budget*

Bill to reduce the size of the PA House, from 203 to 151, amended to include reduction of Senate to 38 members from 50.

A constitutional amendment to reduce the size of the Pennsylvania House of Representatives doesn't appear as though it will be going to the voters as a ballot question anytime soon. [House Bill 153](#) seeks to trim the House from its current 203 members to 151 members; the state Senate would remain at 50 members within the bill. A version of HB153 has already passed the General Assembly last session, meaning passage of the exact same language this session would get the proposed constitutional amendment on the November ballot for voters to decide. On Monday evening, after several amendments were withdrawn, and an effort to inject a redistricting proposal was rejected by a majority of the chamber, the House [voted to adopt an amendment](#) to HB153 that adds to the bill language shrinking the size of the state Senate to 38 members from its current size of 50. If the bill is ultimately adopted in its current amended form by the state Senate, it would restart the process for adopting an amendment to the Pennsylvania Constitution, which, as previously noted, requires a bill to be approved during two consecutive legislative sessions of the General Assembly before it is placed on the ballot as a referendum question for voters to decide. However, the Senate has rebuffed similar attempts during the past few years to reduce its membership, so HB153's future remains unclear once it leaves the House.

*Source: Capitolwire: "Bill to reduce the size of the PA House, from 203 to 151, amended to include reduction of Senate to 38 members from 50."
by Chris Comisac*

Congressional district map vehicle reported out of House committee, but when the next step happens is anyone's guess.

With most members of the committee getting an opportunity to vent about the congressional district map situation – whether they support the state Supreme Court's Jan. 22 order or disagree with it – the state House of Representatives' State Government Committee on Tuesday eventually reported out, on an unanimous vote, a vehicle that might soon contain language drawing a new congressional district map for Pennsylvania.

It's unclear where the General Assembly is within the process of developing a new map that could be amended into [Senate Bill 1034](#). One would expect a new map developed by majority Republicans would attempt to keep current incumbents (remember, only 12 of the 18 districts now have incumbents seeking re-election) in roughly their same locations, and avoid too much disruption to districts that would throw many voters into new districts. However, time is running out for the Legislature to meet the state Supreme Court's Feb. 9 [Friday] deadline for legislators to approve a new map to then be considered by the governor (and approved by Feb. 15, otherwise the court will do its own thing regarding the map).

When a second day of consideration for SB1034 in the House could come is anyone's guess - the House recessed Tuesday evening on a 12-hour call, meaning it's unclear when the House will return to session. The second day of consideration of a bill is normally when legislation can be amended in the House. If new map language isn't ready, the bill's consideration could be delayed. However, to meet a Feb. 9 deadline, that delay couldn't be any later than Thursday, in order to give the House a chance to consider the bill for a third and final day on Friday.

Source: Capitolwire: "Congressional district map vehicle reported out of House

PA Supreme Court's 'opinion to follow' on congressional map finally issued more than 15 days after initial court order.

In what appears to be an expansive interpretation of the court's constitutional authority with regard to elections, the state Supreme Court's Democratic majority issued an opinion Wednesday that applies currently existing Pennsylvania Constitution provisions for state legislative maps to congressional district maps. The 139-page [majority “opinion to follow.”](#) which it has taken the court more than 15 days to provide since issuing its Jan. 22 order that the state's congressional map be redrawn, rests solely on the majority's interpretation of Article I, Section 5 of the Pennsylvania Constitution: “Elections shall be free and equal; and no power, civil or military, shall at any time interfere to prevent the free exercise of the right of suffrage.”

Based on that expansive interpretation, the court has determined it can apply the provisions of Article II, Section 16 – governing legislative districts – to congressional districts. The sections reads: “The Commonwealth shall be divided into 50 senatorial and 203 representative districts, which shall be composed of compact and contiguous territory as nearly equal in population as practicable. Each senatorial district shall elect one Senator, and each representative district one Representative. Unless absolutely necessary no county, city, incorporated town, borough, township or ward shall be divided in forming either a senatorial or representative district.”

According to the majority opinion - written by Justice Debra McCloskey Todd and joined by Justices Christine Donohue, Kevin M. Dougherty and David N. Wecht, as well as Justice Max Baer, in part - “the actual and plain language of Section 5 mandates that all voters have an equal opportunity to translate their votes into representation.”

*Source Capitolwire:” PA Supreme Court's 'opinion to follow' on congressional map finally issued more than 15 days after initial court order,”
by Chris Comisac*

LEGISLATION

- [HB 1267 Act re Student Loan Forgiveness for Dentists](#)
 - [HB 2025 Amends Public School Code re lead testing](#)
 - [HB 2055 Act re Marcellus Shale Health Registry](#)
 - [HB 2056 Amends Title 42 re volunteers](#)
 - [HB 2057 Amends Public School Code re school safety](#)
 - [HB 2058 Amends Titles 23 & 42 re child custody](#)
 - [HB 2059 Amends Titles 23 & 42 re marital property](#)
 - [HB 2063 Amends State Lottery Law re prizewinners](#)
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