

Week of May 23, 2016

**HEADLINES**

**GAMING EXPANSION HITS A ROADBLOCK**

Legislation that would expand casino-style gambling to airports, bars, off-track betting parlors and casino-run websites was stalled by the Pennsylvania's House of Representatives. The House soundly defeated two separate amendment proposals that lawmakers hoped would assist in addressing the budget deficit without raising taxes. The first amendment, which would have allowed video game slot machines at taverns, bars, social clubs and volunteer fire halls, failed by a vote of 122-66. The second amendment was rejected by a vote of 107-81 and would have allowed slots at airport terminals and off-track horse betting sites. The proposals would have devoted slightly more than $300 million to public school employee pension obligations and would have made Pennsylvania the fourth state to permit online casino-style gambling, while at the same time, allowing Pennsylvania's licensed casinos to install slot machines at six international airports and off-track betting parlors. The General Assembly will now be tasked with revising a gaming package that can obtain a majority vote by pleasing both lawmakers and special interests alike. If not, they must find another way to help close the state's funding gap in the 2016-17 fiscal year which begins July 1.

**BASIC EDUCATION FUNDING BILL AWAITS GOVERNOR WOLF SIGNATURE**

# House Bill 1552, legislation that contains provisions making the Basic Education Funding Commission’s funding formula permanent, passed the House by a 188-3 vote this week and the State Senate by a vote of 49-1 vote last week. The bill allows for the Secretary of Education to enter into a regional compact and an interstate reciprocity agreement for the provision of postsecondary distance education. As amended by the Senate, HB 1552 also includes language implementing a student weighted basic education funding formula, a $3 million supplemental payment to Wilkinsburg School District for assigning students to the City of Pittsburgh School District and $12 million to Chester-Upland School District to assist in reducing their structural deficit. While Governor Wolf has not indicated whether he will sign or veto the legislation he did release the following statement to the public, “I am pleased to have worked closely with the legislature to begin addressing distressed school districts and to take an important step to ensure the basic education fair funding formula is permanent." Stay tuned.

**SENATE BILL 562 ADVANCES FROM HOUSE STATE GOVERNMENT COMMITTEE**

Senate Bill 562, which would increase legislative oversight of the regulatory review process, was voted from the House State Government Committee along a party-line vote. The legislation requires the Chairman of a standing committee to send paper or electronic copies of proposed and final form regulations to each committee member within 5 days of receipt of the regulations. The legislation also empowers the Chairman to hold hearings on the regulations or to call a committee meeting to decide whether to adopt official comments of the committee for submission to IRRC. SB526 also makes the following changes: 1) Time periods for review or action by the committees will be either for a period of calendar days or legislative days, whichever is longer, giving committees additional time to take action than what is provided for under current law (current law only uses periods of calendar days); and 2) Committees would have the ability to have final form regulations which the committee either disapproves or requests additional time for review from IRRC’s public meeting agenda (current law allows IRRC to move forward with approval of regulations despite actions of the committee, but committees do have a period after IRRC approval to disapprove by advancing a concurrent resolution). The bill awaits consideration by the full House when it returns to voting session the week of June 6th.

**THE TAXPAYER’S CAUCUS UNVEILS $3 BILLION IN POTENTIAL SAVINGS**

State Rep. Seth Grove (R-York) and Sen. Scott Wagner (R-York) today released a comprehensive report from the bicameral Taxpayers’ Caucus, aimed at finding savings and efficiencies in state government. The report details over $3 billion in potential savings to taxpayers—$300 million more than Gov. Wolf proposed in tax hikes for the 2016-17 fiscal year.  The Taxpayers’ Caucus is a bicameral working group of legislators that was founded as a result of the 2015-16 budget impasse, with the purpose of finding budget reforms which increase transparency and accountability, maximize government program efficiencies while reducing costs, and opportunities to eliminate or consolidate duplicative government program. The report includes recommendations to address the 2016-17 cyclical budget deficit with department specific policy proposals and identifies savings ranging from $43,000 from the Pennsylvania State Police to nearly $1 billion from the Department of Human Services. The policy proposals are derived from recommendations from Auditor General Eugene DePasquale, Gov. Tom Wolf and legislators.

**DEP SECRETARY ABRUPTLY RESIGNS**

Department of Environmental Protection Secretary John Quigley resigned amidst reports that he became connected to political ads attacking Democratic Senators over recent environmental-related votes, a letter purported to portray Gov. Wolf's environmental stance in a negative light and attacking environmental groups for their perceived lack of advocacy. As a result, Senator Ryan Aument (R-Landisville) called for an investigation into his conduct stating, “Secretary Quigley’s quick departure from leading one of our Commonwealth’s most important executive departments raises serious questions about his conduct while serving as the chief operating officer of the DEP.” “Given the recent discovery of incendiary emails, I believe we need a thorough review to determine if anything inappropriate has occurred relative to the application of regulations in a fair and transparent manner or in the issuance of environmental permits during Secretary Quigley’s tenure.” The Senator’s comments were based on the public release of a private email Secretary Quigley sent to an environmental advocacy firm he once worked for citing his frustration that environmental groups were not helping push through more stringent environmental rules concerning oil and natural gas production. Senators who voted “NO” at Quigley’s confirmation hearing cited concerns over Mr. Quigley’s perceived inability to strike an appropriate balance between environmental regulation and economic development and that he would take an extreme approach with local farmers on issues like federal pollution reduction mandates. Industries across Pennsylvania have expressed frustration with the DEP since Quigley took office relative to the development of responsible and appropriate environmental regulations and the fair issuance of environmental permits. His abrupt resignation could trigger further investigation into his dealings at DEP, as requested by Senator Aument.

**PENNSYLVANIA GENERAL ASSEMBLY SESSION SCHEDULE:**

**2016 SENATE SESSION SCHEDULE**

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| **June** | 6, 7, 8, 13, 14, 15, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30 |

**2016 HOUSE SESSION SCHEDULE**

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| **June** | 6, 7, 8, 13, 14, 15, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30 |

**DEPARTMENT OF REVENUE UPDATES**

None

**IRRC UPDATES**

None