HOUSE AMENDED

PRIOR PRINTER'S NOS. 74, 102 PRINTER'S NO. 144

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 109 Session of 2021

INTRODUCED BY PITTMAN, JANUARY 23, 2021

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, AS AMENDED, FEBRUARY 4, 2021

AN ACT

Amending the act of April 9, 1929 (P.L.343, No.176), entitled "An act relating to the finances of the State government; providing for cancer control, prevention and research, for ambulatory surgical center data collection, for the Joint Underwriting Association, for entertainment business financial management firms, for private dam financial assurance and for reinstatement of item vetoes; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth, authorizing the Commonwealth to issue tax anticipation notes to defray current expenses, implementing the provisions of section 7(a) of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof,

every State depository and every debtor or creditor of the Commonwealth," IN EMERGENCY FINANCE AND TAX PROVISIONS, FURTHER PROVIDING FOR DECLARATION OF POLICY AND PROVIDING FOR NONTAXABILITY OF CERTAIN INCOME; in emergency COVID-19 response, establishing the Hospitality Industry Recovery Program, providing for emergency education relief to nonpublic schools and for emergency education relief to ~~area career and technical schools, intermediate units and other~~ educational entities and repealing provisions relating to Pennsylvania Housing Finance Agency; establishing the Rental and Utility Assistance Grant Program; in additional special funds and restricted accounts, providing for Workers' Compensation Security Fund transfer to COVID-19 Response Restricted Account; in 2020-2021 Restrictions on Appropriations for Funds and Accounts, further providing for fund transfers; and making appropriations. <--

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

~~Section 1. The act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, is amended by adding sections to read:~~ <--

SECTION 1. SECTION 101-A OF THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE, ADDED MARCH 27, 2020 (P.L.30, NO.10), IS AMENDED TO READ: <--

SECTION 101-A. DECLARATION OF POLICY.

THE GENERAL ASSEMBLY FINDS AND DECLARES AS FOLLOWS:

(1) THERE ARE CIRCUMSTANCES UNDER WHICH IT IS IMPOSSIBLE TO EFFECTIVELY COMPLY WITH LAW RELATING TO STATE FINANCE OR STATE TAX.

(2) WHEN CIRCUMSTANCES UNDER PARAGRAPH (1) ARISE, IT IS NECESSARY FOR COMMONWEALTH AGENCIES TO EXERCISE [TEMPORARY] POWERS AND DUTIES SET FORTH IN THIS ARTICLE.

SECTION 1.1. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

SECTION 104-A. NONTAXABILITY OF CERTAIN INCOME.

(A) FORGIVENESS OF PAYCHECK PROTECTION LOANS.--

(1) FOR THE PURPOSES OF COMPUTING THE TAX UNDER ARTICLE III OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, THE CLASSES OF INCOME UNDER SECTION 303 OF THE TAX REFORM CODE OF 1971 SHALL NOT INCLUDE ANY

AMOUNT WHICH IS EXCLUDED FROM FEDERAL GROSS INCOME UNDER SECTIONS 276 AND 278(A) OF THE COVID-RELATED TAX RELIEF ACT OF 2020, ENACTED AS SUBTITLE B OF TITLE II OF DIVISION N OF THE CONSOLIDATED APPROPRIATIONS ACT, 2021 (PUBLIC LAW 116-260, 134 STAT. 1182).

(2) FOR THE PURPOSES OF ARTICLE III OF THE TAX REFORM CODE OF 1971, NO DEDUCTION MAY BE DISALLOWED FOR AN EXPENSE THAT IS OTHERWISE DEDUCTIBLE IF THE PAYMENT OF THE EXPENSE RESULTS IN FORGIVENESS OF A COVERED LOAN UNDER PARAGRAPH (1).

(B) PAYMENT RECEIVED BY INDIVIDUALS.--FOR THE PURPOSES OF COMPUTING THE TAX UNDER ARTICLE III OF THE TAX REFORM CODE OF 1971, THE CLASSES OF INCOME UNDER SECTION 303 OF THE TAX REFORM CODE OF 1971 SHALL NOT INCLUDE A PAYMENT RECEIVED BY AN INDIVIDUAL FROM THE UNITED STATES UNDER SECTION 2201 THROUGH THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (PUBLIC LAW 116-136, 134 STAT. 281) OR SECTIONS 272 AND 273 OF THE COVID-RELATED TAX RELIEF ACT OF 2020, ENACTED AS SUBTITLE B OF TITLE II OF DIVISION N OF THE CONSOLIDATED APPROPRIATIONS ACT, 2021 (PUBLIC LAW 116-260, 134 STAT. 1182).

Section 134-C. Hospitality Industry Recovery Program.

(a) County block grants.--From money appropriated to the department for COVID Relief - County Block Grant - Hospitality Industry Recovery Program, each county shall receive an amount equal to the population proportion amount as determined by paragraph (2). The following shall apply:

(1) The department shall distribute funding to counties under this subsection on or before February 28, 2021.

(2) For purposes of this subsection, the population proportion amount shall be determined as follows:

(i) divide:

(A) the population estimate of the county; by

(B) the sum of the population estimates of all counties; and

(ii) multiply the quotient under subparagraph (i) by the total amount appropriated for COVID Relief - County Block Grant - Hospitality Industry Recovery Program.

(3) For purposes of this subsection, a county's population shall be equal to the published estimate by the United States Census Bureau Population Estimates Program for calendar year 2019.

(b) County Block Grant - Hospitality Industry Recovery Program.--The County Block Grant - Hospitality Industry Recovery Program is established within the department. The following shall apply to the program:

(1) No later than March 1, 2021, each county that receives a block grant under this section shall contract with one or more CEDO OR CDFI designated to serve that county to award grants under this subsection. <--

(2) Subject to the prohibition under subparagraph (ii), grants may be awarded to eligible applicants for the purpose of alleviating revenue losses and paying eligible operating expenses. The following shall apply to grants awarded under this subsection:

(i) A grant awarded to an eligible applicant under this subsection may not exceed $50,000.

(ii) A grant may not be awarded to pay for the same eligible operating expenses for which an eligible applicant receives or received payment, reimbursement or loan forgiveness from the following sources:

(A) The CARES Act or Consolidated Appropriations

Act, 2021 money that is not required to be repaid to the Federal Government.

(B) The act of May 29, 2020 (P.L. , No.2A), known as the COVID-19 Emergency Supplement to the General Appropriation Act of 2019.

(3) The receipt of a loan or grant issued under the authority of the Federal Government or the Commonwealth shall not disqualify an applicant from eligibility for a grant under this section.

(4) Priority in the awarding of grants shall be given to eligible applicants that:

(i) have not received a loan or grant issued under the authority of the Commonwealth or the Commonwealth's political subdivisions or by the Federal Government under the CARES Act or Consolidated Appropriations Act, 2021;

(ii) were subject to closure by the proclamation of disaster emergency issued by the Governor on March 6, 2020, published at 50 Pa.B. 1644 (March 21, 2020), and any renewal of the state of disaster emergency; or

(iii) can demonstrate A REDUCTION IN REVENUE WHICH MEETS one of the following: <--

(A) A reduction in ~~revenue~~ GROSS RECEIPTS of 50% or more for the period beginning after March 31, 2020, and ending before December 31, 2020, in comparison to the period beginning after March 31, 2019, and ending before December 31, 2019. <--

(B) If the eligible applicant was not in operation during the entire comparison period under clause (A), but was in operation on February 15, 2020, a monthly average reduction in ~~revenue~~ GROSS <--

RECEIPTS of 50% or more for the period beginning after March 31, 2020, and ending before December 31, 2020, in comparison to the period beginning after January 1, 2020, and ending before April 1, 2020.

(5) The following shall apply to applications:

(i) Applications for grants under this section shall be in a form determined by a county with input from a CEDO OR CDFI processing the applications on behalf of a county and shall contain documentation as required by the county. Applications shall be available electronically. <--

(ii) By March 15, 2021, each CEDO OR CDFI shall receive AND CONSIDER applications on a rolling basis until funding for grants received by the county under subsection (a) in which the CEDO OR CDFI is designated to perform services has been exhausted, or June 15, 2021, whichever occurs first. <-- <--

(6) The following shall apply to reviewing applications:

(i) By July 15, 2021, each CEDO OR CDFI shall approve or disapprove applications for grants under the program. <--

(ii) Upon approving ~~a grant~~ AN APPLICATION under subparagraph (i), a CEDO ~~shall contract~~ OR CDFI SHALL ENTER INTO A GRANT AGREEMENT with the eligible applicant ~~through electronic means~~ in order to award the grant. <-- <--

(iii) The ~~contract~~ GRANT AGREEMENT required under subparagraph (ii) shall explain the terms and conditions of the grant, including each applicable law, statute and reporting requirement. <--

(iv) The ~~contract~~ GRANT AGREEMENT under subparagraph (ii) ~~must~~ MAY be electronically signed and returned to <-- <--

the CEDO OR CDFI that approved the application. <--

(7) An eligible applicant or authorized representative of the eligible applicant making application to the program must certify in good faith to each of the following:

(i) The eligible applicant was in operation on February 15, 2020, and, if required, paid income taxes to the Federal and State Government, as reported on individual or business tax returns.

(ii) The eligible applicant remains in operation and does not intend to permanently cease operations within one year of the date of application.

(iii) COVID-19 has had an adverse economic impact on the eligible applicant which makes the grant request necessary to support the ongoing operations of the eligible applicant.

(iv) The grant will be used to pay for COVID-19-related economic impacts.

(v) During the period beginning on January 1, 2021, and ending on June 30, 2021, the applicant has not and will not receive another grant under this program.

(vi) An eligible applicant or authorized representative of the eligible applicant must certify that the information provided in an application to the program and the information provided in all supporting documents and forms is true and accurate in all material respects. An eligible applicant or an authorized representative of the eligible applicant that knowingly makes a false statement to obtain a grant under the program is punishable under penalty of perjury and fines pursuant to 18 Pa.C.S. § 4904 (relating to unsworn

falsification to authorities).

(8) The following shall apply to the awarding of grants under this subsection:

(i) A CEDO OR CDFI contracted to award grants may award grants in increments of $5,000, not to exceed the limitation under paragraph (2)(i). <--

(ii) A fully executed ~~contract~~ GRANT AGREEMENT as required under paragraph (6) is required prior to disbursement of grant funds. <--

(iii) The aggregate amount of all grants awarded may not exceed the amount of money received by the county under subsection (a) in which the CEDO OR CDFI is designated to perform services for the County Block Grant - Hospitality Industry Recovery Program. <--

(9) A CEDO OR CDFI may charge a fee not to exceed ~~$750~~ $500 per completed AND REVIEWED grant application ~~and, in addition, up to 1% of the amount of a grant award~~. Fees charged under this paragraph shall be deducted from the total amount of money distributed to the county under subsection (a) in which the CEDO OR CDFI is designated to perform services for the County Block Grant - Hospitality Industry Recovery Program and may not reduce the amount of the grant awarded to an eligible applicant. <-- <-- <--

(10) Each grant awarded under this subsection shall be paid to eligible applicants by July 31, 2021.

(11) A county providing grants under this subsection shall compile a report, which shall include the following:

(i) A list of each grant awarded under the program.

(ii) The name and address of each grant recipient.

(iii) The amount of the grant and a description of

the financial impact to the grantee for which the grant was awarded.

(iv) The name of the CEDO OR CDFI that processed the grant. <--

(12) A report required under paragraph (11) shall be submitted to the department by August 31, 2021. The department shall prepare a consolidated report with information from all counties and shall submit the report to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives by September 30, 2021. The report shall also be posted and maintained on the county's and department's publicly accessible Internet website.

(13) A COUNTY AWARDING GRANTS AND A CEDO OR CDFI processing grants on behalf of a county under this subsection shall provide documentation to the Department of the Auditor General OR THE DEPARTMENT, upon request, for purposes of an audit review. <--

(14) THE DEPARTMENT IS PROHIBITED FROM PLACING ANY ADDITIONAL STIPULATIONS ON COUNTIES THAT ARE IN ADDITION TO THIS SECTION. <--

(c) Return of unused funds.--A county receiving a block grant under subsection (a) that does not expend its entire distribution on the program by August ~~1~~ 15, 2021, shall return any unused funds to the State Treasurer for deposit into the Workers' Compensation Security Fund. <--

(d) ~~Review.--This section shall not be subject to the following:~~ <--

~~(1) Article II of the act of July 31, 1968 (P.L.769,~~

~~No.240), referred to as the Commonwealth Documents Law.~~

~~(2) Sections 204(b) and 301(10) of the act October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.~~

~~(3) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.~~ (RESERVED). <--

(e) Definitions.--The following words and phrases when used in this section shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"CDFI." A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION THAT IS CERTIFIED BY THE UNITED STATES DEPARTMENT OF TREASURY, IS HEADQUARTERED IN THIS COMMONWEALTH, IS PART OF THE 17-MEMBER PENNSYLVANIA CDFI NETWORK AND PRIMARILY PROVIDES BUSINESS LOANS TO LOW-TO-MODERATE INCOME INDIVIDUALS AND BUSINESS OWNERS. <--

"Certified economic development organization" or "CEDO." An economic development organization that has been certified by the Pennsylvania Industrial Development Authority or an economic development organization that serves more than one county and is accredited by the International Economic Development Council.

"Consolidated Appropriations Act, 2021." The Consolidated Appropriations Act, 2021 ~~(P.L.116-260)~~ (PUBLIC LAW 116-260). <--

"Department." The Department of Community and Economic Development of the Commonwealth.

"Economic development organization." A local development district, an industrial development agency, industrial resource center, redevelopment authority, community development financial institution or any other nonprofit economic development organization that is certified to participate in the Pennsylvania Industrial Development Authority loan program.

"Eligible applicant." A for-profit entity that meets each of

the following:

(1) Is not publicly traded.

(2) Experienced a reduction in revenue in calendar year 2020, measured as follows:

(i) the applicant had gross receipts during the first, second, third or fourth quarter in calendar year 2020 that demonstrate at least a 25% reduction from the applicant's gross receipts during the same quarter in calendar year 2019;

(ii) if the applicant was not in business during the first or second quarter of calendar year 2019, but was in business during the third and fourth quarters of calendar year 2019, the applicant had gross receipts during the first, second, third or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the applicant's gross receipts during the third or fourth quarter of calendar year 2019;

(iii) if the applicant was not in business during the first, second or third quarter of calendar year 2019, but was in business during the fourth quarter of calendar year 2019, the applicant had gross receipts during the first, second, third or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the fourth quarter of calendar year 2019;

(iv) if the applicant was not in business during calendar year 2019, but was in operation on February 15, 2020, the applicant had gross receipts during the second, third or fourth quarter of calendar year 2020 that demonstrate at least a 25% reduction from the gross receipts of the entity during the first quarter of

calendar year 2020; or

(v) an applicant that was in operation in all four quarters of calendar year 2019 is deemed to have experienced the revenue reduction in subparagraph (i) if the applicant experienced a reduction in annual receipts of at least 25% in 2020 compared to 2019 and the applicant provides copies of its annual Federal tax forms substantiating the revenue decline.

(vi) If an applicant changed ownership or control in calendar year 2020, the applicant may measure its reduction in revenue in calendar year 2020 under subparagraphs (i), (ii), (iii), (iv) or (v) using the gross receipts of the entity for 2019.

(3) Meets each of the following conditions as of February 15, 2020:

(i) Operates a place of business within this Commonwealth having a NAICS designation within the Accommodation subsector (721) or Food Services and Drinking Places subsector (722) and where accommodations, food or drink is served to or provided for the public, with or without charge.

(ii) Has fewer than ~~500~~ 300 full-time equivalent employees. For purposes of determining the number of full-time equivalent employees under this ~~paragraph~~ SUBPARAGRAPH, the calculation shall include each employee of the eligible applicant notwithstanding whether the eligible applicant has employees at multiple locations. <--

(iii) Has a maximum tangible net worth of not more than $15,000,000 computed in accordance with generally accepted accounting principles.

"Eligible operating expense." An operating expense, including a payroll and nonpayroll expense, that is both ordinary and necessary. An ordinary expense is one that is common and accepted in an eligible applicant's industry. A necessary expense is one that is helpful and appropriate for an eligible applicant's trade or business. For purposes of determining an eligible operating expense, the following limitations shall apply:

(1) The operating expense must have been incurred between March 1, 2020, and June 15, 2021, or prior to submission of an application under subsection (b), whichever occurs first.

(2) For a mortgage obligation, the mortgage must have been in force before February 15, 2020.

(3) For rent, under lease agreements, the lease agreement must have been in force before February 15, 2020.

(4) For utility costs, service must have begun before February 15, 2020.

(5) If an existing mortgage obligation or lease agreement in force before February 15, 2020, is refinanced or restructured after February 15, 2020, the mortgage obligation or lease agreement is deemed to have been in force before February 15, 2020.

"Full-time equivalent employee." The quotient obtained by dividing the total number of hours for which employees were compensated for employment over the preceding 12-month period by 2,080.

"Gross receipts." Revenue in whatever form received or accrued, in accordance with the entity's accounting method, from whatever source, including from the sales of products or

services, interest, dividends, rents, royalties, fees or commissions, reduced by returns and allowances. The term does not include the following:

(1) taxes collected for and remitted to a taxing authority if included in gross or total income, such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees;

(2) proceeds from transactions between a concern and its domestic or foreign affiliates; and

(3) amounts collected for another by a travel agent, real estate agent, advertising agent or conference management service provider.

"NAICS." A classification within the North American Industry Classification System developed for use by Federal statistical agencies for the collection, analysis and publication of statistical data related to the United States economy.

"Program." The County Block Grant - Hospitality Industry Recovery Program established under subsection (b).

Section 141-C. Emergency education relief to nonpublic schools.

(a) Application and reporting.--From money appropriated for COVID Relief - GEER - Emergency Assistance to Nonpublic Schools during the 2020-2021 fiscal year, the following shall apply:

(1) The Department of Education shall provide to nonpublic schools that are eligible to apply for money under this section a notice and application which includes the appropriate uses of the money and any other information required. The notice and application shall be provided no later than 30 days after the Commonwealth receives the money from the Federal Government.

(2) The Department of Education shall approve or deny an

application under this section no later than 30 days after the receipt of the application.

(3) THE DEPARTMENT OF EDUCATION MAY NOT APPLY ADDITIONAL ELIGIBILITY CRITERIA IN ADDITION TO FEDERAL LAW OR FEDERAL GUIDANCE. <--

~~(3)~~ (4) The Department of Education shall submit an interim report to the chairperson and minority chairperson of the Appropriations Committee of the Senate, the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives, the chairperson and minority chairperson of the Education Committee of the Senate and the chairperson and minority chairperson of the Education Committee of the House of Representatives 90 days after an award of money is made under this section. The report shall include the number of approved and denied applications, the amount of each award and the intended uses of the money as stated in the applications. <--

~~(4)~~ (5) The Department of Education shall submit a final report to the chairperson and minority chairperson of the Appropriations Committee of the Senate, the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives, the chairperson and minority chairperson of the Education Committee of the Senate and the chairperson and minority chairperson of the Education Committee of the House of Representatives by January 1, 2022. The report shall include the number of approved and denied applications under this section, the amount of each award and the intended uses of the money as stated in the applications. <--

(b) Definition.--As used in this section, the term "GEER" means the Governor's Emergency Education Relief Fund described

under ~~Federal law~~ SECTION 312 OF TITLE III OF DIVISION M OF THE CONSOLIDATED APPROPRIATIONS ACT, 2021. <--

Section 142-C. Emergency education relief to ~~area career and technical schools, intermediate units and other~~ educational entities. <--

(a) General rule.--From money appropriated for COVID Relief - GEER during the 2020-2021 fiscal year, the following shall apply:

(1) The amount of ~~$17,500,000~~ $20,000,000 shall be distributed to area career and technical schools as follows: <--

(i) Multiply the amount received by the area career and technical school from the secondary career and technical education subsidy under section 2502.8 of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, for school year 2019-2020 by ~~$17,500,000~~ $20,000,000. <--

(ii) Divide the product from subparagraph (i) by the sum of the amounts received by area career and technical schools from the secondary career and technical education subsidy under section 2502.8 of the Public School Code of 1949 for school year 2019-2020.

~~(2) The amount of $17,500,000 shall be distributed to intermediate units as follows:~~ <--

~~(i) Multiply the intermediate unit's 2020-2021 market value/income aid ratio by its 2018-2019 average daily membership.~~

~~(ii) Multiply the product from subparagraph (i) by $17,500,000.~~

~~(iii) Divide the product from subparagraph (ii) by the sum of the products of the 2020-2021 market~~

~~value/income aid ratio multiplied by the 2018-2019 average daily membership for all intermediate units.~~

(2) (RESERVED). <--

(3) The amount of ~~$7,075,000~~ $8,075,000 shall be distributed to approved private schools ~~and~~, the chartered schools for the education of the deaf or the blind AND THE PRIVATE RESIDENTIAL REHABILITATIVE INSTITUTIONS as follows: <--

(i) Multiply the 2019-2020 full-time equivalent enrollment of the approved private school ~~or~~, chartered school for the education of the deaf or the blind OR PRIVATE RESIDENTIAL REHABILITATIVE INSTITUTION by ~~$7,075,000~~ $8,075,000. <--

(ii) Divide the product from subparagraph (i) by the sum of the 2019-2020 full-time equivalent enrollment for all approved private schools ~~and~~, chartered schools for the education of the deaf or the blind AND PRIVATE RESIDENTIAL REHABILITATIVE INSTITUTIONS. <--

(4) The amount of $5,000,000 shall be distributed to the State System of Higher Education to support the ongoing functionality of its member institutions as directed by the chancellor.

(5) THE AMOUNT OF $14,000,000 SHALL BE DISTRIBUTED TO THE COMMUNITY COLLEGES AS FOLLOWS: <--

(I) MULTIPLY THE AMOUNT RECEIVED BY THE COMMUNITY COLLEGE FROM THE COMMUNITY COLLEGE SUBSIDY UNDER SECTION 1913-A OF THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, FOR FISCAL YEAR 2019-2020 BY $14,000,000.

(II) DIVIDE THE PRODUCT UNDER SUBPARAGRAPH (I) BY THE SUM OF THE AMOUNTS RECEIVED BY COMMUNITY COLLEGES

FROM THE COMMUNITY COLLEGE SUBSIDY UNDER SECTION 1913-A OF THE PUBLIC SCHOOL CODE OF 1949 FOR FISCAL YEAR 2019-2020.

(b) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Average Daily Membership." The sum of the average daily membership of an intermediate unit's component school districts.

"Full-time equivalent enrollment." The full-time equivalent enrollment as defined under section 1376 of the Public School Code of 1949 for an approved private school ~~and~~, the full-time equivalent enrollment as defined under section 1376.1 of the Public School Code of 1949 for a chartered school for the education of the deaf or the blind~~.~~ AND THE NUMBER OF STUDENTS ENROLLED UNDER SECTION 914.1-A OF THE PUBLIC SCHOOL CODE OF 1949 FOR A PRIVATE RESIDENTIAL REHABILITATIVE INSTITUTION. <--

"GEER." The Governor's Emergency Education Relief Fund as described under ~~Federal law~~ SECTION 312 OF TITLE III OF DIVISION M OF THE CONSOLIDATED APPROPRIATIONS ACT, 2021. <--

Section 2. Subarticle J of Article I-C of the act is repealed:

[SUBARTICLE J

PENNSYLVANIA HOUSING FINANCE AGENCY

Section 190-C. Definitions.

The following words and phrases when used in this subarticle shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Agency." The Pennsylvania Housing Finance Agency.

"Eligible landlord." An individual or entity owning a place of residence that leases the residence to an individual and that

experienced a loss of rental income because the lessee became unemployed after March 1, 2020, or the lessee had their annual household income reduced by 30% or more due to reduced work hours and wages related to COVID-19. The loss of rental income must be at least 30 days past due.

"Lessee." An individual who leases a place of residence in which the individual will permanently reside.

Section 191-C. Mortgage and Rental Assistance Program.

(a) Establishment of program.--The agency shall establish the COVID Relief - Mortgage and Rental Assistance Grant Program.

(b) Purpose of the program.--The program shall receive applications from lessees, landlords, mortgagees and mortgagors and award grants to eligible landlords and mortgagees in accordance with this act.

(c) Use of funds.--Money appropriated to the Pennsylvania Housing Finance Agency for COVID Relief - Mortgage and Rental Assistance shall be used to make grants under this subarticle.

(d) Allocation.--The agency shall allocate a minimum of $150,000,000 of the funds received for use under this subarticle for rental assistance grants.

(e) Guidelines.--The agency shall establish guidelines that are consistent with the provisions of this subarticle within 30 days of the effective date of this section. The guidelines shall be:

(1) submitted to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin; and

(2) posted on the agency's publicly accessible Internet website.

(f) (Reserved).

(g) Program requirements.--The following shall apply:

(1) An eligible lessee, mortgagor, landlord or mortgagee shall submit to the agency the name of the lessee or mortgagor from whom rental or mortgage payments are sought, along with any additional information deemed necessary by the agency to carry out the agency's responsibilities under this section.

(2) Assistance may be awarded to lessors or mortgagees on behalf of lessees or mortgagors who became unemployed after March 1, 2020, or had their annual household income reduced by 30% or more due to reduced work hours and wages related to COVID-19.

(3) The agency shall develop an application for eligible lessees, mortgagors, landlords or mortgagees to apply for assistance under this section within 30 days of the effective date of this section. The application shall include an attestation by the landlord or mortgagee releasing the lessee or mortgagor of any remaining obligation for any past due or future rent or mortgage payment for which the agency pays the landlord or mortgagee. The application shall be made available and posted on the agency's publicly accessible Internet website and be in a form that can be completed and returned by the lessee, mortgagor, landlord or mortgagee electronically or through the United States mail. The deadline for submitting applications to the agency shall be September 30, 2020.

(4) The agency shall verify the name of the lessee or mortgagor with the Department of Labor and Industry's Bureau of Unemployment Compensation to ensure the lessee or mortgagor became unemployed after March 1, 2020.

(5) The agency shall require any applicant seeking

assistance based on reduced work hours or wages related to the coronavirus pandemic to submit information verifying such information.

(6) The agency shall make payments only to lessors or mortgagees.

(7) The agency shall make payments only on behalf of households with an annualized current income of no more than the upper limit of "median income" as defined in guidelines published annually by the United States Department of Housing and Urban Development.

(8) The agency shall notify each lessee or mortgagor of the amount of payment made to the landlord or mortgagee on the lessee's or mortgagor's behalf.

(9) The agency shall make payments as follows:

(i) For rental assistance, an amount equal to 100% of the lessee's monthly rent, not to exceed $750 per month, for each month for which assistance is sought for a maximum of six months. Payments shall be made no later than November 30, 2020.

(ii) For mortgage assistance, an amount equal to 100% of the mortgagor's monthly mortgage, not to exceed $1,000 per month, for each month for which assistance is sought for a maximum of six months. Payments shall be made no later than November 30, 2020.

(h) Report.--By December 31, 2020, the agency shall issue a report to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives and post the report on the agency's publicly accessible Internet website. The report shall include

the following information:

(1) The total number of landlords who applied for assistance under this section.

(2) The total number of mortgagees who applied for assistance under this section.

(3) The total amount of assistance that was sought.

(4) The average amount of assistance that was applied for under this section.

(5) The average amount of assistance that was provided under this section.

(6) The total number of landlords and mortgagees who received assistance under this section by county.

(7) The value of payments made by the agency under this section by county.]

Section 3. The act is amended by adding an article to read:

ARTICLE I-D

RENTAL AND UTILITY ASSISTANCE GRANT PROGRAM

Section 101-D. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Consolidated Appropriations Act, 2021." The Consolidated Appropriations Act, 2021 ~~(P.L.116-260)~~ (PUBLIC LAW 116-260). <--

"Department." The Department of Human Services of the Commonwealth.

"Program." The Rental and Utility Assistance Grant Program established under section 102-D.

"Utilities." Includes separately stated electricity, gas, water and sewer, trash removal and energy costs, such as fuel oil. Telecommunications services, such as telephone, cable and

Internet, delivered to the rental dwelling are not considered to be utilities.

Section 102-D. Rental and Utility Assistance Grant Program.

(a) Establishment.--The Rental and Utility Assistance Grant Program is established within the department. The program shall provide the following services to eligible individuals:

(1) Rental assistance, including the following:

(i) Rent.

(ii) Rental arrears.

(iii) Utilities and home energy costs.

(iv) Utilities and home energy cost arrears.

(v) Other expenses related to housing incurred due, directly or indirectly, to COVID-19, to the extent permitted by Federal law.

(2) Housing stability services, including case management and other services intended to keep households stably housed.

(b) County.--Each county is eligible to participate in the program. The following shall apply:

(1) Grant funds received by a county under this article shall be used for the provision of services under subsection (a). ~~Associated~~ TO THE EXTENT PERMITTED BY FEDERAL LAW, ASSOCIATED administrative costs and housing stability services shall not exceed ~~10%~~ 9.09% of the amount of the grant funds. Not more than ~~2%~~ 5% of the grant funds shall be utilized to cover the costs of administering the program. <-- <-- <--

(2) A county may not use the grant funds received as the non-State match for other State funds, programs or grants.

(3) Counties that participate in the Human Services Block Grant Program under Article XIV-B of the act of June

13, 1967 (P.L.31, No.21), known as the Human Services Code, must use the funds for eligible services under this article.

(c) Distribution.--Grant funds shall be distributed as follows:

(1) From money appropriated for the program, each county shall receive an amount equal to the population proportion amount as determined by paragraphs (3) and (4). For purposes of this paragraph, a county's population shall be equal to the published estimate by the United States Census Bureau Population Estimates Program for calendar year 2019.

(2) The department shall distribute funding to counties before April 1, 2021, or 30 days after the effective date of this section, whichever is sooner.

(3) For the purposes of this subsection, the population proportion shall be determined as follows:

(i) the population estimate of the county; divided by

(ii) the sum of the population estimates of all counties.

(4) Counties shall receive a disbursement in an amount necessary so that the total disbursement to a county is determined as follows:

(i) Add:

(A) the amount of money received by the Commonwealth from the Federal Government for emergency rental assistance under the Consolidated Appropriations Act, 2021; and

(B) the amount of money paid directly by the Federal Government to units of local governments for emergency rental assistance under the Consolidated

Appropriations Act, 2021.

(ii) Multiply:

(A) the county's population proportion; and

(B) the sum under subparagraph (i).

(5) An amount equal to a disbursement received by a county directly from the Federal Government for rental assistance through the Consolidated Appropriations Act, 2021 shall be deducted from the amount calculated under paragraph (4).

(d) Human Services Block Grant Program.--Funds received by a county under the program may not be included in the calculation of the allocation of funds under the Human Services Block Grant Program under section 1405-B of the Human Services Code.

~~(e) Reduction of obligations.--Any payments received by the landlord or a utility service provider from a payment made under this section shall be used to reduce the amount of the tenant's obligation to the landlord or utility service provider. A landlord or utility service provider shall not be required to waive any outstanding obligations for rent or utility payments as a condition to participate in the program. If a landlord or utility service provider refuses to participate in the program, a payment received by an individual must be forwarded to the landlord or utility service provider to reduce the tenant's obligation.~~ <--

(E) REDUCTION OF OBLIGATIONS.--THE FOLLOWING SHALL APPLY: <--

(1) ANY PAYMENTS RECEIVED BY THE LANDLORD OR A UTILITY SERVICE PROVIDER FROM A PAYMENT MADE UNDER THIS SECTION SHALL BE USED TO REDUCE THE AMOUNT OF THE TENANT'S OBLIGATION TO THE LANDLORD OR UTILITY SERVICE PROVIDER.

(2) A LANDLORD OR UTILITY SERVICE PROVIDER SHALL NOT BE

REQUIRED TO WAIVE ANY OUTSTANDING OBLIGATIONS FOR RENT OR UTILITY PAYMENTS AS A CONDITION TO PARTICIPATE IN THE PROGRAM.

(3) EXCEPT AS PROVIDED UNDER PARAGRAPH (4), AMOUNTS PROVIDED FOR RENT, RENTAL ARREARS, UTILITIES AND HOME ENERGY COSTS AND UTILITY AND HOME ENERGY COSTS ARREARS SHALL BE MADE TO THE LESSOR OR UTILITY ON BEHALF OF AN APPLICANT.

(4) IF A LANDLORD OR UTILITY SERVICE PROVIDER REFUSES TO PARTICIPATE IN THE PROGRAM, A PAYMENT RECEIVED BY AN INDIVIDUAL MUST BE FORWARDED TO THE LANDLORD OR UTILITY SERVICE PROVIDER TO REDUCE THE TENANT'S OBLIGATION.

(f) Transfer prohibited.--The department shall use funding from the program only for the purpose of services provided under subsection (a) provided for under the Consolidated Appropriations Act, 2021. The funding may not be transferred to other programs within the department.

Section 103-D. Department.

(a) Powers and duties.--The department shall have the power and duty to:

(1) Implement and administer the program in accordance with Federal law. The department shall compile and transmit any information necessary to implement the program and comply with programmatic and eligibility requirements under Federal law and Federal guidance. The department is prohibited from placing any additional stipulations on counties that are in addition to THIS ARTICLE, Federal law or Federal guidance. If <-- a county fails to participate in the program or if funds are not expended within the time requirements of this article, the department may administer the services of the program.

(2) Monitor county governments' administration of the

grant to ensure compliance with Federal and State requirements.

(3) Allocate and disburse grant funds to counties.

(4) Require counties to submit reports containing information REQUIRED BY THE DEPARTMENT AND AS NECESSARY FOR COMPLIANCE WITH THE CONSOLIDATED APPROPRIATIONS ACT, 2021 in the form and by the deadline prescribed by the department. The department shall develop an application to participate in the program. <--

(5) Monitor, inspect or audit the financial, operating and accounting records of a county agency or contracted entity that receives grant funds, if deemed necessary by the department.

(6) Withhold, recover or reduce grant funds of a county agency or contracted entity determined to have administered the program in violation of Federal or State requirements.

(7) Recoup and reallocate unobligated grant funds as identified by the county of a county agency or contracted entity, as provided under section 105-D. The reallocation shall be based upon the counties that identified a shortfall and prorated based upon the 2019 census population to the extent of a county's identified shortfall.

(7.1) PREPARE A MONTHLY CONSOLIDATED REPORT WITH INFORMATION FROM ALL COUNTIES SUBMITTED UNDER SECTION 104-D(4) AND SHALL SUBMIT THE REPORT ON A MONTHLY BASIS TO THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES. THE REPORT SHALL ALSO BE POSTED AND MAINTAINED ON THE DEPARTMENT'S PUBLICLY ACCESSIBLE INTERNET <--

WEBSITE.

(8) By March 31, 2022, ~~the department shall~~ issue a report to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives and shall post the report to the department's publicly accessible website. The report shall include the following information: <--

(i) The total amount of funds received by a county.

(ii) The total amount of funds spent by a county by services under section 102-D(a).

(iii) The total amount of excess funding or shortfall identified by a county as of December 31, 2021.

(iv) The total number of households that applied for assistance.

(v) The total number of households that received assistance.

(vi) The total amount of funding sought by services under section 102-D(a).

(vii) The total amount of assistance provided by services under section ~~201-D(a)~~ 102-D(A). <--

(VIII) AN ITEMIZATION OF ALL EXPENDITURES FOR ADMINISTRATIVE COSTS. <--

(b) Costs.--To the extent permitted by Federal law, the department may utilize an amount not to exceed 1% of the amount appropriated to cover the costs associated with the administration of the program.

Section 104-D. Counties.

The local county officials of each county government participating in the program shall have the power and duty to:

(1) Administer and disburse grant funds for the provision of rental and utility assistance and housing stability services in accordance with this article, information from the department and Federal requirements.

(2) Establish or maintain, in agreement with another county, local collaborative arrangements for the delivery of rental and utility assistance and housing stability services.

(3) Determine and redetermine, in accordance with the information provided by the department, whether a person is eligible to participate in the program, subject to appeal under 2 Pa.C.S. Ch. 5 Subch. B (relating to practice and procedures of local agencies).

~~(4) Submit monthly reports which include identified excess or insufficient funding and be subject to audit as determined by the department.~~ <--

(4) SUBMIT MONTHLY REPORTS, WHICH SHALL INCLUDE IDENTIFIED EXCESS OR INSUFFICIENT FUNDING AND AN ITEMIZATION OF EXPENDITURES FOR ADMINISTRATIVE COSTS. THE REPORTS SHALL BE SUBJECT TO AUDIT AS DETERMINED BY THE DEPARTMENT. <--

Section 105-D. Reallocation of grants.

(a) Obligated funds.--Counties must certify to the department by ~~August~~ JULY 31, 2021: <--

(1) Whether the county has obligated 65% of its grant funds under section 102-D(c).

(2) The amount of funding that is expected to be obligated for the period ~~September~~ AUGUST 1, 2021, through December 31, 2021, along with projections of any excess funding or a funding shortfall through December 31, 2021. <--

(b) Time.--If the county certifies that excess funds will remain on December 31, 2021, beginning ~~September~~ AUGUST 15, <--

2021, the department may recoup and reallocate excess funding to other counties that have demonstrated a funding shortfall. Any funding shall be reallocated by the department according to the reallocation methodology under section ~~103-D(7)~~ 103-D(A)(7). <--

(c) Additional allocation.--If the Commonwealth receives an additional allocation under the Consolidated Appropriations Act, 2021, as a result of other states not having met their threshold under Federal law, the department shall distribute reallocated funding to counties who have obligated at least 65% of their initial allocation by ~~August~~ JULY 31, 2021, according to the <--
reallocation methodology under section ~~103-D(7)~~ 103-D(A)(7) and <--
have certified a shortfall demonstrating additional need under subsection (a)(2).

Section 4. Subarticle D of Article XVII-A.1 of the act is amended by adding a section TO read: <--

Section 1738-A.1. Workers' Compensation Security Fund transfer to COVID-19 Response Restricted Account.

Any amount transferred from the Workers' Compensation Security Fund under section 1726-M(e) WHICH IS NOT DEPOSITED <--
UNDER SECTION 134-C(C) shall be repaid to the Workers' Compensation Security Fund by July 1, 2029. If the Commonwealth receives a payment of at least $145,000,000 from the Federal Government for the mitigation of general revenue losses incurred as a result of the public health emergency with respect to the Coronavirus Disease 2019, $145,000,000 of the payment shall be used to repay the Workers' Compensation Security Fund within 180 days of receipt from the Federal Government.

Section 5. Section 1726-M of the act is amended by adding a subsection to read:

Section 1726-M. Fund transfers.

* * *

(e) Transfers to COVID-19 Response Restricted Account.--From funds deposited in the Workers' Compensation Security Fund, $145,000,000 shall be transferred into the COVID-19 Response Restricted Account.

SECTION 5.1. THE FOLLOWING SHALL APPLY: <--

(1) THE ADDITION OF SECTION 104-A(A) OF THE ACT SHALL APPLY TO THE TAXABLE YEAR IN WHICH A LOAN UNDER SECTION 104-A(A)(1) OF THE ACT WAS FORGIVEN.

(2) THE ADDITION OF SECTION 104-A(B) OF THE ACT SHALL APPLY TO A TAXABLE YEAR IN WHICH A PAYMENT UNDER SECTION 104-A(B) OF THE ACT IS RECEIVED.

Section 6. Appropriations are as follows:

(1) The sum of $145,000,000 OF AMOUNTS TRANSFERRED UNDER <-- SECTION 1726-M(E) OF THE ACT is appropriated to the Department of Community and Economic Development for fiscal year 2020-2021 from the COVID-19 Response Restricted Account for COVID Relief - County Block Grant - Hospitality Industry Recovery Program for the purpose of awarding grants under section 134-C of the act.

(2) The following Federal amounts are appropriated ON A <-- CONTINUING BASIS from the COVID-19 Response Restricted Account to the Department of Education ~~for the 2020-2021 fiscal year~~ <--:

(i) The sum of $150,023,000 is appropriated to the Department of Education for the purpose of COVID Relief - GEER - Emergency Assistance to Nonpublic Schools for distribution in accordance with section 141-C of the act.

(ii) The sum of $47,075,000 is appropriated to the Department of Education for the purpose of COVID Relief -

GEER for distribution in accordance with section 142-C of the act.

(3) The sum of $569,808,000 of Federal amounts is appropriated ON A CONTINUING BASIS to the Department of Human Services ~~for fiscal year 2020-2021~~ from the COVID-19 Response Restricted Account for COVID Relief - Rental and Utility Assistance Grant Program under Article I-D of the act. Any additional Federal amounts received through a reallocation process from the Consolidated Appropriations Act, 2021 are appropriated to the Department of Human Services for ~~the Rental and Utility Assistance Program~~ DISTRIBUTION UNDER SECTION 105-D(C) OF THE ACT. <-- <-- <--

Section 7. This act shall take effect immediately.