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GOVERNMENT RELATIONS UPDATE

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Gov. Wolf Supports Budget with Largest Education Funding Increase in State History

\$416 million state funding increase in public education

More than \$800 million to keep Pennsylvanians in their homes

Nearly \$730 million for child care so parents can return to work

With Pennsylvania on the comeback from the COVID-19 pandemic, Governor Tom Wolf today announced his support for the state budget that invests in the future of our children with the largest public school funding increase in state history. This budget also takes major steps to stabilize child care to help working parents as they return to the workforce.

“Our economy has weathered the pandemic, and now is roaring forward. We are a commonwealth on the comeback,” said Gov. Wolf. “This budget will help our state move forward and rebuild a strong, equitable economy that works for Pennsylvanians. It provides the largest education funding increase in state history so our students can get the education and training they need for good jobs and to enjoy a successful life in Pennsylvania. And it isn’t any ordinary increase in funding – it is new funding

specifically and equitably targeted at the most underfunded districts that disproportionately serve students of color, students in poverty, students with disabilities and English learners. “The budget also helps stabilize child care so working parents can return to the workforce, provides for their families and grows the economy. We are addressing the housing crisis, so homeowners and renters will have a roof over their head and a safe place to live. This is a budget that invests in Pennsylvanians.” The governor will sign the budget next week.

Historic \$416 Million Increase in Public Education Funding

Over the past six years, Gov. Wolf has reversed historic cuts to public education and increased annual funding by \$1.4 billion. This budget builds on that success with an additional \$416 million, the largest single-year education funding increase in state history, raising the increase in annual education funding during Gov. Wolf’s term to more than \$1.8 billion.

The \$416 million education funding increase includes:

- \$200 million increase to the fair funding formula, for a total of nearly \$900 million, so all school districts have the resources to provide a high-quality education that prepares students for success. Gov. Wolf signed the fair funding formula into law in 2016.
- \$100 million for Level Up, a new initiative providing more equitable funding to the 100

most underfunded districts and the students they serve.

- \$20 million for Ready to Learn.
- \$50 million increase for special education.
- \$30 million increase for early education, including \$25 million to expand Pre-K Counts and \$5 million to expand Head Start.
- \$11 million for preschool Early Intervention.
- Nearly \$5 million for community colleges.

Additionally, the budget invests \$350 million in American Rescue Plan (ARP) funds for schools to address learning loss and provide summer enrichment and after school programs to help students with academic, social, emotional and mental health needs.

This budget also provides \$50 million in ARP funding for the Pennsylvania State System of Higher Education (PASSHE) to support the redesign and growth of the system to make a college education more affordable and accessible for students. The investment is part of a commitment totaling \$200 million over four years for PASSHE.

“This budget makes a historic investment in education so our students get the knowledge and skills they deserve,” said Gov. Wolf. “Pennsylvania provides almost \$2 billion more a year for education than when I took office. Students now have access to better technology, resources and opportunities and we are providing more help to distressed school districts.

“There is much to be proud of in this budget, but I am disappointed that we could not find agreement with Republicans to direct all school funding through the bipartisan fair funding formula to help growing rural, suburban and urban school districts. The Level Up initiative is a down payment in this fight which provides critical annual funding increases for the districts that need it most – but it is far from enough. This is a bold first step to ensure equitable school funding, and we are going to fight to make sure that every student has the resources they need to succeed regardless of their zip code.

“In addition, I won’t rest until we fix the broken charter school law to save nearly \$400 million a year by making charter school companies focus on

education rather than maximizing profits at taxpayers’ expense. This may have been a missed opportunity, but it’s not the only opportunity, and we will continue to fight to ensure that every dollar spent on education goes to students rather than corporate profits.”

Even with the new investments, Pennsylvania’s school funding remains unfair to many rural, suburban and urban school districts. The state’s fair funding formula only applies to new investments since 2016, meaning about 85% of basic education funding is still distributed using student enrollment from 1992, without considering shifts in student population or school districts’ costs.

The governor also continues to believe the state must protect taxpayers from being overcharged by charter schools. The governor’s plan would fix the broken charter school law to base spending on costs, saving school districts \$400 million a year and making charter school companies focus on education quality and ensure transparency in how they spend taxpayer dollars.

Helping Working Parents Return to Work

This budget continues the governor’s efforts to make high-quality child care available to parents, with \$728.9 million in ARP funding to help stabilize the child care industry as it recovers from the pandemic. This investment will help the industry and employees to safely open their doors so parents can return to the workforce with the confidence their children are receiving high-quality care.

“Even before the pandemic, many parents were dealing with the frustration and stress of struggling to find good child care for their children, and the pandemic made it worse,” said Gov. Wolf. “This investment will allow parents to return to work with the comfort of knowing their young children are in safe and nurturing child care. This crucial support will help families and employers.”

Keeping Pennsylvanians Safe

This budget increases funding to help Pennsylvanians struggling with rent and mortgage payments to remain in their homes and invests in

affordable housing and safety. Among other investments, the budget provides the following:

- \$450 million in ARP funding for rental assistance, building on the dollars appropriated in Act 1 of 2021.
- \$350 million in ARP funding for homeowner mortgage assistance.
- \$36 million in ARP funding to help pay water bills.
- \$282 million in ARP funding to help nursing homes and long-term care facilities to recover from the pandemic and improve patient safety.
- \$30 million in new state dollars for violence intervention and prevention by local communities and local organizations.

Source: Governor Wolf's Press Office, 6/25/2021

Senate Republican Leaders Hail Passage of Fiscally Responsible State Budget

Senate President Pro Tempore Jake Corman (R-Bellefonte), Senate Majority Leader Kim Ward (R-Westmoreland) and Senate Appropriations Committee Chair Pat Browne (R-Allentown) addressed passage of a fiscally responsible state budget today that boosts funding for schools, nursing homes and transportation.

The leaders issued the following statements in reaction to passage of the budget:

“The budget offers a blueprint to help our Commonwealth recover from the damage created by the COVID-19 pandemic and chart a better path forward. The past year and a half was extremely difficult for many Pennsylvania families and employers. In light of these difficult circumstances, I am thankful that we were able to pass a fiscally responsible budget that helps us tackle the immediate needs created by the pandemic as well as the financial challenges that lie ahead.” – **Senator Corman**

“Pennsylvania’s 2021-2022 budget demonstrates resilience by helping the Commonwealth transition out of crisis while positioning Pennsylvania for

success. It is not a statement of a ‘new normal’ rather a declaration in rejecting restrictions and ‘retuning to life as normal.’ This \$40.8 billion budget tackles the most immediate challenges facing our schools, nursing homes, infrastructure, and struggling families while saving funds to provide a financial net for the future. It makes historic investments in school choice and provides aid to families struggling to move past the COVID-19 pandemic by offering rental, utility and water assistance, as well as child childcare stabilization. This budget takes the necessary steps to put our Commonwealth on an forward trajectory that is foundational in setting our future path forward by providing us with the flexibility we need to get Pennsylvanians back to work and our economy growing again.” – **Senator Ward**

“This budget takes into consideration lessons we learned from the Great Recession by ensuring we are responsible, not only with how we use federal stimulus money, but also with the decisions we are making here today to put us on as solid fiscal ground as possible heading into those years when the stimulus money runs out and the threat of a fiscal cliff is real. With that in mind, however, this budget still provides essential funding increases to help our students, as well as necessary long-term and critical care assistance for our older population and our citizens with disabilities.” – **Senator Browne**

Source: Senate Republican Communications, 6/25/2021

Senate Democratic Leader Jay Costa Votes for PA Budget, Highlights Timeliness and Major Education Investments

On June 25, 2021, Pennsylvania State Senate Democratic Leader Jay Costa voted in support of the state budget for Fiscal Year 2021-22.

The final budget package included bipartisan and bicameral compromises, but Senator Costa

highlighted several important investments it made this year.

“This isn’t the budget I would have designed and in many ways, I feel that it does not take full advantage of the unprecedented resources we have from a budget surplus and the federal American Rescue Plan – but this is a process of compromise, and there is a lot here that I support,” said Senator Costa. “We are seeing major levels of new and equitable funding in education, and that’s been something my caucus and I have fought for over many years. Further, we are still in recovery from a pandemic that ravaged our state for more than a year and it was important to me that we fund critical state programs with an on-time budget.”

Increased education line items this year include:

- \$300 million in basic education
 - \$200 million to be funded through the Fair Funding Formula
 - \$100 million for Level Up, a new program to provide funding for schools that have been historically inadequately funded
- \$20 million for Ready to Learn block grants
- \$25 million for Pre K Counts
- \$5 million for Headstart
- \$50 million for special education
- \$11 million for early intervention
- \$200 million for PASSHE, over 4 years, including funding for the Diversity, Education & Inclusion program proposed by the PA Senate Democrats

Earlier this year, Pennsylvania was allocated \$7 billion in funds from the American Rescue Plan and until this budget they remained unspent, despite a bold proposal from the Senate Democratic Caucus, a New Deal for PA. Of those dollars, \$4 billion will go to balancing this year’s budget and more than \$2 billion remains for future spending.

“The American Rescue Plan was designed to help people get back on their feet, not just balance spreadsheets,” said Senator Costa. “It is my hope, and a major goal of this caucus, to spend the remaining funds directly on the programs and initiatives that will help folks recover from the

personal, public health, and economic devastation of 2020.”

The final budget also moves \$2 billion in revenue surplus into the state’s Rainy Day Fund.

Source: Senator Costa Press Release, 6/25/2021

House Democrats: State Budget Full of Missed Opportunities

House Democratic leaders said the June 25th house passage of the 2021-22 state budget bill is a missed opportunity to help students, workers, businesses and every Pennsylvanian truly bounce back from COVID-19 and build a better future.

“It’s always good to prevent tax hikes on working families, and we did manage to get more money to schools, seniors, violence prevention, and roads and bridges, but that’s just not enough,” **House Democratic Leader Joanna McClinton, D-Phila./Delaware** said. “There are billions of dollars in surplus money that belongs to the people and should have been used to help fairly fund every school and maybe even cut property taxes for homeowners. I am determined to keep fighting to invest this funding into families across the commonwealth.”

“While this budget represents incremental steps forward on good funding initiatives, we can’t ignore the fact that it also represents a tremendous disservice to millions of Pennsylvanians who could’ve benefited from investing more of our over-\$10 billion surplus to jumpstart our state,” **House Democratic Whip Jordan Harris, D-Phila.**, said. “Make no mistake, there was more good to be done in this budget. While some will call this historic education funding, we don’t need historic, we need transformative funding. Rather than hide this surplus in the Rainy Day Fund, we should’ve used it to help our school districts where it’s already been pouring for far too long.”

“While there are some important targeted investments, this budget is a missed opportunity to

fundamentally change the long-term trajectory of the commonwealth,” **House Democratic Appropriations Chair Matt Bradford, D-Montgomery**, said. In a year when our rebounding economy delivered a \$3 billion surplus and on top of more than \$7 billion in American Rescue Plan money to help workers, businesses, schools, and so many more, it’s not enough to just say we passed a budget on time and with no tax increases. The fight to implement the fair funding formula for our schools and use rescue dollars for their intended purposes must continue.”

Instead of rebuilding our infrastructure, supporting our workers, or correcting historic wrongs in education, the majority party woefully missed the mark with this year's budget,” **House Democratic Secretary Dan Miller, D-Allegheny**, said. “By making only minimal attempts to lift up Pennsylvanians, a once-in a-generation opportunity has been largely squandered. Working families, small businesses and school districts are right to question why billions of dollars are filling legislative reserves rather than being put to work building our future. An expected roaring engine has been left to run on fumes.”

“We were able to help some schools but knowing there are billions of surplus dollars going unused that could help workers, businesses and taxpayers means we are far from done working,” **House Democratic Secretary Tina Davis, D-Bucks**, said. “We’re going to keep up the fight to make sure these dollars go where they’ll help the most people.”

“Enacting the Level Up funding that House Democrats fought for is a massive win for schools, students and taxpayers,” **House Democratic Administrator Mike Schlossberg, D-Lehigh**, said. “This program will send \$100 million to the 100 poorest school districts in the commonwealth, helping urban and rural districts alike. We can use this program in the future to better fund our poorest school districts – this is a major win.”

“The important thing is that we work to stabilize our schools, our businesses and our communities,” **House Democratic Policy Committee Chairman Ryan Bizzarro, D-Erie**, said. “This budget is a first step, and I am committed to continuing on to

expand broadband access, support our hospitals and nursing homes, and generate economic opportunity. Pennsylvania needs those investments now.”

The lawmakers outlined priorities they will continue working to achieve through newly introduced legislation this year, including helping industries that could not move to remote operations during the pandemic, creating a Paid Sick Leave program for workers that doesn’t hurt small businesses, raising pay for healthcare workers, encouraging more students to enter the healthcare field, expanding access to broadband internet, and reducing property taxes.

Source: House Democratic Caucus Press Release, 6/25/2021

EPA, District of Columbia Leaders Discuss Lead in Drinking Water

On June 25, 2021, the U.S. Environmental Protection Agency hosted a roundtable with organizers representing Washington, D.C., to highlight the experience of this community with lead in drinking water. This roundtable discussion, along with nine others being held across the country, is vital to informing EPA's review of the Lead and Copper Rule (LCR) revisions to ensure that the rule is grounded in the experience of communities that are most at-risk of exposure to lead in drinking water.

"While the number of the District's children testing high for lead-in-blood levels has been dramatically reduced over the past decade, the Bowser Administration's goal is to get to zero and I believe we have a path to get there," said Tommy Wells, Secretary of D.C.'s Department of Energy and Environment.

"DC Water has taken many important steps-from locating lead service lines and making their locations publicly available to removing lead pipes from DC communities," said Acting EPA Mid-Atlantic Regional Administrator Diana Esher. "Addressing lead in drinking water requires partnerships and I want to thank the

community groups that organized this roundtable for their leadership."

Participants included local officials, D.C. Water, the D.C. Department of Energy and Environment, D.C. Environmental Network, the Natural Resources Defense Council, and Earthjustice.

Additional information on the virtual roundtable, including how to watch a recording, is available at: <https://www.epa.gov/ground-water-and-drinking-water/lead-and-copper-rule-revisions-virtual-engagements>.

Background

Lead can cause irreversible and life-long health effects, including decreasing IQ, focus, and academic achievement. EPA is committed to following the best science to address lead in the nation's drinking water and will take the appropriate time to review the LCR Revisions and make sure communities that have been impacted the most are protected. In March of this year, EPA announced an **extension of the effective date**

<https://www.epa.gov/newsreleases/epa-request-additional-input-lead-and-copper-rule> of the Revised Lead and Copper Rule so that the agency could seek further public input on the rule. The agency hosted virtual public listening sessions on April 28, 2021, and May 5, 2021. On May 26, 2021, EPA announced the 10 communities that were selected for **virtual roundtable discussions** <https://www.epa.gov/newsreleases/ten-communities-selected-epa-roundtable-discussions-lead-drinking-water> on EPA's LCR Revisions. Members of the public may also **submit comments via the docket** at: <http://www.regulations.gov>, until July 30, 2021.

Source: EPA Press Release, 6/25/2021

Gov. Wolf: 75 Percent of Pennsylvanians Have Received First COVID-19 Vaccination

On June 25, 2021, Governor Tom Wolf announced that 75 percent of Pennsylvanians aged 18 and older have now received at least one COVID-19 vaccination.

"Together, Pennsylvanians have hit a significant milestone in our fight against COVID-19," said Gov. Wolf. "Now, three out of four Pennsylvania adults have done their part in keeping themselves and their loved ones safe by getting at least one COVID-19 vaccination. We should be proud of how far we have come, as data shows us that with increased vaccination rates, we see a decline in COVID-19 cases. We have watched our percent positivity rate decline week after week - as evident in our current positivity rate of 1.2 percent as opposed to 1.4 percent last week."

Pennsylvania has surpassed the aggressive goal set forth by President Joe Biden of 70 percent of adults receiving at least one dose of the COVID-19 vaccine by July 4 and ranks 8th in the nation for first dose vaccinations. Additionally, 59.5 percent of Pennsylvanians aged 18 and older are fully vaccinated.

"As we celebrate this milestone, we must continue to inform all eligible Pennsylvanians about the effectiveness of the available vaccines and the importance of getting their second dose. They remain our best defense against this deadly virus and the potential threat of the delta variant. We each have the tools needed to make our communities safer, healthier places, by getting vaccinated, continuing to wear masks as needed and staying home if we are sick. It is our collective responsibility to remain resilient and do our part for our fellow Pennsylvanians."

All Pennsylvanians age 12 and older are eligible to schedule a COVID-19 vaccine. Use **Vaccine Finder** <https://www.pa.gov/guides/get-vaccinated/#Step1FindaVaccineProvider> to find a COVID-19 vaccine provider near you.

For more information and data on the Wolf Administration's vaccine efforts, **click here** <https://www.health.pa.gov/topics/disease/coronaviruses/Pages/Cases.aspx>.

Source: Governor Wolf's Press Office, 6/25/2021

Governor Wolf Announces Staffing Changes

On June 24, 2021, Governor Tom Wolf announced that Mike Brunelle will step down as Chief of Staff, a position he has served in since 2017, to take a job with the private sector. Elena Cross, Deputy Chief of Staff to the governor, will assume the role of Chief of Staff on June 26, 2021.

“Mike Brunelle has led my administration through unprecedented times including the COVID-19 pandemic,” said Gov. Wolf. “Mike negotiated major pieces of legislation including Act 77, which greatly expanded access to voting for Pennsylvanians. He worked across the aisle to negotiate budgets in the most difficult situations, facing multi-billion-dollar budget deficits. I am proud of Mike’s work and his contribution to my administration, and I look forward to seeing the work he will do throughout his career.”

Before joining the Wolf Administration, Mike Brunelle spent two years as the National Campaigns Director for the Service Employees International Union (SEIU), where he led the organization’s programs in 26 states.

Prior to working for SEIU in Washington, D.C., he spent nearly three years as the Executive Director of the Service Employees International Union Pennsylvania State Council, where he directed the planning and execution of Council issue and legislative programs and served as staff-level leadership.

Before coming to Pennsylvania, Mike worked on various candidate and issue-based campaigns in the Northeast, including the elections of Governor John H Lynch. He served as the Executive Director of the New Hampshire Democratic Party, was a state representative in the New Hampshire General Court, and also served as the Democratic Whip. Elena Cross most recently served as Deputy Chief of Staff to the governor.

Before joining the Wolf Administration, Elena Cross served on Governor-elect Tom Wolf’s Transition Committee. Working with the Wolf

campaign and other campaigns and stakeholders across the commonwealth, Cross was the Executive Director of Campaign for a Fresh Start in 2014.

Previously, Cross was the Executive Director of the Pennsylvania Democratic Party. Before that, she held other roles at the Pennsylvania Democratic Party and the House Democratic Campaign Committee. Cross began her political career working on campaigns in Pennsylvania and New Hampshire. Cross is from State College and attended Penn State University, where she graduated with a bachelor’s degree in political science.

She lives in Cumberland County with her husband Julius.

Today, the governor also announced that Jen Swails will step down as Budget Secretary to take a job with the private sector. Gregory Thall, Special Advisor to the Budget Secretary, will assume the role of Budget Secretary on July 31, 2021.

Jen Swails joined Governor Wolf’s cabinet in January 2019 having over nearly 20 years of fiscal and policy experience at the commonwealth. Jen previously served the commonwealth in the Governor’s Office of the Budget, the Department of Human Services and the Senate Democratic Appropriations Committee.

Having started her commonwealth service as a budget analyst at the Loysville Youth Development Center and working her way up through the Department of Human Services, serving in multiple capacities before becoming Financial Management Director of the Agency.

Gregory Thall has spent more than a dozen years in various capacities working on behalf of the citizens of the Commonwealth of Pennsylvania, most recently as Special Advisor to the Budget Secretary, where he has served since December 2016.

Prior to his work in the Office of the Budget, he served as Deputy General Counsel in the Governor’s Office of General Counsel and was Senior Transition Advisor to the Wolf Transition Team. He also held the position of Deputy Chief

Counsel to the Pennsylvania Senate Democratic Caucus, under the Chairmanship of Senator Vincent Hughes.

Earlier in his career, Thall was the Assistant Director of Government Relations for the Pennsylvania State Education Association.

Thall earned his Juris Doctor from the Villanova University School of Law in Villanova, PA, and a Bachelor of Arts with Honors in Political Science from Skidmore College in Saratoga Springs, NY. He graduated from Germantown Friends School in Philadelphia.

He is also a PSIA level III ski instructor and enjoys spending time outdoors with his family and their dogs.

Source: Governor Wolf's Press Office, 6/24/2021

CBF Issues Statement on 2021 Dead Zone Forecast

The Chesapeake Bay's dead zone is predicted to be smaller than average this summer. The forecast, issued by researchers from the Chesapeake Bay Program, the University of Maryland Center for Environmental Science, University of Michigan, and U.S. Geological Survey, is largely based on the amount of rainfall from January to May.

Following the release of the prediction, Beth McGee, Chesapeake Bay Foundation (CBF) Director of Science and Agricultural Policy issued this statement.

"The good news is that the size of the deadzone is predicted to be smaller than average, in part reflecting our collective efforts to reduce pollution. The bad news is that, again this year, large portions of the Chesapeake Bay and its tidal rivers will have insufficient oxygen to support a healthy ecosystem. Compounding the bad news is that 2025 is just around the corner and all the Bay jurisdictions must significantly accelerate efforts to reduce pollution to meet their commitments.

"The Bay states are relying on reducing pollution

from agriculture as the primary means of meeting those commitments. Many conservation practices have the added benefits of slowing climate change and improving the farmer's bottom line. But farmers cannot foot the bill alone.

"The U. S. Department of Agriculture must provide more funding for conservation and technical assistance and the Pennsylvania legislature should establish a state agricultural cost share program. At the same time, EPA must hold the states, especially Pennsylvania accountable to meet pollution reduction requirements from all sources. Without those federal efforts, the Chesapeake Clean Water Blueprint will be yet another in the history of failed Bay restoration efforts."

The Susquehanna River delivers approximately 40 percent of the nitrogen pollution that causes dead zones, with the vast majority of that coming from Pennsylvania. Pennsylvania's plan to meet its requirements, however, is sorely deficient. The Commonwealth needs to increase spending by more than \$300 million annually to implement a plan that does not even achieve the requirements.

CBF and the Attorneys General for Virginia, the District of Columbia, Maryland, and Delaware are suing EPA over its failure to hold Pennsylvania accountable.

Source: CBF Press Release, 6/23/2021

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