

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

BILL NO. Senate Bill 187

PRINTER'S NO. 238

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

January 16, 2013

PRIME SPONSOR

Senator Corman

HISTORY OF BILL

Referred to APPROPRIATIONS, Jan. 16, 2013

Reported as amended, Jan. 28, 2013

First consideration, Jan. 28, 2013

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 187 establishes a free-standing act entitled the Institution of Higher Education Monetary Penalty Endowment Act.

The legislation requires an institution of higher education that pays a monetary penalty pursuant to an agreement with a governing body of at least \$10,000,000 in installments over a time period in excess of one year to be used for a specific purpose, to deposit the monetary penalty into an endowment.

A "governing body" is defined as an organization or legal entity which an institution of higher education is associated and which body may impose a monetary penalty against the institution of higher education.

Requires the endowment to be established as a separate trust fund in the State Treasury and for the State Treasurer to be the custodian and invest the funds subject to the prudent investor rule. Provides for funds from the endowment to be appropriated to the Pennsylvania Commission on Crime and Delinquency (PCCD) on a continuing basis and in addition to payments made by the institution of higher education authorizes the endowment to accept funds from any source.

Requires PCCD to expend the endowment funds in accordance with the purposes enumerated in the agreement and unless otherwise expressly stated, the funds may only be used within the Commonwealth for the benefit of its residents on any of the following programs: (1) Programs or projects preventing child sexual abuse and or assisting victims of sexual abuse; (2) Multidisciplinary investigative teams; (3) Child advocacy centers; (4) Victims service organizations that provide services to children subject to sexual abuse; and, (5) Training of persons mandated by law to report child sexual abuse or treat victims of child sexual abuse.

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Requires an endowment established to exist for at least five years, to spend no more than fifty percent of the penalty paid into it on an annual basis during the first five years and each year thereafter all interest and earnings.

Requires PCCD, within twelve months of the effective date of an agreement subject to this legislation, develop a form for applicants to use for requesting money from the endowment, establish a timeline for reviewing applications and approving expenditures and develop methodology to equitably approve payments to applicants throughout all geographic regions of the Commonwealth.

Requires PCCD to provide notice of any proposed expenditure of money from the endowment to the President Pro Tempore of the Senate, the Majority and Minority Leaders of the Senate, the Chairman and Minority Chairman of the Appropriations Committee of the Senate, the Speaker of the House of Representatives, the Majority and Minority Leaders of the House of Representatives and the Chairman and Minority Chairman of the Appropriations Committee of the House of Representatives for review and comment. It also provides that no proposed expenditure may occur from an endowment until 30 days after the date of the notice for the proposed expenditure.

Requires PCCD to make an annual report itemizing expenditures from the endowment to the above mentioned officials which includes the name of each organization receiving an expenditure, the amount received and summary information.

Provides the provisions of the act are applicable to all penalties paid or due under an agreement regardless of the payment date.

The act is scheduled to become effective immediately.

FISCAL IMPACT:

The enactment of Senate Bill 187 will have no adverse fiscal impact on Commonwealth funds.

The administrative duties delegated by this legislation to the Treasury to act as custodian and invest an endowment and PCCD to administer the expenditure of funds from an endowment as grants are routine functions of these agencies which can be accomplished within their current operating budgets.