



House “Taxpayers Budget” Revenue Proposal – County Impacts

911 Fund

- **House Proposal:** Transfer of \$40 million
- **The Facts:** PEMA has affirmed that at fiscal year-end they reported unallocated reserves in excess of \$40 million in the fund. It was reported this way due to accounting rules; in fact, it is allocated toward the 2017 round of incentive grants, which has its application, review, and award process over the summer months into the fall. Once awarded, the funds will be listed as allocated or encumbered. PEMA further reports that if the proposed \$40 million is taken for general fund purposes, the 2017 round of incentive grants will have to be cancelled. County projects to improve 911 system efficiency, including consolidation of PSAPs, regional backbone consolidation, and more, will be delayed, impaired, or cancelled.

Agricultural Conservation Easement Purchase Fund

- **House Proposal:** Transfer of \$27 million
- **The Facts:** The Department of Agriculture has provided a count of 1,319 farms in 33 counties awaiting preservation with close to \$39 million in funds already committed to farms awaiting board approval for preservation, at different stages of the settlement process. Because easement purchases can take considerable time to finalize, Easement funds committed to counties can remain available for up to two years, and based on that assurance, counties have committed another \$17 million in local matching dollars just this year for farmland preservation. If these funds are transferred to the General Fund, the pending transfers will be halted, breaking the commitment to counties as well as the commitment to farmers who have invested resources to prepare their applications (appraisals, legal fees, etc.) and have expectations of having the transfers completed.

Conservation District Fund

- **House Proposal:** Transfer of \$3.3 million
- **The Facts:** This \$3.3 million, which has been mischaracterized as a surplus, instead reflects how cash flows into the Fund, and is actually funds that were deposited late in the FY 2016-2017 fiscal year from revenues dedicated to conservation districts under Act 13 of 2012. Those funds have been committed to conservation districts this fiscal year, and support positions, technical assistance to farmers and special projects that are vital to improving water quality and offering other local environmental services throughout the commonwealth, and are already reflected in the district’s budgets.

Recycling Fund

- **House Proposal:** Transfer of \$75 million
- **The Facts:** The Recycling Fund provides grants to local governments with recycling programs; counties benefit from assistance for developing their state-mandated solid waste plans every ten years, for planning and implementation of programs and for covering the cost of the county recycling coordinator, and for supplemental recycling service such as household hazardous waste pickup, recycling of electronics and tires, and recycling drop-off centers. Many of the grants awarded from the Recycling Fund operate on multi-year contracts and on a reimbursement basis. After being awarded a grant, a local government or nonprofit organization must spend its own money first on the project and then seek reimbursement from its approved grant after the project is done or at critical stages; this can sometimes take two or three years depending on the project. In the meantime, the amount of the grants are reserved so the funds are available when the reimbursement requests come in. If this transfer occurs, there will be no funding available to reimburse those grants already approved or underway over the last two years, leaving local governments responsible for the entire cost of the project even though they relied on the promise of state funding to move forward.

Justice Reinvestment Fund

- **House Proposal:** Transfer of \$4.828 million
- **The Facts:** Pennsylvania has the highest incarceration rate in the Northeast. The Justice Reinvestment Fund looks to provide money to improve the delivery of criminal justice services. Of those services, this program aims to enable the state to reinvest savings from reducing prison populations into strategies to improve public safety, including strengthening probation and parole supervision and increasing funding for alternatives to incarceration that have been shown to reduce recidivism. This transfer would frontload funding to adult probation departments which would result in an immediate impact; without it, there would be no means or alternative sources for funds to help counties meet case load demands.

Multimodal Transportation Fund

- **House Proposal:** Transfer of \$120 million
- **The Facts:** The Multimodal Transportation Fund provides assistance to communities, rail freight lines, and airports across the state. Communities around the state have limited resources for transportation improvements and the inclusion of this fund in Act 89 was intended to fill the gap and meet important needs like safety improvements to intersections and safety improvements for pedestrians and bicyclists. Cuts to the Multimodal Transportation Fund would put more than 200 projects from across the state in jeopardy.

Public Transportation Trust Fund

- **House Proposal:** Transfer of \$357 million
- **The Facts:** A \$357 million transfer from the Public Transportation Trust Fund would mean a 35 percent reduction in operating subsidies this fiscal year for the state's 37 fixed

route transit agencies, translating into a 30 percent service reduction and fare increases. Cuts to transit agencies of that magnitude would be catastrophic, not just for urban centers but also for those located in smaller, more rural areas of the state which are often more reliant on the state for their operating subsidies. A loss of these funds also would eliminate the needed funding for Amtrak's cross-state Pennsylvania passenger train, and comes at a time when many western-Pennsylvanians have been advocating for increased daily trips.

Additional transfers that may impact counties:

- Ben Franklin Technology Development Authority Fund: \$12 million
- Compulsive and Problem Gambling Treatment Fund: \$4.2 million
- Conservation District Fund: 3.33 million
- Energy Development Fund: \$3.972 million
- Environmental Education Fund: \$1.285 million
- Environmental Stewardship Fund: \$72.7 million
- Hazardous Sites Cleanup Fund: \$50 million
- Highway Beautification: \$500,000
- Historical Preservation Fund: \$7 million
- Industrial Development Fund: \$47,000
- Industrial Sites Cleanup Fund: \$10 million
- Industrial Sites Environmental Assessment Fund: \$7.5 million
- Job Training Fund: \$359,000
- Keystone Recreation, Park, and Conservation Fund: \$100 million
- Local Government Capital Project Loan Fund: \$2.3 million
- PA Infrastructure Bank: \$30 million
- Solid Waste-Resource Recovery Development Fund: \$448,000
- Underground Storage Tank Indemnification Fund: \$100 million