

The LBFC PERFORMANCE REPORT

THE OFFICIAL NEWSLETTER OF THE
PENNSYLVANIA LEGISLATIVE BUDGET & FINANCE COMMITTEE

IMPACT AWARD!



DAIRY STUDY EARNS LBFC'S 7TH CONSECUTIVE IMPACT AWARD ...

For the seventh year in a row, LBFC has had its work recognized with a Certificate of Impact from the National Legislative Program Evaluation Society (NLPES). The Certificate of Impact is presented to legislative offices that produce evaluations or audit reports that resulted in documented public policy changes, program improvements, dollar savings, or other public impacts.

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In 2018, LBFC had been directed by Senate Resolution 384 to conduct a study on the past, present, and future issues impacting dairy producers and the dairy industry in Pennsylvania. The LBFC report, *A Study of Pennsylvania's Dairy Industry*, was released in September 2019, and resulted in documented public policy changes, program improvements, dollar savings or other public impacts including the passage by the General Assembly of Act 2021-62 implementing one of the report's recommendations.

The study reviewed the context of milk regulation, as well as key difficulties confronting the state's dairy industry. It addressed five key findings and proposed nine recommendations to improve fairness, potential, and oversight of Pennsylvania's milk market. Recommendations included regulating plant-based milk under the state's Milk Marketing Law, further developing Pennsylvania's identity and uniqueness for fluid milk, and expanding the membership of the Milk Marketing Board.

Upon news of the award, LBFC Chairman, Sen. Bob Mensch, commented "I'm pleased that the Legislative Budget and Finance Committee has been recognized for the seventh straight year as a recipient of this prestigious award. This report identified issues facing our dairy industry and made sensible recommendations to improve it. The General Assembly has already acted on one recommendation, and bills to implement other recommendations are under consideration. These changes will have a positive impact on the dairy industry in Pennsylvania."

DAIRY STUDY BILL ...

House Bill 224 of 2022 (Rep. Lawrence) would amend the Milk Marketing Law by improving the collection and accounting of milk premiums. This implements a recommendation from the 2019 *A Study of Pennsylvania's Dairy Industry*. The bill has moved out of the House and is now in the Senate.

SOVEREIGN IMMUNITY...

Senate Resolution 2021-146 directed the LBFC to conduct a study and prepare a report and recommendations concerning the limitations on Commonwealth and local government liability established in Act 1978-152 and Act 1978-330, respectively. LBFC found that although the damage caps have not been changed since 1978, they sufficiently provide relief for over 99 percent of claims against the Commonwealth and local government entities. For plaintiffs, however, who have been catastrophically injured by governmental entities subject to the caps, the caps are inadequate and have devastating health and financial consequences. LBFC's report recommends

that the General Assembly consider developing new liability caps for economic damages to cover catastrophic claims. The caps should reflect the same purchasing power as the 1978 caps in today's dollars and should be adjusted for inflation going forward. The report contains several other recommendations, including that the General Assembly also consider increasing the medical expenses threshold for non-economic damages by the same percentage increase as the increases for economic damages in catastrophic claims. Other recommendations involve requiring local government entities to report their insurance carrier for property and liability (insurance) coverage (such as by using DCED's municipal statistics database), and if the General Assembly raises the Commonwealth's liability cap, they should consult with the DGS's Bureau of Finance and Risk Management to determine the appropriate General Fund Restricted Receipt Appropriation level for the applicable scenario to best protect Commonwealth agencies/entities. Read the full report [here](#).



OTHER REPORTS...

Act 2020-93: LBFC reviewed that Emergency Medical Services Operating Fund monies are being collected and deposited properly. LBFC found that overall collections have been declining and recommended that AOPC continue to ensure that judges and court staff are trained on costs associated with traffic violations and ARD DUIs that are directed to the EMSOF. Released April 13, 2022. [Link](#)

Act 2013-90: LBFC's seventh review under his act found that tavern gaming has not taken hold in the way originally envisioned, and, therefore, has generated only a small portion of the revenue that was anticipated. The \$1.3 million in taxes generated by tavern games in 2021, is one-tenth of 1 percent (0.10 percent) of the losses incurred in Lottery games. Tavern tax revenues were also less than

one-tenth of one percent (0.07 percent) of lottery revenues. Both percentages have remained similar over the five years of the report, so LBFC concluded that tavern gaming did not have a material impact on State Lottery sales in 2021. Released April 13, 2022. [Link](#)

Act 2016-20: Requires LBFC to conduct a study of certain patient outcomes when using lay caregivers. The PA CARE Act formalized the process of designating a family caregiver by requiring Pennsylvania hospitals to provide inpatients with an opportunity to designate a family caregiver to ensure a safe and effect transition to the inpatient's home care environment. Responses by Pennsylvania hospitals a LBFC survey indicate that prior to the act, many hospitals already had a process in place to designate a family caregiver, however, now all respondents have such a process. All respondents to our survey agreed with the statement: Preparation for post-discharge care must take place throughout the hospital stay through a formalized process. Released May 25, 2022. [Link](#)

Act 2004-159: Requires a performance audit of the Pennsylvania Fish and Boat Commission. The LBFC found Reserve Fund balances grew 41.1 percent since the last review and revenue increases in the reserve fund balances were driven by unprecedented growth from license sales (Fish Fund) and boat registrations (Boat Fund). Other findings include that total expenditures over the three-year period increased 1.9 percent from the Fish Fund and 25.7 percent from the Boat Fund, respectively, and that hatchery physical plant operations need improvement. Regarding maintaining two funds, LBFC found that splitting costs between two special funds can be an overly bureaucratic process, which adds unnecessary costs to the PFBC. This complicated coding, however, allows for greater accountability to specific stakeholders. There is value in combining the funds into one special fund; additional analysis is warranted toward this objective. Regarding COVID, from a service delivery perspective, the PFBC pivoted to meet its mission, moving personnel, and realigning other activities and programs. From an organizational impact, the PFBC telework policy was well constructed, and approximately 38 percent of the staff continue in a telework environment. COVID vaccination initiatives were unsuccessful at the PFBC, as employees who applied to participate decreased between the two offered incentives. Released May 25, 2022. [Link](#)





THANKS TO REP. WHEATLEY...

On January 31, Rep. Jake Wheatley resigned from the General Assembly to join the administration of the newly elected Pittsburgh mayor as Chief of Staff. He served in the U.S. Marine Corps from 1989-1992 and was first elected to the state House in 2002 to represent the 19th Legislative District, which includes historic Pittsburgh neighborhoods such as: the Hill District, North Side, South Side, Allentown, Hazelwood, Downtown, the Bluff, Knoxville, Beltzhoover, Manchester, Arlington, Arlington Heights, and West, South and North Oakland, among others. He was appointed to serve as a member of the LBFC in 2013 and was elected LBFC Treasurer in 2015. Rep. Wheatley's excellent service as a member and officer of the LBFC is greatly appreciated. Best wishes, Rep. Wheatley!



WELCOME REP. KIM...

Rep. Patty Kim (D-Dauphin County (part)) was appointed to join the LBFC on February 7, 2022.

Rep. Kim was first elected to the House of Representatives in 2013 serving the 103rd District. In addition to her position as a member of the LBFC, Rep. Kim serves on the House Appropriations, Education, Insurance, and Local Government Committees. Welcome, Rep. Kim! (An explanation of the secret handshake is on its way.)

LBFC REPORT ACTIVITY...

- Senator Bob Mensch, LBFC Chairman, is the prime sponsor on Senate Bill 1136 which would amend the Vital Statistics Law to allow access to records by legislative agencies for research purposes as recommended in the report *A Report in Response to HR 1087 of 202 COVID-19 Death Reporting*.
- House Bill 2441 (Rep. Klunk) which would amend the Vital Statistics Law to allow access to records by legislative agencies for research purposes as recommended in the report *A Report in Response to HR 1087 of 202 COVID-19 Death Reporting* moved out of the House and is now in the Senate.
- Dr. Sutirtha Bagchi, an Associate Professor of Economics at Villanova University' School of Business recently completed a study examining the effects of Act 32 of 2008 that mandated the introduction of withholding and consolidation of EIT collectors on compliance with that tax. He sent us a copy and noted that I the 2016 LBFC report, *The Impact of Act 32 on the Collection of Local Earned Income Taxes*, was very helpful to his research. The paper has not been published by a peer-reviewed journal yet, but he expects it to be so soon.

STAFF ACTIVITIES...

- LBFC Executive Director, Patricia Berger presented information about the function and processes of the LBFC to the Senate Democratic Caucus on Tuesday, May 24, 2022. A similar presentation was made on March 30 to newer members of the House Republicans. Similar to past presentations, the Executive Director addressed the statutory basis under which the LBFC undertakes its work and the scope of the LBFC's authority to take on projects, highlighting the use of the GAO's Yellow Book standards to guide the work of the staff ensuring that the work remains independent and non-partisan. She also explained that the LBFC officers represent the four caucuses highlighting the bi-partisan, bi-cameral nature of the LBFC.
- Executive Director Patricia Berger also served as a judge for the NLPES Outstanding Achievement Award in May.
- Staff began using Tableau software in January to facilitate data analysis and presentation to make our data analysis more efficient and our report presentations more reader-friendly.





ONGOING PROJECTS...

Act 2020-120: Directs a study of Pharmaceutical Benefits Managers.

Senate Resolution 2021-96: Requires a performance audit of the 911 Communications System.

Act 2016-86: A study of the Northern Pennsylvania Regional College.

Senate Resolution 2021-53: Requires a study PADOT's highway maintenance funding.

House Resolution 2012-68: A study of dental services in rural Pennsylvania.

COMMITTEE UPDATE...

With the departure of Rep. Wheatley from the General Assembly (and the LBFC) to join the Pittsburgh mayor's administration (see prior page), Rep. Scott Conklin was elected by the committee as LBFC Treasurer.



LBFC STAFF

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The mission of the Pennsylvania Legislative Budget & Finance Committee is to provide members of the Pennsylvania General Assembly timely, accurate, and unbiased information, analysis, and performance evaluation to inform their policy decisions.

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