February 3, 2021

Latest News

National Missing Persons Day
On February 3rd, National Missing Persons Day focuses the attention of the country long enough to recognize a missing person. It might be surprising to learn that every day in the United States, approximately 2,300 people are reported missing. Health risks, natural disasters, unplanned circumstances, and of course, those who are taken against their will fall into the list of statistics.

The families of those who go missing, need the support of neighbors and friends. Fortunately, in today’s digital world it’s easier than ever. National Missing Persons Day encourages you to be alert, share their names, their pictures and bring them home to their families.

Governor Outlines Spending Priorities, Income Tax Hike without Property Tax Relief
On the eve of his annual budget address, Gov. Tom Wolf outlined his budget priorities, including a proposal to increase the personal income tax to 4.49% without any reduction in property taxes in fund schools. He will restate the legislative agenda he released last week, which we reported on and can be found here. While early reports are silent on the topic, watch for a state police tax on ALL municipalities, details are not yet available. To watch PCN’s coverage of Wolf’s prerecorded budget address today at 11:30 a.m., click here. PCN coverage will begin at 11 a.m.

Personal Income Tax Increase: Wolf’s plan would increase the state personal income tax from 3.07% to 4.49%. In addition, he would expand special forgiveness tax credits to $15,000 for single filers, $30,000 for married filers, and $10,000 for each dependent and
provide 100% state tax forgiveness for those at or near the threshold, with those just above these thresholds receiving a partial credit. Any family of 4 making combined $84,000 will see tax increases. The same family of 4 will pay no taxes if combined income is below $50,000. For more details on the personal income tax increase, click here.

**Severance Tax on Natural Gas:** The governor is proposing several billion in funding for the workforce development system to provide rapid re-employment assistance to workers impacted by the pandemic. This plan would be funded through a severance tax on natural gas extraction that the governor estimates will bring in $300 million a year. Once details on this are released, PSATS will closely review the proposal to ensure that it preserves the impact fee.

**School Funding Reform:** Wolf’s plan would allocate $1.3 billion in new funds for basic education and direct all existing state basic education funding into the Fair Funding Formula. This formula is based on enrollment and the ability of the community to fund local schools. The plan does not indicate if the new funding will come from the increase in the personal income tax or another source.

Other school funding reforms include:

- Increasing the minimum annual salary for teachers from $18,500 to $45,000.
- Increasing subsidized childcare rates with additional federal funds.
- Increasing funding for special education, Head Start, and PreK.
- Increasing accountability for scholarship organizations.
- Redirecting Horse Racing Development Funds for scholarships for full-time education students in the Pennsylvania State System of Higher Education.

**Comprehensive Charter School Law Reform:** Wolf is proposing comprehensive Charter School Law reform that he estimates would save school districts $229 million annually. The proposal would revise the special education formula and establish a statewide cyber tuition rate of $9,500 per student per year.

For more details on the personal income tax increase and school reforms, click here.

**Feds to Increase COVID-19 Vaccine Supply, Send to Retail Pharmacies**
The Biden Administration will increase the weekly supply of the COVID-19 vaccines by 22% to 10.5 million doses nationwide beginning this week. The Administration will maintain this amount as the minimum supply for the next three weeks and will continue to work with manufacturers to further ramp up supply.
Beginning February 11, vaccines will be available at select pharmacies nationwide through the Federal Retail Pharmacy Program for COVID-19 Vaccine. This is a partnership with 21 national pharmacy partners and networks of independent pharmacies representing more than 40,000 locations nationwide. At the launch of the program, select pharmacies will receive limited supplies to vaccinate priority groups at no cost. For a list of the participating retailer chains and independent pharmacies, click here. If your pharmacy is on the list, check their website to determine if they will have supplies in the limited initial phase.

President Joe Biden also announced that states will be retroactively reimbursed fully (instead of the traditional 75%) for Federal Emergency Management Agency eligible services, including personal protective equipment and mobilization of the National Guard, back to January 2020. These reimbursements are expected to cost $3-5 billion.

IFO Releases School District Property Tax Forecast
The Independent Fiscal Office has released a School District Property Tax Forecast to facilitate discussion on proposals that would contemplate changes to these taxes. The forecast examines estimates for the current and future fiscal years using 2018-2019 actual data as the baseline. To view the forecast, click here.

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Legislation & Policy

The House and Senate will convene for voting session today, February 3. Watch session live here.

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Learn
QuickBooks for the Beginner - Virtual Class - February
This four-session virtual class is designed to provide each student with a fundamental understanding and working knowledge of QuickBooks Accounting Software, and is intended to demonstrate the application of QuickBooks and QuickBooks Pro to assist in municipal accounting. The sessions will review how to set up your company files and create your DCED Compliant Chart of Accounts. From start to finish, how to write a check, make a deposit and reconcile your checking account. You will learn how to set up vendors and customers for all of your information that you could possibly need to replace that old rolodex. (note: no payroll will be addressed in this class) Click here for more information and to register.

Webinar - Home-Based Businesses - Is Your Township Ready for More? - 2/10/21
Whether it is to comply with mandates, help care for family members, convenience or because they just prefer working in their pajamas, more people are now working from homes than pre-COVID-19. Fortunately, modern technology enables business operators and employees to safely and efficiently continue working from their homes. Home business activities and functions are considered a form of home-based businesses or occupations (HBBs) as defined, permitted and regulated by most municipal zoning ordinances. In this webinar, representatives of McNees Wallace and Nurick, LLC will explore opportunities and options for municipalities to proactively plan and zone for HBBs. This course is eligible for 1 PMGA Planning/Zoning point. Click here to register.
**Webinar - Setting Up Stormwater Management Fees - 2/24/21**

The pressure on municipal leaders across Pennsylvania just keeps growing to do more to manage stormwater. No longer does stormwater management mean just piping flows to the closest stream. Now, communities are experiencing more frequent flooding, MS4 permit mandates, and eroding streambanks. This is over and above the routine operation of an aging storm sewer. The uncertainties of 2020 have many municipalities thinking again about a fairly-collected and reliable source of revenue to support even their basic stormwater activities. In this session, Steve Hann of Hamburg, Rubin, Mullin, Maxwell & Lupin, PC and Nathan Walker of Gannett Fleming, Inc. will discuss how a stormwater user fee, when properly established, can be a transparent, flexible, and equitable way for municipalities to set and achieve a long-term vision for water quality and flood control goals that meet the needs of their residents and businesses. Eligible for 1 PMGA Public Works point. Eligible for 1 CLE credit. [Click here](#) to register.

**Flagger Training - 3/2/21 - Erie County (p.m.)**

This instructor-led Flagger Training will be conducted for individuals who have flagging responsibilities on ANY ROAD OPEN TO THE PUBLIC. Others who would benefit from this course include: utility companies working on low volume roads, law enforcement personnel, municipal managers and elected officials (to understand the importance, and for budgeting purposes). [Click here](#) for more information and to register.
**Right-to-Know Law, Sunshine and Ethics, Oh My! - Virtual Class - 3/2/21**

Has your township received bad publicity because of a misstep involving the Right-to-Know Law, Sunshine Act or Ethics Act? Not sure whether you or your township officials/employees are complying with your obligations under any of these laws? Or are you an experienced township official/employee just looking for a refresher? If you answered yes to any of these, you should take this class, which will provide best practices on how to more efficiently handle tricky (and common) RTKL requests, ensure smooth, and legal, public meetings (including remote meetings), avoid tripping yourself up with conflicts of interest and other Ethics Act problems, and much more. This course is eligible for 3 PMGA Administration points and 3 CLE credits (separate fee required for CLEs). [Click here](#) to register.

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Missed yesterday's PSATS Morning News? No problem! A [PSATS Morning News Library](#) is available online for your viewing pleasure!

We’re excited about this new concept and want to hear what you think. Email comments and suggestions to [morningnews@psats.org](mailto:morningnews@psats.org).

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