

FISCAL NOTE

March 21, 2017

Bill No:	HB 398	Printer's No:	1053	Sponsor:	DiGirolamo (R)
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COST / (SAVINGS)

Fund (s)	2016-17	2017-18
General Fund	See "Fiscal Impact"	See "Fiscal Impact"

SUMMARY: The bill would require payment for certain essential services provided in the event of a budget impasse by Pennsylvania human services agencies that make payments to counties.

ANALYSIS: The bill provides that in the event of a budget impasse, the Secretary of the Budget, in consultation with the Secretaries of Human Services, Drug and Alcohol Programs and Aging, or any department that provides essential services or other essential services, as defined by the bill, would certify to the State Treasurer the line items and the amounts paid for essential services provided by those departments in the previous fiscal year. Once the amounts are certified, they would be appropriated to the departments.

The Secretaries of Human Services, Aging, and Drug and Alcohol Programs may request payment of a human services, county or intermediary organization so long as the amount paid is not more than the amount paid in the previous year. Payments shall include reimbursement of interest incurred by the organization on a loan from a financial institution for providing essential services in the commonwealth.

Any amount paid during the impasse until a general appropriations act is enacted shall be credited against the corresponding appropriation in the act for that fiscal year.

The bill defines an essential service to include appropriations made during a prior fiscal year to the agencies mentioned above for:

- Domestic violence;
- Mental health services;
- Behavioral health services;
- Intellectual Disabilities – Community Base Program;
- Payments and services to counties for children and youth programs and for the care of delinquent and dependent children or other county-based human services included under the Human Services Code;
- The Human Services Development Fund;
- Medical assistance payments for outpatient services;
- Payments to counties for drug and alcohol treatment services; and
- Any other funds for which a county provides services on behalf of the commonwealth.

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The bill would require the Secretary of the Budget to submit a report annually to the House and Senate Appropriations committees by June 15 of the services that would be deemed essential by the governor to protect public health and safety during a potential budget impasse.

The act would take effect in 60 days.

FISCAL IMPACT: Currently, all payments made during a budget impasse are the result of a federal mandate of entitlement programs and court/legal orders. Passage of on-time budgets would prevent the need to make non-appropriated payments.