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## GPNN Public Policy Summary October 2, 2017

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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

- ["Republicans Scrap Health Care Vote — Again; Trump Blasts 'So-Called Republicans'," NPR, 9/26/17](#)
- ["WATCH: Republicans say no vote this week on health care," PBS News Hour, 9/26/17](#)
- ["What doctors want from health care reform as latest Congressional effort falters," CNN, 9/26/17](#)
- ["VA: Money for private health care may run out by year's end," ABC News, 9/26/17](#)

#### Education

- ["Tech companies support Trump's STEM education plan \(updated\)," Engadget, 9/26/17](#)
- ["Trump wants the Department of Education to commit \\$200 million per year to computer science education," Tech Crunch, 9/26/17](#)
- ["US Department of Education Changes College Sexual Assault Guidelines," Voice of America, 9/22/17](#)

#### Tax Reform

So, What's Up with Tax Reform?

The month of September continues to show increased action around tax reform. The Senate Finance Committee held a second [hearing to discuss an overhaul of the business side](#) of the tax code. Witnesses included Tax Foundation President Scott Hodge, Urban-Brookings Tax Policy Center Fellow Donald Marron, Former Chair of the Tax Executive Committee at the American Institute of Certified Public Accountants Troy Lewis, and President & CEO of the Real Estate Roundtable Jeffrey DeBoer. Though the topic of charities did not come up in the hearing, it is a signal of the continued momentum and energy around tax reform in Congress.

The [House Ways & Means Chairman Kevin Brady \(R-TX\)](#) shared that the “Big Six” will be releasing an outline for tax reform with new details the week of Sept. 25. Members of the Big Six have remained tight-lipped about the specifics of what to expect from this outline, but that has not stopped any speculation. House Republicans will also be holding a half-day retreat next week to iron out some more of the details on messaging around tax reform.

The Washington Post reported this week that the Trump Administration is [considering scaling-back some of the ambitious tax cut plans](#) it had previously proposed—for example, keeping the top rate for individuals at 39.6% (as opposed to the suggested 35%), and maintaining the estate tax. This is in addition to [a statement by Treasury Secretary Steven Mnuchin last week](#) that cutting the corporate tax rate to 15% ([as the President has called for](#)) would be very difficult to accomplish due to the revenue challenges that it would create for a tax proposal that is already in desperate search of revenue-generating proposals. POLITICO Pro is also reporting that “President Donald Trump will host leaders from 10 to 15 conservative grassroots groups for dinner at the White House on Monday to lay out his pitch for tax reform.”

Sens. Bob Corker (R-TN) and Pat Toomey (R-PA) signaled they have reached an agreement on a budget resolution for fiscal year (FY) 2018. The senators issued [a joint statement](#) that said, in part, “I am strongly committed to pro-growth tax reform that will lead to more jobs and higher wages and was glad to work with Chairman [Mike] Enzi [R-WY] and Senator Toomey at the request of Senate leadership to reach an agreement that will allow the committees of jurisdiction to begin their work to craft this important legislation,” said Corker. ... ‘I am confident the budget agreement I have reached with Chairman Enzi and Senator Toomey will give the Finance Committee the headroom needed to write a pro-growth tax plan that reforms the code, causes the economy to surge, and ultimately results in reduced federal budget deficits,’ said Toomey.”

As the statement noted, this resolution will help the tax reform process to move forward. Republican leaders in Congress have been pushing a partisan approach for the tax code overhaul; [reconciliation instructions](#) included in a budget resolution will allow tax reform to pass the Senate with a majority vote, bypassing the need for Democratic support. [According to POLITICO](#), Sen. Corker expects the Senate Budget Committee to hold a first vote on the proposal in the next couple of weeks.

On the House side of the Capitol, House Ways and Means Committee Chairman Brady underscored the importance of passing a budget resolution in order to proceed on tax reform. [In an interview with Fox News](#), Rep. Brady said, “Well, I will tell you what—no budget, no tax reform. That’s clear. And if Republicans don’t unite and move this budget so that we can move tax reform, then I’m convinced that that President will look elsewhere for partners to deliver on this. So this budget is incredibly important.”

- *Source: Council on Foundations: Washington Snapshot – 9/21/17*

## PA STATE POLICY NEWS

### State Budget 2017-2018

#### Three-way budget negotiations resume

For the first time since July, House and Senate leaders were sighted leaving a negotiating session at the Capitol Monday afternoon looking for agreement on a revenue package to support the \$32 billion state budget for Fiscal Year 2017-18. Senate Majority Leader Jake Corman, R-Centre, and House Majority Leader Dave Reed, R-Indiana, spent about 45 minutes meeting with Gov. Tom Wolf in his office. Sen. Minority Leader Jay Costa, D-Allegheny and House Minority Leader Frank Dermody, D-Allegheny, followed in their wake

for a meeting of their own. The resumption of high-profile negotiating sessions comes nearly a week after Standard and Poor's downgraded Pennsylvania's bond rating due to chronic fiscal problems. It comes after the Senate and House have approved rival plans to provide revenue to support the budget. "We will just keep pushing until we get there," said Corman about the meeting. The senator said new ideas were discussed at the meeting but he didn't elaborate. "Hopefully we can take the conversation we had here today and reach some sort of agreement," added Corman. The Governor's involvement is critical to bringing a compromise on a revenue package, said House Appropriations Chairman Stan Saylor, R-York, following a meeting of his committee. Saylor said a number of possibilities exist from a procedural standpoint to handle revenue legislation, including a potential House-Senate conference committee. The House is in session this week while the Senate remains recessed to the call of the Senate President Pro Tem (on six-hour call).

- *Source: Capitolwire: Under the Dome*

### **Torsella sets condition for further short-term Treasury loans to General Fund.**

Treasury will again provide short term loans to ease Harrisburg's cash flow problems once a plan exists to provide revenues to balance the state budget, said state Treasurer Joe Torsella Monday. "We want to see a plan for the budget being in balance," he added. The state Treasurer defended his recent decision to refuse providing a second short-term loan from Treasury investment funds to the General Fund while the governor and lawmakers have yet to agree on a revenue package for the \$32 billion state budget approved last July. "We simply did not see it as a prudent investment on behalf of the taxpayers," he said. Torsella spoke at the Pennsylvania Press Club less than a week after Standard and Poor's downgraded Pennsylvania's bond rating due to state government's chronic fiscal problems. The Treasurer said he remains optimistic the Legislature will approve a revenue package in early October. "I am going to take them at their word," he added.

Torsella's position on providing no further short-term loans following a \$750 million two-week loan last July has drawn criticism from House Republicans. "We have a budget in place," said House Appropriations Chairman Stan Saylor, R-York, Monday. "The decision to not lend the state money was not a good one." Torsella emphasized he doesn't want to be the sixth negotiator in any five-way talks between Gov. Tom Wolf and the four legislative caucuses over a revenue deal. He said he doesn't intend to weigh in on potential compromises to resolve the different revenue plans passed by the House and Senate.

Answering a question about potential tax options, Torsella said that from his own point of view levying a severance tax on natural gas production is "reasonable and overdue" and will not make Pennsylvania less competitive in attracting industry investment. Torsella was asked about the impact of the budget stalemate on Pennsylvania's chances of winning the multi-state sweepstakes to become the site of Amazon's second headquarters. Philadelphia and Pittsburgh are in the running with bids for the \$5 billion investment due Oct. 19. "I think we as a state are bigger than the budget dysfunction you are seeing," said Torsella. He suggested the Amazon deadline could serve as an inducement for negotiators to reach a revenue deal.

- *Source: Capitolwire: Torsella sets condition for further short-term Treasury loans to General Fund by Robert Swift*

## **Bills to Watch**

### **House lawmakers approve public benefits, poll watcher bills**

The state House of Representatives on Tuesday sent to the Senate a bill that would require individuals who apply for certain public benefits, like welfare assistance, disability benefits, food assistance and grants or loans for postsecondary education, among others, to provide proof of their identification and lawful presence in the United States. With no discussion, [HB 1095](#) was approved on a 139-58 vote. House Democrats cast all of the 'no' votes. The chamber also voted to approve [HB 171](#) that would allow poll watchers appointed by political candidates to serve in precincts outside of their designated precinct. Some Democratic lawmakers have argued doing so will lead to incidents of voter intimidation. The sponsor of the legislation argues it will do the opposite. "I've been a poll watcher for the last eight years and I've seen some of the irregularities that go on at polling places – some of them innocent, some of them unintentional – but they need to be pointed out and corrected sometimes and that's what a poll watcher can do," said Rep. Rick Saccone, R-Allegheny, on the floor. The chamber voted 106-91 to approve the bill, however, Reps. Jim Christiana, R-Beaver, and James Santora, R-Delaware, later made a motion to reconsider the vote. House Speaker Mike Turzai indicated a vote to reconsider will be taken up Wednesday, September 27th

when the chamber returns to session. Current law prohibits poll watchers from traveling to other precincts, even within their county, to serve.

- *Source: Capitolwire: Under the Dome*

## LEGISLATION

- [HB 1815: Act re Community Diaper Incontinence Act](#)
- [HB 1816: Amends Tax Reform Code re Tax Holiday](#)
- [HB 1817: Act re Senior Citizen Retirement Investment](#)
- [HB 1818: Act re Neonicotinoid Pesticides](#)
- [HB 1819: Amends Alt. Energy Investment Act](#)
- [HB: 1820: Amends Tax Reform Code re diaper need programs](#)
- [HB 1821: Amends Sexual Assault Testing & Evidence Act](#)
- [HB 1822: Amends Title 24 re suicide prevention](#)
- [HB 1824: Amends Title 71 re plain writing requirements](#)
- [HB 1825: Amends PA Election Code re petition challenges](#)
- [HB 1828: Amends Title 18 re Occupational Intimidation](#)
- [HB 1829: Amends Human Services Code re Health Care](#)
- [SB 890: Amends Public School Code re Assessments](#)
- [SB 897: Amends Titles 18 and 42 re Restitution](#)
- [SB 889: Amends Enforcement Officer re Benefits](#)
- [SB 891: Amends State Lottery Law re Income](#)
- [SB 899: Amends Title 23 re Older Adult Services](#)
- [SB 901: Amends Tax Reform Code re Health Savings Acct](#)
- [SB 902: Act re Health Savings Accounts](#)
- [SB 903: Act re Mandatory Covered Providers](#)
- [SB 904: Act re Healthy Pennsylvania](#)
- [SB 905: Act re out-of-State health insurers](#)
- [SB 906: Amends Tax Reform Code re health insurance](#)
- [SB 907: Act re PA High Risk Health Insurance Pool](#)
- [SB 908: Amends Mcare Act re funds](#)
- [SB 909: Amends Title 40 re Healthy Pennsylvania](#)

## REGIONAL / LOCAL NEWS

- [“Pa. has crazy voting districts: Here are some ways to fix that,” Penn Live, 9/27/17](#)
- [“Credit freeze forced by Equifax breach costs more in Pa.,” The Inquirer, 9/27/17](#)
- [“Getting shipshape: The city budget has the right priorities,” Pittsburgh Post Gazette, 9/27/17](#)
- [“Pittsburgh-area labor force shrinks by 20,000 people, state report finds,” Pittsburgh Post Gazette, 9/26/17](#)

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Public Policy Summary written by



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