

SENATOR JOHN PIPPY



LEGISLATIVE Update

37TH SENATORIAL DISTRICT • SPRING 2009

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This past fall, it was an honor to be granted the opportunity to continue serving the citizens of the 37th Senatorial District. I look forward to hearing from you concerning the issues covered in this newsletter and any other state-related concerns.

You will note that the latest edition of my Legislative Update has a new format. It's important to keep constituents informed and to do so at the lowest cost possible to taxpayers. This new format saves on printing costs while still providing important information. A printed newsletter with brief summaries was mailed to constituents, with longer versions of each article posted here at senatorpippy.com. My website is designed to be a clearinghouse of information for all aspects of Pennsylvania government. I'd love to get feedback on this new format. Please contact me at jpippy@pasen.gov with your thoughts.

If you would prefer to receive legislative updates by email rather than standard mail, just send me a note at jpippy@pasen.gov and we'll make the switch for you.

Fiscal Issues Top 2009-2010 Agenda

In January, the 2009-2010 legislative session began amidst difficult economic times. With the latest estimates projecting a revenue shortfall of more than \$2.9 billion, a top concern of the General Assembly is crafting a state budget that is both sensible and balanced.

This will require that legislators from across the Commonwealth and the Governor's Office work to develop a set of priorities for state funding. As always, tough decisions will need to be made. The proposed spending plan is a useful starting point. However, it includes a **\$1.26 billion – 4.5 percent – increase in spending that the administration will have to defend.**

The Governor's proposed budget included the elimination of 101 line items and reductions in 346 other line items. Funding for the Scotland School for Veterans Children, the Scranton School for the Deaf, the New Choices/New Options program, and the Civil Air Patrol has been eliminated.

Several grant programs, municipal and community assistance services are proposed for elimination as part of reductions in the Department of Community and Economic Development budget.

The proposed budget includes a \$300 million (5.4 percent) increase in **Basic Education Subsidies** for Pennsylvania's public schools for a proposed total of \$5.86 billion. Special Education funding would remain at the current level of \$1.02 billion.

Funding for **State System of Higher Education** universities would also remain at its current level of \$498.5 million. Community colleges would see a \$5 million (2 percent) increase for a total of \$241.2 million. State-related universities are facing a 6 percent reduction in funding and state-aided schools face a 10 percent decrease in funding.

With the economy struggling and jobs in jeopardy, this would be the worst time to hit families and job creators with a tax increase. Controlling spending and making state government live within its means is the proper approach. Many of the state programs facing budget cuts have worthy missions. But with state revenues down so drastically, government must tighten its belt.

The Senate recently passed an alternative budget plan more in line with expected revenues.

Working together, the legislature and the administration can reach an agreement on a state budget that funds necessary programs, but acknowledges that the severe drop in revenues requires that every dollar spent be justified.



Senator Pippy speaks with participants at his annual Senior Expo.

Pippy Named to Policy Leadership Post

It was an honor to have been selected Chairman of the **Senate Majority Policy Committee**, where I will have the opportunity to play a greater role in shaping sound public policy.

Through hearings and meetings across the Commonwealth, the Committee is responsible for playing a vital role in determining the impact of policy decisions on citizens and taxpayers. Being in this leadership position gives me a chance to work closely with my colleagues in ad-

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Senator Pippy was selected Chairman of the Senate Majority Policy Committee, a key leadership post. Other Senate leaders include: (top, left to right) Majority Caucus Chairman Mike Waugh (R-28), Majority Caucus Administrator Pat Browne (R-16), Majority Caucus Secretary Bob Robbins (R-50), Appropriations Committee Chairman Jake Corman (R-34), (bottom, left to right) Majority Leader Dominic Pileggi (R-9), President Pro Tempore Joe Scarnati (R-25), and Majority Whip Jane Clare Orié (R-40).

addressing the diverse concerns of citizens in the 37th Senatorial District and throughout Pennsylvania.

It is imperative that we fully understand the significance of each and every policy decision. I believe that through cooperation and receiving as much input as possible from various individuals and groups, we will make this Commonwealth a better place to live, work, and raise a family.

While I am proud to have been named to this highly-respected post, I realize it means very little if we do not take measures to develop policies that allow workers to earn a family-sustaining wage and job creators to generate additional job opportunities. I am confident that as Chairman we will create sensible policies that give our citizens a greater sense of pride in their community, state, and in their government.

Reform Package Would Change Culture of State Government

I am supporting a package of government reforms designed to continue changing the culture of state government by increasing accountability and transparency.

Nine of the 10 bills in this package passed the Senate last session with strong bipartisan support, but did not receive final legislative approval.

Senate Bill 101 – Increasing penalties for violating the “Sunshine Law” governing open, public meetings.

Senate Bill 102 – Improving the way professional service contracts are adopted by state agencies by requiring an open “most qualified bidder” process.

Senate Bill 103 – Prohibiting salary bonuses for Commonwealth employees.

Senate Bill 104 – Increasing accountability related to the use of state-owned vehicles.

Senate Bill 105 – Creating a public, searchable, online database of state expenses.

Senate Bill 106 – Eliminating “Lame Duck” legislative sessions, which allow legislators leaving office to cast votes.

Senate Bill 107 – Posting government salary information online.

Senate Bill 108 – Reforming the process for filling Lieutenant Governor vacancies.

Senate Bill 109 – Requiring disclosure of all taxpayer-funded advertising.

Senate Bill 110 – Improving access to, and expanding information contained in, state plane logs.

These measures are part of an ongoing effort to restore confidence in state government by making it more open and accountable to its citizens.

Last session, the Senate implemented new rules to make the legislative process more open, such as prevent-

ing late-night votes, posting votes on the Internet, and making it easier for citizens to track lobbyist activity. Additionally, Pennsylvania enacted the first expansion of its Open Records Law in 50 years. But, there is plenty more to do, and this reform package will shed further light on government operations.

Pippy Continues Push for Smaller Legislature

I am reintroducing legislation that would reduce the number of Senate seats to 40, from 50, and shrink the House to 161 seats, from 203.

It would also require the General Assembly to slice its \$310 million budget for staff, office operations and other items by a corresponding 20 percent. A smaller government should be a less expensive government.

One benefit of a smaller General Assembly would be a streamlined legislative process and one that, off the top, would **save taxpayers \$62 million**. In addition to cost savings, it would make the legislature more accountable.

Shrinking the size of the General Assembly is not something that can be done lightly. And one concern I've heard is that fewer legislative seats will force elected officials to lose touch with constituents. It's a legitimate concern.

But if we compare Pennsylvania to the other three states with full-time legislatures – California, Michigan and New York – the change isn't overly drastic.

Under my proposal, Pennsylvania state senators would represent approximately **310,000** and state representatives would have about **77,000** constituents. Even cutting the size of our legislature, Pennsylvanians will have smaller districts than any other state with a full-time legislative body, with the exception of the Michigan Senate (a state with fewer residents).

Another concern is that this would mean less interaction between legislators and average citizens. However, new technologies make it much easier to stay in touch with voters than in 1967, when the current size of the legislature was set. Email alone has made it infinitely easier to communicate. Teleconferencing also allows lawmakers to hear from constituents without having to travel great distances.

Simply put, increasing the size of House and Senate districts is no excuse for falling out of touch. It might even cut the other way. With larger, more diverse districts, officials will have to tune into the concerns of a wider range of voters. New districts will likely contain a better mixture of rural, suburban and urban voters, and require legislators to take a more broader approach to important issues.

Pippy Bill Would Expand Use of Telemedicine

Legislation I recently drafted would create the Telemedicine Act to permit physicians licensed in another state to receive medical data and radiology images for a patient located in Pennsylvania for purposes of interpreting the data to consult, diagnose or treat that patient.

Hospitals and health care providers can contract with telemedicine and teleradiology service providers who may be **located outside of Pennsylvania** and even outside of the United States.

Its locations accommodate the need for hospitals to have physicians available to read medical images such as CAT scans or ultrasounds during overnight hours when a local hospital radiologist may be unavailable.

The Telemedicine Act would require such out-of-state physicians to be **licensed in Pennsylvania**. Technology improves patient safety, enables greater access to quality care, and creates efficiencies within the health care industry. However, the way in which technology is applied must ensure adequate protection of consumers. Many hospitals require physicians providing telemedicine or teleradiological services to meet certain qualification standards, but there is no state law requiring them to do so. The Telemedicine Act would change that.

The measure is part of HealthNET PA, a 15-bill package that expands access to health care and medicine to uninsured and low-income working Pennsylvanians more quickly, and at a fraction of the cost of other state and national proposals.



HealthNET PA expands access to health care and medicine to 507,000 uninsured and low-income working Pennsylvanians. It utilizes information technology to control costs and reduce health care-associated infections, and provides expanded insurance options for employers and families, and will incorporate the concepts of disease prevention and wellness.

In addition to the Telemedicine Act, features of the 15-bill HealthNET PA package include the following:

• Improving Access to Health Care and Medicines

- Establishing the Community-Based Healthcare Program for the expansion and site development of health care clinics across Pennsylvania to provide “medical homes” for 175,000 working poor clients and ease pressure on hospital emergency rooms.
- Implementing a physician/health care facility volunteer program through which an additional 159,000 uninsured patients would be assigned to a primary or specialty care physician, with access to free specialty care, labs and inpatient hospital care.

- Creating a registry of free prescription drugs, and allowing retail establishment pharmacies to sell prescription drugs at a minimal cost, such as \$4.

• Making Health Care More Affordable

- Helping hospitals and doctors’ offices convert to Electronic Medical Records, boosting evidence-based diagnosis and treatment protocols, and encouraging Telemedicine expansion.
- Permitting health insurers to withhold payment to providers in the event of a medical error, and allowing employers to establish “Healthy Living Committees” qualifying for insurance discounts.
- Providing funding of a critical cost-saver – the reduction of health care-associated infections.

• Expanding Coverage

- Providing “Mini-Cobra” coverage for small business employers, creating a high-risk pool for individuals who cannot access other coverage, and extending the option of dependent coverage to age 30. (Nearly half of uninsured Pennsylvanians are age 18-34.)
- Providing \$5 million in state tax credits for the use of Health Savings Accounts.

Approximately \$225 million is annually deposited into the Health Care Provider Retention Account from the current cigarette tax and the CAT Fund surcharge. An estimated \$125 million a year is needed to fully fund the current MCARE abatement, which makes the remaining \$100 million available for HealthNET PA.

Pippy Bills Signed into Law

Through bipartisan communication and cooperation, I was able to have the following three bills passed and signed into law.

Act 79 of 2008 expands programs that use tax abatements to attract employers to Pennsylvania communities. It amended the **Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act** to create 15 more KOEZ sites. It also extends the duration of the designation for seven to 10 years, depending on the project. This will provide an incentive to attract businesses to locate on previously unoccupied parcels and to provide a meaningful period of tax exemption.

It also addresses zones where an endangered species or other environmental concern is discovered that would prohibit development. The measure would allow the state Department of Community and Economic Development to replace such sites with nearby parcels to allow development to go forward. It also prohibits a person receiving tax exemptions from knowingly allowing illegal aliens to work in the zone.

Under **Act 85 of 2008**, the state Department of Military and Veterans Affairs will contract with veterans service organizations to perform honor guard duties at the 260-acre **National Cemetery of the Alleghenies** in Cecil, Washington County.

There are more than 323,000 veterans living in western Pennsylvania, and the purpose of this legislation is to ensure that those who choose to be laid to rest here be accorded the dignified tribute they have earned. It serves the mission of such sites: to treat veterans and their families with the utmost dignity, respect and compassion.

The measure also added eye and dental health plans to those covered under a current law that allows soldiers returning from military deployment to remain on their parents’ health insurance plans while enrolling in college.

Act 93 of 2008 establishes a **statewide Mutual Aid Committee** to assist counties and municipalities in re-

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sponding to disasters. Comprised of state, regional and local officials, and emergency responders, the committee is responsible for overseeing the implementation of a statewide mutual aid system including formalizing mutual aid agreements and clarifying the roles and responsibilities of Pennsylvania municipalities, state, and county officials, during disaster responses in which assistance is needed from outside the community in which the emergency occurred.

Mutual aid agreements are important for effective and rapid response to manmade and natural disasters that require actions beyond the capacity of a single municipality or county. Pennsylvania was one of 15 states without a statewide mutual aid agreement. As a result, mutual aid at the state, county and local levels was often provided without written agreements and without clearly defined divisions of responsibility. Such cross-jurisdictional aid often raised questions about liability and workers compensation concerns.

Featured Laws Enacted in 2007-08 Session

- Act 3 of 2008 rewrites and strengthens Pennsylvania's 50-year-old **Open Records Law**.
- Special Session Act 1 2008, the \$650 million **Alternative Energy Investment Act**, boosts renewable energy development and reduces energy consumption without imposing new taxes.
- Act 27 of 2008, the **Clean Indoor Air Act**, prohibits smoking in most public places and workplaces.
- Act 119 of 2008 sets higher standards for **commercial dog kennels** in Pennsylvania.
- Act 10 2007 reauthorizes the state **grant program for volunteer fire companies** and EMS units for five years.
- Act 66 of 2008 includes a **\$100 tax credit for active volunteer firefighters** and EMS workers.
- Acts 57, 58, 59, and 60 of 2008 target predatory and other questionable **mortgage lending practices** in Pennsylvania.

Act 3 of 2008 makes dramatic changes in the records available from various government agencies. For state agencies and local agencies, it reverses the presumption of access to records and **puts the burden of proof on a government agency** denying access to a record. This was the one change that many advocates of open government consider the most essential. Legislative records and financial records of the judiciary are subject to the same presumption and the same burden of proof.

It provides exceptions for such things as criminal investigations, Social Security Numbers, personal financial information and individual medical records. Legislative agencies, including the Senate and the House, are required to provide access to 19 categories of records, and judicial agencies are required to provide financial records.

Act 3 also makes many important improvements to the process of obtaining public records in Pennsylvania, including the creation of an independent **Office of Open Records** to hear appeals regarding access to records of state and local agencies.

Special Session Act 1 of 2008 established the \$650 million **Alternative Energy Investment Act** to boost renewable energy development and reduce energy consumption without imposing new taxes.

It supports research and development of alternative energy technologies, helps municipalities and businesses implement clean-energy projects, and provides assistance to consumers to cover up to 25 percent of the cost to install

energy-saving equipment.

It also boosts funding of the **Low-Income Home Energy Assistance Program** (LIHEAP) by \$100 million and provides rebates for the purchase of hybrid vehicles. The measure invests a total of \$650 million over 10 years, funded by anticipated growth in the state gross receipts tax, and includes no new taxes.

Act 27 of 2008, the **Clean Indoor Air Act**, prohibits smoking in most public places and workplaces.

The law includes several exemptions, including bars and taverns with food sales totaling 20 percent or less, private clubs, cigar bars and adult care facilities.

Act 119 of 2008 sets higher standards for **commercial dog kennels** in Pennsylvania. These include: allowing for slatted flooring instead of only a solid floor, providing for indoor exercise if an outdoor exercise area would be prohibited by the local government in which the kennel is located, and allowing for kennel owners who are certified to continue to give rabies vaccinations to their dogs. Additionally, a Canine Health Board made up of veterinarians is established to set standards for ventilation and lighting, and may approve flooring options in addition to that provided for in law.

Act 10 of 2007 reauthorized a critical **grant program for volunteer fire companies** and EMS units. The original bill would have reauthorized the program for only one year. The Senate amended the bill to reauthorize it for five years, providing a valuable safety net for Pennsylvania's dedicated emergency responders.

Since 2000, the General Assembly has regularly appropriated more than \$25 million to the Pennsylvania Emergency Management Agency to provide these grants. The five-year authorization would allow for funding on a steady basis.



Act 66 of 2008 provides a **\$100 tax credit for qualifying active volunteer firefighters** and EMS workers.

The measure was enacted to help communities retain the emergency response volunteers sacrificing their time for fire companies and EMS units, and provide an incentive to help recruit new members.

Act 57 of 2008 would amend the **Loan Interest and Protection Law** of 1974 to increase the monetary cap in the Act from \$50,000 to \$217,873. **Act 58 of 2008** would permit the Department of Banking to publicly **release information on pending enforcement actions** and fines levied against non-depository licensees.

Act 59 of 2008 would amend the **Real Estate Appraisers Certification Act** regarding board membership, disciplinary measures and penalties. **Act 60 of 2008** would amend the **Housing Finance Agency Law** to require lenders to send copies of foreclosure notices to the Pennsylvania Housing Finance Agency so that mortgage foreclosures can be monitored on a statewide basis.