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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

Health Care

- [“Congress could leave millions of children without health care,” The Hill, 9/6/17](#)
- [“Bernie Sanders: 'Now is the time to extend Medicare to everyone',” The Hill, 9/13/17](#)
- [“GOP senators make last-ditch bid to repeal ObamaCare,” The Hill, 9/13/17](#)
- [“Sanders will introduce universal health care, backed by 15 Democrats,” Washington Post, 9/12/17](#)

Education

- [“Secretary DeVos Prepared Remarks on Title IX Enforcement,” U.S. Dept. of Education, 9/7/17](#)
- [“Education Secretary DeVos launches formal review of federal guidelines for handling campus sexual assaults,” LA Times, 9/7/17](#)
- [“Gov. Wolf urges Betsy DeVos and federal Education Department not to rewrite Title IX rules on campus assaults,” Pittsburgh Post Gazette, 9/8/17](#)

The Johnson Amendment

Move to Weaken the Johnson Amendment Advances in House

Earlier this summer, the [House Appropriations Committee voted to pass a bill](#) containing a

provision that would weaken the prohibition on political activity by nonprofits (known as the “Johnson Amendment”). Having passed out of committee, the bill ([H.R. 3280](#)) was folded into an 8-bill appropriations measure ([H.R. 3354](#)) and will now move to the House floor for a vote by the full chamber. However, before this happens, the House Rules Committee had to decide which of the 900+ amendments that have been offered will be allowed a vote.

Three of these amendments—[#7, Rep. John Lewis \(D-GA\)](#); [#14, Rep. Beto O’Rourke \(D-TX\)](#); and [#96, Rep. Wasserman Schultz \(D-FL\)](#)—would strike the language to weaken the Johnson Amendment from the bill. Another amendment—[#112, Rep. Gary Palmer \(R-AL\)](#)—would seek to weaken the Johnson Amendment beyond what the language in this bill already does by blocking any funds from being used to enforce the prohibition on political intervention by 501(c)(3) organizations.

The Rules Committee met this week, but did not approve any of these amendments to move forward for a vote on the House floor—meaning, the bill will go up for a vote with the language to weaken the Johnson Amendment remaining.

- *Source: Council on Foundations – Washington Snapshot*
- [“Nonprofits Fear Sting of Tax Reform,” Bloomberg, 9/11/17](#)
- [“Nestled in House Spending Bill: Campaign Finance Deregulation,” Fox News, 9/9/17](#)
- [“Congress, defend the common law and common sense of nonpartisanship,” The Hill, 9/7/17](#)

Tax Reform

Congress came back into session this week after their traditional August [recess](#), [immediately facing a full legislative agenda](#). The list included a potential repeal of Obamacare, raising the debt ceiling, funding the government for fiscal year (FY) 2018 as FY 2017 funding ends on Sept. 30, passing a budget for FY 2018 that will include reconciliation instructions for tax reform, funding the Children’s Health Insurance Program (CHIP) before funding runs out on Sept. 30, and finding a legislative fix for the estimated 800,000 young adults and children facing deportation after [President Trump ended](#) the Obama administration program known as DACA (Deferred Action for Childhood Arrivals). This was all on Congress’ plate before the devastation caused by Hurricane Harvey and the impending arrival of Hurricane Irma, giving them another item to pass in the form of emergency aid relief for those affected.

On Sept. 1, the [Senate parliamentarian ruled](#) that Congress would only have until the end of the month to pass a repeal of Obamacare under reconciliation—a procedure set up by the FY 2016 budget resolution that allows them to pass legislation with a majority vote and therefore without Democratic support. Republican leadership in both chambers have been trying to repeal and replace former President Obama’s signature health care law for several years and were narrowly unable to get enough votes earlier this summer in the Senate to do so. As congressional Republicans mull how to potentially proceed, they must also grapple with the fact that CHIP funding is set to expire on Sept. 30. According to [The Hill](#), “If Congress fails to act by this date, funds that flow from the federal government to the states will eventually dry up, as soon as early 2018, leaving millions of children without health coverage. While not as well-known as Medicare or Medicaid, CHIP has been vital for providing health coverage for children in families that make too much to qualify for Medicaid, but not enough to afford health insurance. It is every bit as important as the other two programs in forming a safety net that protects people and families.”

In a reversal of many of the legislative battles up to this point in the 115th Congress, Democratic leaders in the House and Senate [were able to quickly strike a deal](#) with President Trump on a short-term extension of the debt limit (the amount of money the federal government is allowed to borrow in order to fulfill its financial obligations) coupled with funding for the federal government. Both pieces are for three months and Congress is expected to pass it within the next several days. The Washington Post noted President Trump’s reaction to the deal: “We had a very good meeting with [Rep.] Nancy Pelosi [D-CA] and [Sen.] Chuck Schumer [D-NY],” Trump told reporters Wednesday on Air Force One while traveling to North Dakota. “We agreed to a three-month extension on debt ceiling, which they consider to be sacred—very important—always we’ll agree on debt ceiling automatically because of the importance of it.” The President and Hill leaders also agreed to attach an initial portion of disaster aid relief for Hurricane Harvey to the legislative package.

One item vital to comprehensive tax reform is the passage of an FY 2018 budget resolution, which [The Hill](#) is reporting may be considered on the House floor as early as next week.

Congressional Republicans are planning on including [reconciliation instructions](#) for tax reform in the resolution, which would allow a tax reform bill to pass the Senate with only Republican votes. According to the article, “The House is hoping to pass its budget resolution for 2018 next week, pending a Wednesday [Sept. 6] whip count. ‘I anticipate if we have good results from that that we’ll put it on the floor next week,’ House Budget Committee [Chairman] Diane Black (R-TN) told The Hill.” There is some urgency to pass a budget resolution, not only to continue moving the tax reform process along, but also because Rep. Black is running for governor in Tennessee. This could cause potential issues with her chairmanship due to Republican conference rules prohibiting some members who choose to run for another office from maintaining their leadership role. However, according to POLITICO Pro, Rep. Black is likely to be exempt or secure a waiver, allowing her to finish the budget process.

Congress must also address the DACA program that the Trump Administration formally ended on Tuesday. The program put legal protection in place for about 800,000 people—often referred to as “DREAMers”—who entered the country without documentation, as children. [In an article, NPR noted](#), “President Trump issued a statement, saying, ‘I do not favor punishing children, most of whom are now adults, for the actions of their parents. But we must also recognize that we are nation of opportunity because we are a nation of laws.’ He also said he looks forward to working with Republicans and Democrats in Congress to address immigration issues ‘in a manner that puts the hardworking citizens of our country first.’” Congress will have six months to pass legislation that will allow the DREAMers to stay in the country and create a path to citizenship for them. After the decision, members of both parties issues support for DREAMers and hope for a swift legislative solution. Sens. Lindsey Graham (R-SC), Dick Durbin (D-IL), Jeff Flake (R-AZ), and Chuck Schumer (D-NY) [reintroduced the DREAM Act earlier this summer](#), which would continue the legal protections for DREAMers, as well as provide a path to citizenship.

With such a packed legislative agenda for this fall, there is increasing skepticism that tax reform will proceed according to plan—which, according to Treasury Secretary Steven Mnuchin, would have tax reform legislation [passed into law before the year’s end](#). Secretary Mnuchin is one of six major players ([the “Big Six”](#)) in tax reform discussions between the Trump Administration and Congress. The group met this Tuesday with President Trump to begin ironing out some details of their approach to tax legislation.

As it relates to charitable giving, a number of key lawmakers have spoken up on the importance of preserving charitable giving incentives. During a speech made from the Reagan Ranch over the August congressional recess, [Ways and Means Chairman Kevin Brady \(R-TX\) noted](#) that his committee is “working with charitable organizations to explore ways to unlock more charitable giving.” [Senator John Thune \(R-SD\) has also spoken out on the impact of tax reform on charities](#), stating—on the topic of doubling the standard deduction—in an exchange with The Wall Street Journal’s Richard Rubin: “I can see why it would have a lot of appeal, but I think from the charitable community, what that’s likely to do is to create fewer itemizers and if you’re not itemizing, there’s a lot less incentive.”

- *Source: Council on Foundations – Washington Snapshot*

PA STATE POLICY NEWS

State Budget 2017-2018

Budget Update

The House plans to vote today, Wednesday, September 13, 2017, on a new revenue plan that hinges on using \$630 million in state fund transfers and a financing deal involving the two state pension systems and the Tobacco Settlement Fund to help balance the nearly \$32 billion state budget for Fiscal Year 2017-18. The revenue plan will include no tax hikes, said Stephen Miskin, spokesman for House Majority Leader Dave Reed, R-Indiana. He expects the plan to pass the chamber when it is offered as an amendment later today. A final vote would place Friday.

How would the amendment balance the budget’s already-passed spending? At the moment, the plan appears to include the following:

- A \$20 million from legislative reserve accounts;
- A \$1 billion lump sum by selling a portion over 10 years of the Tobacco Settlement funding stream;
- \$630 million in Special Fund Transfers;

- \$400 million in multi-year agency lapsed funds (\$175 million more than proposed by the governor);
- \$225 million from Gaming reform proceeds;
- \$50 million in additional State Liquor Store Fund transfers (which will go along with future reforms);
- A \$200 million transfer from the nonprofit Pennsylvania Professional Liability Joint Underwriting Association (JUA), which was created by the General Assembly to provide medical malpractice insurance to healthcare providers;
- A \$100 million loan from Underground Storage Tank Indemnity Fund; and
- A \$15 million transfer from CFA – New Venture Account.

On the \$1 billion involving the Tobacco Settlement Fund, the caucus explains the proposal as selling a portion of Tobacco Settlement Funds over 10 years, giving the General Fund a lump sum payment of \$1 billion instead of long-term borrowing and debt. The proposal would offer the State Employees' Retirement System and/or the Public School Employees' Retirement System the first right of refusal to purchase the asset. Proponents argue this produces a double benefit by both closing the budget deficit rolled over from the prior fiscal year as well as making an extra payment into the public pension systems, helping to reduce the unfunded liability.

As for the \$630 million in special fund transfers, no details were immediately available about the specific funds to be affected, but the caucus reiterated what they said last week when they proposed more than \$1.2 billion in such transfers, indicating their belief that after thorough review, the Appropriations Committee and House GOP members came to the conclusion there are adequate, recurring resources in a number of special funds to help balance this year's budget. They continue to claim some of the accounts are dormant - having not seen any activity in recent years – and there should be no noticeable impacts to core government programs and services by using portions of what they called “non-performing existing taxpayer dollars.”

Meanwhile, State Treasurer Joe Torsella and State Auditor General Eugene DePasquale renewed warnings Tuesday that the General Fund's balance will reach zero Friday if lawmakers don't complete the budget process by passing a revenue bill. Without action, some \$860 million in scheduled spending will be delayed until the General Fund has adequate revenue, said Torsella. Torsella and DePasquale said they are not inclined to authorize more short-term borrowing to keep state finances afloat. Gov. Tom Wolf is warning that not erasing a \$2.3 billion revenue deficit will force the state to run out of money and jeopardize funding across state government, said spokesman J.J. Abbott.

While Republicans met, a group of House Democratic lawmakers announced their own revenue proposal. It relies on a boost in the state Personal Income Tax rate from 3.07 percent to 3.22 percent, or 0.15 percentage points; a severance tax, gross receipts tax on electric and telecommunications bills, as well as other items. The group includes Reps. Jake Wheatley, D-Allegheny; Christopher Rabb, D-Philadelphia; Mike Carroll, D-Luzerne; Madeleine Dean, D-Montgomery; Ed Gainey, D-Allegheny; Jordan Harris, D-Allegheny; Paul Costa, D-Allegheny; Maria Donatucci, D-Philadelphia and Patty Kim, D-Dauphin.

- *Source: Capitolwire: “House GOP lawmakers drop revenue plan vote, at least for now” & “House GOP says it has the votes for budget revenue plan, plans to vote it later today” by Chris Comisac, Carley Mossbrook, and Robert Swift*

House GOP workgroup says it has a plan to balance the budget and protect taxpayers

After a six-week process, a workgroup of state House Republicans says it has found more than enough money to pay for both last year's budget deficit and this year's additional spending without raising any new taxes. “The outcome of our work is a plan that would fund the budget while protecting taxpayers,” said the workgroup in a statement. “This plan does not include borrowing money, nor would it raise taxes on natural gas, electric and telephone bills, which would hurt every taxpayer in the state.” The more than \$2.4 billion in funds would come mostly in the form of transfers from various state special funds that, according to the workgroup, have “inordinately high” account balances. “We have scoured for the last six weeks special or restricted funds, and the first part of that \$2.4 billion revenue stream we are accessing \$1.2 billion of surplus tax money already paid by the taxpayers over the years – funds that have been held in what is effectively known as ‘a shadow budget,’” said Rep. Joe Emrick, R-Northampton, during a press conference.

The state's operating budget contains 218 such funds, most having both a balance for

yearly operating expenses and a reserves balance (some also have investment fund balances as well), and the workgroup's plan is to tap 41 of them. Of that total, the GOP legislators said 34 have been used in a similar fashion in the past, so precedent already exists for what they are proposing to do this budget year. "Out of these 218 special or restricted funds, there are more than 400 different accounts holding, when this process started, just over \$12 billion worth of revenue," said Emrick.

When choosing the accounts from which to transfer funds, Emrick said the workgroup employed five criteria: "The five criteria we used were (1) that the money we would rededicate would have no impact on the operations of those funds; (2) that there were no legal or other restrictions to those funds which would prohibit us from taking that money; (3) the revenues into these funds more than support the expenses that they distribute each year; (4) that the funds would have historically high fund balances that were taxpayer dollars paid into them – this included an extensive three-year lookback at each one of these funds; and (5) that there were no [federal] matching funds attached which would prohibit us from taking [them]."

The transfers are, in some cases, fairly significant. There's a \$50 million transfer from the Hazardous Sites Cleanup Fund, which has a total market value (all of its accounts, before considering incoming and outgoing funds) of \$86.2 million, with \$27.9 million of incoming funding and about \$52.7 million of outgoing disbursements for the current fiscal year. Another \$72.7 million would come from the Environmental Stewardship Fund, which provides for farmland preservation, open space protection, abandoned mine reclamation, watershed restoration and protection, water and sewer infrastructure, and the improvement and conservation of state and community parks and recreational facilities. The fund has a total market value of \$118.9 million, with an expected \$125.2 million of incoming funding and about \$124.7 million of disbursements for the current fiscal year. There's a proposed \$75 million transfer from the Recycling Fund, which finances the planning, processing, resource recovery and recycling of solid waste, the revenue for which is mostly generated by a fee on all waste disposed in landfills or processed by resource recovery facilities. The fund has a total market value of nearly \$103 million, with roughly \$41 million of incoming funding and \$52 million of disbursements anticipated this fiscal year. Last year, \$9 million was transferred from this fund to the General Fund.

Lawmakers are again looking for some cash from the state's Underground Storage Tank Indemnification Fund, which exists to help underground storage tank owners meet their financial responsibility for regulated tanks within the state. An owner or operator of a regulated tank must ensure that there will be adequate money available to pay for corrective actions and any related third-party liability in the event of a leak from the tank.

The workgroup proposes transferring \$100 million from the nearly \$210 million ending balance within the fund, which is expected to have approximately \$66.4 million coming into it and \$66.2 million being disbursed from it this year. A \$100 million loan was made from the fund to the General Fund for the 2003-04 Fiscal Year, with the plan to pay back the loan by 2014. However, by 2014, about \$67.5 million of the borrowed \$100 million remained unpaid. The state then renegotiated that repayment schedule so the Commonwealth now has until 2029 to pay off the remaining balance, with payments of no less than \$7 million annually.

Another \$100 million would come from the Keystone Recreation, Park and Conservation Fund. Also known as Key 93, it's a special fund, composed of monies from the sale of specific bonds and 15 percent of the revenues from the state's Realty Transfer Tax, for increased acquisitions, improvements and expansions of state and community parks, recreation facilities, historic sites, zoos, public libraries, nature preserves and wildlife habitats. The fund has a total market value of \$170 million, with an expected \$95 million of incoming funds and disbursements for the current year.

Then there's \$120 million from the Multimodal Transportation Fund, which exists to provide funding for passenger rail, rail freight, ports and waterways, aviation, bicycle and pedestrian facilities, road and bridges and other modes of transportation. It's primarily funded by money from Motor Vehicle Fees, as well as a portion of the Oil Company Franchise Tax and a transfer from the Pennsylvania Turnpike Commission, and has a total market value of nearly \$190 million. For the current year, it is expected to have incoming funds totaling \$143.9 million and disbursements of exactly the same amount.

The biggest transfer is from the Public Transportation Trust Fund: \$357 million. The fund provides dedicated dollars for public transportation throughout the state with the majority of its funding derived from a portion of the state's Sales and Use Tax and a transfer from the Pennsylvania Turnpike Commission; additional funding comes from motor vehicle fees, the Lottery Fund and vehicle code fines. The fund has a total market value of \$506.7 million (including a beginning balance this year of more than \$200 million), with a projected \$1.34 billion of incoming funding and \$1.35 billion of disbursements this year.

In addition to those funding transfers, the workgroup proposes to use \$400 million in budgetary lapses (of a total of at least \$1.2 billion the GOP lawmakers said goes unspent from year to year) to address the entirety of the \$1.5 billion Fiscal Year 2016-17 deficit which was rolled over into the current fiscal year. Another \$100 million in recurring special/restricted account funding would be redirected to the General Fund, although the workgroup could not provide details on the source of that funding during its Tuesday press conference.

Among other items, the House GOP, just like the Senate's revenue proposal, is looking to take \$200 million from the nonprofit Pennsylvania Professional Liability Joint Underwriting Association (JUA). It was created by the General Assembly to provide insurance to healthcare providers. Lawmakers had planned on doing the same last year, but were stopped by a federal lawsuit by the JUA, which has said it will fight additional attempts to dissolve the entity.

The workgroup's proposal would also keep the Senate proposal's plan to make sure the state's sales tax is remitted by third-party vendors who sell items through Internet marketplaces like Amazon and eBay, as well as the roughly \$189 million in General Appropriations bill line items put into budgetary reserve by Wolf about a month ago. Most tax credits – but not the House GOP-favored Educational Improvement Tax Credit Program (EITC) and Opportunity Scholarship Tax Credit Program (OSTC) – would get trimmed this year to the tune of \$28.3 million, but the workgroup indicated that figure would increase next year to something closer to \$60 million, reducing the amount of dollars that could be used by the tax credit programs going forward.

The House GOP Caucus planned to discuss the proposal Monday, September 11th and see if the votes exist within the caucus to pass it, said Steve Miskin, spokesman for House Majority Leader Dave Reed, R-Indiana. He said no whip counts have been taken.

Reaction to the proposal

While House Republicans will try to determine next week if there's enough support within their own caucus to pass their proposal, the plan got a cool reception from their Democratic colleagues in the House as well as Wolf's office. "For the last six weeks, a group of Republicans from central Pennsylvania tried to identify restricted receipts money in non-General Fund accounts," said House Minority Leader Frank Dermody in a press release.

"Now that we have their product, Democrats in the House will give it careful review. There are a host of unanswered questions." "At the outset of our review I question the legality of raiding accounts that are restricted by law for special purposes," Dermody continued. "Then there's the larger question of whether their math is correct. Is this money truly available in the amounts they claim?" He said he's concerned the proposal "would lead to destructive cuts in programs and services that Pennsylvanians need to have, such as education, health care and a half billion dollar cut in transportation."

While Dermody said he appreciated the workgroup's effort and promised continued review of it, he added: "Our perennial budget problems of the last decade resulted from the overuse of one-time gimmicks and faulty revenue estimates. Fantasy budgeting won't cut it anymore; it's time for a reality check. House Democrats believe that an honest budget solution must include the use of recurring revenue sources such as a severance tax on gas drillers and a higher minimum wage for Pennsylvania's workers, among other steps. We are committed to working in a bipartisan way with Republicans to do the job that must be finished."

Wolf's spokesman J.J. Abbott was more negative in his reaction, arguing in a statement "there is even less clarity" about what the House Republican Caucus will support to balance the budget. Arguing the plan doesn't address Pennsylvania's fiscal challenges, Abbott said, "Raiding these funds will mean cuts to programs. There is no way around it. Taking funds from 9-1-1 centers and volunteer firefighters means less funding to improve public safety response in local communities. Shifting money from public and multimodal transportation

sets back progress in municipalities small and large across Pennsylvania.”

He went on to identify the proposed transfers of funding from the Public Transportation Trust Fund, the Key 93 fund and the Hazardous Sites Cleanup Fund, arguing that in each case, the transfers would handicap the ability of the state to address the issues those funds were created to tackle. “This is not complicated. These funds support essential commonwealth programs,” stated Abbott. “If the money is not there, every Pennsylvanian will be negatively impacted.”

Senate Republicans, who have been chastising their House counterparts for the last month-plus to do something to balance the budget, are, like the others, taking a wait-and-see approach to the workgroup’s plan, but are hesitant about what they see are potential negative impacts. “We will await action by the House, and if that is completed in the near future, the Senate will analyze the specific details of the plan,” wrote Senate GOP spokeswoman Jenn Kocher in a text. “While the leaders are open to new ideas that are passed by the House, we are fearful that the new House plan would harm agricultural, environmental and transportation projects across the commonwealth while not addressing long-term budgetary concerns,” said Kocher.

- *Source: Capitolwire: House GOP workgroup says it has a plan to balance the budget and protect taxpayers by Chris Comisac*

Transportation funds big part of House GOP revenue plan.

A big chunk of the money to support a new state revenue plan proposed by a group of House Republican lawmakers is drawn from two special transportation funds established during the past decade to resolve contentious highway and mass transit funding issues. The plan which would provide \$2.4 billion in funding overall to prop up the \$32 billion state budget for Fiscal Year 2017-18 would tap funds deposited in the Public Transportation Public Trust Fund and the Multimodal Transportation Fund. The \$357 million transfer from the public transportation fund is the largest among 41 proposed fund transfers. The fund has a total market value of \$506 million, with a projected \$1.34 billion of incoming funding and \$1.35 billion in spending this year, according to the work group led by Rep. Dan Moul, R-Adams.

This fund in its current form is the product of a 2007 compromise on transportation and mass transit funding reached during former Democratic Gov. Ed Rendell’s tenure. The deal provided the fund with a 4.4-percent share of state sales tax revenue and toll revenue from the Pennsylvania Turnpike Commission to assist local transit agencies, including the Southeastern Pennsylvania Transportation Authority (SEPTA) as the largest recipient, for the next 15 to 20 years. Some additional funding comes from motor vehicle fees, the Lottery Fund and vehicle code fines. During the several years leading to the 2007 transportation law, Rendell and Senate Republican leaders had clashed over the governor’s practice of “flexing” highway dollars to shore up mass transit agencies that faced service cutbacks due to funding shortfalls.

The Multimodal Transportation Fund is a product of the \$2.3 billion transportation funding law of 2013 - one of former Republican Gov. Tom Corbett’s major legislative achievements - with the fund deriving its revenue from vehicle fee increases, a share of money generated by lifting the cap on the state wholesale tax on gasoline and a transfer from the Pennsylvania Turnpike Commission. The \$120 million transfer from the multimodal fund would be the second largest fund transfer if approved. The multimodal fund, which has a total market value of nearly \$190 million and is projected to have \$144 million of incoming funds and spending in the same amount this year, provides a dedicated source of revenue for passenger and freight rail lines, ports and waterways, airports and hiking and biking trails. The fund was born of two reports issued by gubernatorial commissions in 2011, with both the Transportation Funding Advisory Commission and Marcellus Shale Advisory Commission urging its creation.

The 16-member House workgroup proposing these fund transfers said it used five criteria to determine which special funds should be tapped in order to avoid favoritism: they include transfers that don’t impact the fund’s operations, have no legal restriction or obligations, jeopardize federal matching funds and target funds that have historically high fund balances and where annual revenues outpace distributions. The debate over the proposal appears to be focused on the first two criteria.

The state Transportation Department said Wednesday that a \$357 million transfer from the

public transit fund would mean a 35-percent cut in operating subsidies for the 37 mass transit agencies. This would lead to service reductions and fare increases, the department said. "Loss of this money would eliminate the needed funds to maintain Amtrak's cross-state Pennsylvanian passenger train between Pittsburgh and Philadelphia," said agency spokesman Rich Kirkpatrick. The multimodal transfer would force municipalities to rely more on direct state funding for safety improvements to intersections, he added.

Both funds are supported by turnpike bonds which means that bond holders have to be protected, said Robert Latham, executive vice president of Associated Pennsylvania Constructors, a transportation trade group. "To take money that is part of a systematic transportation improvement doesn't make sense from a policy or financial standpoint," said Latham.

Not surprisingly, GOP lawmakers from the southeastern region are sensitive to targeting the public transit and multimodal funds which pay for projects that smooth daily commutes. "We need that money desperately for infrastructure," said Rep. Gene DiGirolamo, R-Bucks, who added he could support some fund transfers, but not any from the transportation funds.

- *Source: Capitolwire: Transportation funds big part of House GOP revenue plan by Robert Swift*

House to consider, vote on GOP-crafted fund transfer plan

Though they haven't taken an official vote count, House Republican lawmakers indicated the chamber will tentatively vote on a GOP-crafted plan to, in large part, transfer money from special funds to pay for this year's budgetary spending. Reps. Dan Moul and Joe Emrick, two of the sponsors behind the "Taxpayers' Budget," appear confident they have the support of 102 of 118 Republican lawmakers in the chamber – they'll need that many because House Democrats are not expected to help the GOP reach the 102-vote figure needed to pass legislation. "We think we have the votes to do this. We haven't whipped it yet, but the general overall consensus seems really positive. I think we'll get the votes," said Moul, R-Adams, Monday following a more than three-hour caucus on the proposal. "We have a few people that are uneasy with some of the things that we're doing but that's to be expected," he added, pointing to members from the Southeast who have taken issue with tapping into transportation funds.

Their plan is to divert more than \$1.2 billion from various state special funds to the General Fund, as well as take \$200 million from the nonprofit Pennsylvania Professional Liability Joint Underwriting Association (JUA), use \$400 million in budgetary lapses, reduce tax credits and ensure the state's sales tax is remitted by third-party vendors who sell items through Internet marketplaces. The state's operating budget contains 218 special funds, and the workgroup's plan is to tap 41 of them. Of that total, the GOP legislators said 34 have been used in a similar fashion in the past and four of the five remaining funds are dormant.

Their proposal, which is expected to be in the form of an amendment offered to existing legislation on the House floor, hasn't garnered the support of any House Democrats at this time, said Bill Patton, spokesman for the House Democratic Caucus. It is also opposed by Gov. Tom Wolf, a Democrat, who last week called the plan "nonsense" and exhorted the chamber to approve the Senate's revenue package sent to the House in July. The Senate's plan relies mostly one-time borrowing, as well as tax increases and new taxes - including a severance tax on natural gas drilling and hikes to consumers' utility bills – along with an expansion of legalized gambling that has yet to be determined.

Drew Crompton, chief counsel for Senate President Pro Tem Joe Scarnati, R-Jefferson, also remains skeptical, though he applauded the chamber for working to resolve the state's budget troubles. "If they pass something else, then we'll have to consider it," said Crompton. "We'll review everything we see in the marketplace. We've looked at some of these funds. We know what the historical balances are. But there's not \$2.2 billion in reserve funds. It's just that simple." "The ball is in their court. And that's where we intend to leave it. It doesn't mean that we're in cement, but they have to produce a plan that makes sense of the numbers," he said. "And if they do that, and if they pass it, then I think that we'll try to find additional ways to solve it."

In response to their colleagues' skepticism and questions of legality related to diverting money from the funds, Moul contends the work group did its due diligence and are able to authorize such a plan. "When we were putting our package together we asked [the Department of] Treasury, we asked several different people from agencies for information, none of which was forthcoming," said Moul. "This plan has been unveiled for a week now.

So if they had real data to dispute what our numbers say they are, I'm sure that by now we would've had that data." He said the group also consulted with lawyers about the legality of transferring the funds and found no issues.

If the plan isn't approved Tuesday, Moul and Emrick, R-Northampton, indicated they have other contingency plans on tap, including an amendment to the same vehicle bill that would only include the fund transfers.

- *Source: Capitolwire: House to consider, vote on GOP-crafted fund transfer plan by Carley Mossbrook*
- *Source: Capitolwire: New health study prompts Wolf to call for statewide lead exposure testing for children under two by Robert Swift*

LEGISLATION

- [HB 1765: Amends PA Election Code re absentee ballots](#)
- [HB 1766: Amends Tax Reform Code re Diapers](#)
- [HB 1768: Amends Title 23 re Sibling Visitation Rights](#)
- [HB 1772: Amends Public School Code re Disabilities](#)
- [HB 1774: Amends Public School Code re Naloxone](#)
- [HB 1777: Amends Title 75 re amnesty program](#)
- [HB 1779: Amends Title 51 re Combat-to-College Program](#)
- [HB 1780: Amends Human Services Code re rehab facilities](#)
- [HB 1781: Amends Workers' Compensation Act re contractor](#)
- [SB 150: Amends Minimum Wage Act re wage increase](#)
- [SB 844: Amends Title 23 re legal standing in custody](#)
- [SB 869: Amends Insurance Company Law re mammograms](#)
- [SB 876: Amends Insurance Company Law re CHIP](#)
- [SB 845: Amends Controlled Substance Act re Gift](#)
- [SB 883: Amends Title 18 re Pardons](#)
- [SB 886: Amends Public School Code re Opioid Overdose](#)

REGIONAL / LOCAL NEWS

- ["Port Authority of Allegheny County would slash routes under budget proposal," Trib Live, 9/11/17](#)
- ["Pittsburgh could be a contender for Amazon's HQ2 — if it will pay the price," Pittsburgh Post Gazette, 9/12/17](#)
- ["Pittsburgh's new multicultural unit will help communication — in Arabic, Chinese, Nepali, Spanish and Swahili," Pittsburgh Post Gazette, 9/11/17](#)
- ["Pittsburgh's Powerful Nonprofits," Pittsburgh Post Gazette, 9/11/17](#)
- ["University leaders speak out against sexual violence," Trib Live, 9/11/17](#)
- ["Greensburg gives final approval for medical marijuana dispensary," Trib Live, 9/11/17](#)
- ["Pennsylvania could finally get a severance tax — by giving the impact fee a new name," Pittsburgh Post Gazette, 9/11/17](#)
- ["Paul Mango outlines broad plan for 'change journey' for Pennsylvania," Pittsburgh Post Gazette, 9/12/17](#)

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