



# GOVERNOR TOM WOLF

2015 - 2016 PENNSYLVANIA EXECUTIVE BUDGET





COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE GOVERNOR  
HARRISBURG

THE GOVERNOR

March 3, 2015

To the People of Pennsylvania:

It's time to rebuild the middle class in Pennsylvania and that starts with three priorities: jobs that pay, schools that teach, and government that works.

We all know the challenges Pennsylvania faces. We are staring at a \$2.3 billion budget deficit, we are near the bottom of the country in job growth, our state's bond ratings have been in decline, and our schools are struggling.

I believe that Pennsylvania can have a bright future, but we cannot simply do the same things over and over and hope for different results. We need to think differently and do things differently. It's time for bold change.

My budget makes historic investments in education while eliminating the deficit and ending our commonwealth's seemingly endless year after year fiscal crises. I have proposed the Education Reinvestment Act that will restore funding for schools and make natural gas companies pay their fair share. My budget will cut school district property taxes by more than 50 percent for the average homeowner. It will lower corporate tax rates for business by 40 percent, while closing tax loopholes. And I will work with the General Assembly to create a fair funding formula so that all students are assured the same opportunities to receive a quality education.

Pennsylvania will not improve until we rebuild our middle class. My plan cuts taxes to spur the growth of jobs that pay and support a family, invests in education to prepare our kids for the economy of the future and reduces the total tax burden on middle-class homeowners. My plan makes government more efficient. It cuts costs, eliminates redundant programs, and does things smarter so that taxpayers feel confident their tax dollars are spent wisely.

This is my proposal, but I welcome ideas from everyone throughout Pennsylvania. I welcome ideas from my Republican and Democratic colleagues – in fact, my property and business tax cut plans have previously been championed by many members on both sides of the aisle. I don't expect everyone to agree with every piece of this budget, but more one-time fixes or Band-Aids will not rebuild our middle class and give us the Pennsylvania we all want and deserve. I want your plans, your ideas, your proposals, and I want you to seriously consider my budget because it is a clear roadmap to rebuilding our middle class.

I believe it is time to do big things in Pennsylvania. Doing nothing is not an option. I encourage all Pennsylvanians to come forward with ideas of your own. I said in my inaugural address that I would take ideas and policies from all comers, and now is the time.

I do not want to be part of the first generation of Pennsylvanians who have to tell our children that they have to go somewhere else to achieve success. No one does. But now we need to do big things to rebuild Pennsylvania's middle class and get Pennsylvania back on track.

My budget makes historic investments in education, focuses on creating good paying jobs, and makes government more efficient and effective. Jobs that pay. Schools that teach. Government that works. These are my priorities. These are our priorities. Now let's get to work.

Sincerely,

Tom Wolf

– THIS PAGE INTENTIONALLY LEFT BLANK –



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Commonwealth of Pennsylvania  
Pennsylvania**

For the Fiscal Year Beginning

**July 1, 2014**

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the Commonwealth of Pennsylvania for its annual budget for the fiscal year beginning July 1, 2014. This award is valid for a period of one year.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

To view the Governor's Executive Budget online or learn more about the Pennsylvania Office of the Budget, go to [www.budget.state.pa.us](http://www.budget.state.pa.us). To learn more about the Commonwealth of Pennsylvania, go to [www.pa.gov](http://www.pa.gov).



# Overview of Sections within the Budget

## Preface

Includes the Governor's letter, Distinguished Budget Presentation Award, an overview of sections within the budget and the table of contents.

## Reader's Guide

Provides an explanation of the budget process, program budget structure, and the basis of budgeting and accounting, summarizes significant financial policies and lists terms used in the budget.

## A. Overview and Summaries

Provides summary information regarding program policy direction and budget themes. It discusses the economic outlook, major operating funds and overall complement and summarizes the budget for major commonwealth funds including the General Fund, Motor License Fund, Lottery Fund and Budget Stabilization Reserve (Rainy Day) Fund. It also includes General Fund and special fund financial statements and information on federal block grants, communications and selected other financial summaries.

## B. Program Budget Summary

Provides a summary of the budget by major revenue source and information for each major program by component categories and subcategories (subdivisions of programs).

## C. Summary by Fund

Provides a summary for the General Fund and Special Funds, including detailed data on revenues and a summary of expenditures for each fund. Detailed expenditure and program information is found within Section E: Department Presentations.

## D. Tax Expenditures

Provides information regarding tax expenditures for the General Fund, Motor License Fund and selected other funds. These are tax credits, deductions, exceptions and exclusions provided in law which result in a significant reduction in revenues that would otherwise be received at current tax rates.

## E. Department Presentations

Provides detailed expenditure information by agency, program and funding source. Each department presentation includes a Summary by Fund and Appropriation, Program Funding Summary, information on major programs, appropriation funding details and Program Measures.

## F. Capital Budget

Provides detailed information by agency regarding proposed capital budget projects. In addition, lists proposed funding sources and amounts needed to support the capital program for the next five years.

## G. Public Debt

Provides data on the debt obligations of the commonwealth used to fund capital programs, voter-approved bond referendums and certain disaster relief programs.

## H. Other Special Funds

Provides a brief description and financial data for all commonwealth funds not given an expanded treatment in other sections of the budget.

## I. Complement

Provides a summary by department of salaried complement on a full-time equivalent (FTE) basis. It also provides a brief description by agency and appropriation of the complement changes recommended in the budget.

## J. Statistical Data

Provides historical data for various Pennsylvania economic indicators.

## PREFACE

|  |     |
|--|-----|
| <b>GOVERNOR'S LETTER</b> .....   | i   |
| <b>DISTINGUISHED BUDGET PRESENTATION AWARD</b> .....                     | iii |
| <b>OVERVIEW OF SECTIONS WITHIN THE BUDGET</b> .....                      | iv  |
| <b>TABLE OF CONTENTS</b> .....   | v   |
| <b>READER'S GUIDE:</b>   |     |
| Commonwealth of Pennsylvania Organization Chart .....                    | 2   |
| The Budget Process .....   | 3   |
| The Capital Budget Process .....   | 5   |
| The Commonwealth's Program Budget Structure .....                        | 6   |
| Basis of Budgeting and Basis of Accounting for Financial Reporting ..... | 12  |
| Significant Financial Policies .....                                     | 13  |
| Terms Used in the Budget Process .....                                   | 14  |
| Federal Funds Identification .....                                       | 18  |

## A. OVERVIEW AND SUMMARIES

### Fiscal and Program Policy Direction and Budget Themes:

|   |       |
|---|-------|
| 2015-16 Fiscal and Program Policy Direction ..... | A1-5  |
| Governor's Introduction .....                     | A1-7  |
| Jobs that Pay .....                               | A1-9  |
| Schools that Teach .....                          | A1-19 |
| Government that Works .....                       | A1-16 |

|                               |       |
|-------------------------------|-------|
| <b>Economic Outlook</b> ..... | A1-31 |
|-------------------------------|-------|

|   |       |
|---|-------|
| <b>Summary of Major Operating Funds</b> ..... | A1-34 |
|---|-------|

|                          |       |
|--------------------------|-------|
| General Fund .....       | A1-34 |
| Motor License Fund ..... | A1-36 |
| Lottery Fund .....       | A1-37 |
| Rainy Day Fund .....     | A1-37 |

|                         |       |
|-------------------------|-------|
| <b>Complement</b> ..... | A1-38 |
|-------------------------|-------|

### Statements:

|   |       |
|---|-------|
| Seven Year Financial Statement — General Fund .....                       | A2-3  |
| Seven Year Financial Statements — Special Funds .....                     | A2-4  |
| Seven Year Department Summary by Fund .....                               | A2-5  |
| Seven Year Commonwealth Program Summary — General and Special Funds ..... | A2-8  |
| Dollar Chart by Program — General and Special Funds .....                 | A2-9  |
| Seven Year Commonwealth Program Summary — General Fund .....              | A2-10 |
| Dollar Charts — General Fund, Income and Outgo .....                      | A2-11 |
| Dollar Chart by Character of Expenditure — General Fund .....             | A2-12 |

|                                   |      |
|-----------------------------------|------|
| <b>Federal Block Grants</b> ..... | A3-1 |
|-----------------------------------|------|

|  |      |
|--|------|
| <b>Public Information and Communications</b> ..... | A4-1 |
|--|------|

## B. PROGRAM BUDGET SUMMARY

|   |     |
|---|-----|
| Guide to the "Summary of Revenues and Expenditures for the Operating Program" Statement ..... | B2  |
| Summary of Revenues and Expenditures for the Operating Program .....                          | B3  |
| Seven Year Summary of Commonwealth Programs — Operating and Capital .....                     | B4  |
| Direction and Supportive Services .....   | B6  |
| Protection of Persons and Property .....  | B7  |
| Education .....   | B9  |
| Health and Human Services .....   | B10 |
| Economic Development .....  | B11 |
| Transportation .....  | B12 |
| Recreation and Cultural Enrichment .....  | B13 |
| Debt Service .....  | B14 |

## C. SUMMARY BY FUND

### General Fund

|                                      |       |
|--------------------------------------|-------|
| Financial Statement .....            | C1-5  |
| Notes on Financial Statement.....    | C1-6  |
| State Funds by Department .....      | C1-9  |
| Federal Funds by Department .....    | C1-10 |
| Augmentations by Department .....    | C1-11 |
| General Fund Revenue Summary .....   | C1-12 |
| Adjustments to Revenue Estimate..... | C1-13 |
| Revenues .....                       | C1-14 |

### Motor License Fund

|                                      |      |
|--------------------------------------|------|
| Financial Statement .....            | C2-2 |
| Summary by Department.....           | C2-3 |
| Revenue Summary .....                | C2-6 |
| Adjustments to Revenue Estimate..... | C2-6 |
| Revenues .....                       | C2-7 |

### Lottery Fund

|                                   |      |
|-----------------------------------|------|
| Financial Statement .....         | C3-2 |
| Notes on Financial Statement..... | C3-3 |
| Summary by Department.....        | C3-4 |
| Revenues .....                    | C3-6 |

## D. TAX EXPENDITURES

|                                      |           |
|--------------------------------------|-----------|
| <b>Tax Expenditure Analysis.....</b> | <b>D3</b> |
|--------------------------------------|-----------|

### *General Fund Tax Expenditures:*

|                              |           |
|------------------------------|-----------|
| <b>Credit Programs .....</b> | <b>D5</b> |
|------------------------------|-----------|

|                               |            |
|-------------------------------|------------|
| <b>Corporation Taxes.....</b> | <b>D24</b> |
|-------------------------------|------------|

|                                      |     |
|--------------------------------------|-----|
| Corporate Net Income .....           | D24 |
| Capital Stock/Foreign Franchise..... | D29 |
| Gross Receipts .....                 | D36 |
| Public Utility Realty .....          | D38 |
| Insurance Premiums.....              | D41 |
| Bank and Trust Company Shares.....   | D44 |
| Mutual Thrift Institutions.....      | D45 |

|                               |            |
|-------------------------------|------------|
| <b>Sales and Use Tax.....</b> | <b>D46</b> |
|-------------------------------|------------|

|                                     |     |
|-------------------------------------|-----|
| General/Personal Expenditures ..... | D46 |
| Fuels and Utilities .....           | D51 |
| Motor Vehicles/Vessels .....        | D53 |
| Production Expenditures.....        | D55 |
| Other.....                          | D57 |

|                            |            |
|----------------------------|------------|
| <b>Cigarette Tax .....</b> | <b>D69</b> |
|----------------------------|------------|

|                               |            |
|-------------------------------|------------|
| <b>Malt Beverage Tax.....</b> | <b>D71</b> |
|-------------------------------|------------|

|                        |            |
|------------------------|------------|
| <b>Liquor Tax.....</b> | <b>D71</b> |
|------------------------|------------|

|                                  |            |
|----------------------------------|------------|
| <b>Personal Income Tax .....</b> | <b>D72</b> |
|----------------------------------|------------|

|                             |     |
|-----------------------------|-----|
| Exclusions from Income..... | D72 |
| Credits .....               | D81 |
| Estimated Taxes.....        | D82 |

# Table of Contents

|   |             |
|---|-------------|
| <b>Realty Transfer Tax .....</b>                                  | <b>D84</b>  |
| <b>Inheritance Tax .....</b>                                      | <b>D90</b>  |
| Family Related Exemptions and Exclusions .....                    | D90         |
| Personal Exclusions and Deductions .....                          | D92         |
| Business Related Exclusions and Deductions .....                  | D95         |
| Other Exclusions .....  | D97         |
| <b>Table Game Taxes .....</b>                                     | <b>D98</b>  |
| <b><i>Motor License Fund Tax Expenditures:</i></b>                |             |
| <b>Liquid Fuels and Fuels Tax .....</b>                           | <b>D99</b>  |
| <b>Oil Company Franchise Tax .....</b>                            | <b>D99</b>  |
| <b>Alternative Fuels Tax .....</b>                                | <b>D99</b>  |
| <b>Motor Carriers Road Tax/IFTA .....</b>                         | <b>D106</b> |
| <b>Motor Vehicle Code .....</b>                                   | <b>D111</b> |
| <b><i>Racing Fund Tax Expenditures:</i></b>                       |             |
| <b>Wagering Tax .....</b>   | <b>D115</b> |
| <b>Admissions Tax .....</b>                                       | <b>D115</b> |
| <b><i>Special Fund Tax Expenditures:</i></b>                      |             |
| <b>Unemployment Compensation Insurance Tax .....</b>              | <b>D116</b> |
| <b>Public Transportation Assistance Fund .....</b>                | <b>D117</b> |
| <b>Motor Vehicle Lease Tax and Motor Vehicle Rental Fee .....</b> | <b>D117</b> |
| <b>Tire Fee .....</b>   | <b>D120</b> |
| <b>E. DEPARTMENT PRESENTATIONS</b>                                |             |
| <b>Governor's Office .....</b>                                    | <b>E1-3</b> |
| Executive Direction .....   | E1-7        |
| <b>Executive Offices .....</b>                                    | <b>E2-1</b> |
| Executive Direction .....   | E2-9        |
| Legal Services .....  | E2-11       |
| Prevention and Elimination of Discriminatory Practices .....      | E2-12       |
| Development of Artists and Audiences .....                        | E2-13       |
| Criminal and Juvenile Justice Planning and Coordination .....     | E2-14       |
| Reintegration of Juvenile Delinquents .....                       | E2-17       |
| <b>Lieutenant Governor .....</b>                                  | <b>E3-1</b> |
| Executive Direction .....   | E3-5        |
| <b>Attorney General .....</b>                                     | <b>E4-1</b> |
| Public Protection and Law Enforcement .....                       | E4-6        |
| <b>Auditor General .....</b>                                      | <b>E5-1</b> |
| Auditing .....  | E5-5        |
| Municipal Pension Systems .....                                   | E5-6        |
| <b>Treasury .....</b>   | <b>E6-1</b> |
| Disbursement .....  | E6-6        |
| Interstate Relations .....  | E6-8        |
| Debt Service .....  | E6-9        |

# Table of Contents

|   |        |
|---|--------|
| <b>Aging</b> .....  | E7-1   |
| Community Services for Older Pennsylvanians .....           | E7-6   |
| Pharmaceutical Assistance .....                             | E7-8   |
| <b>Agriculture</b> .....                                    | E8-1   |
| Protection and Development of Agricultural Industries ..... | E8-7   |
| Horse Racing Regulation .....                               | E8-10  |
| Emergency Food Assistance .....                             | E8-11  |
| <b>Banking and Securities</b> .....                         | E9-1   |
| Financial Services Industry Regulation .....                | E9-5   |
| <b>Civil Service Commission</b> .....                       | E10-1  |
| Personnel Selection .....                                   | E10-5  |
| <b>Community and Economic Development</b> .....             | E11-1  |
| PA Job Creation, Business Growth and Attraction .....       | E11-7  |
| PA Innovation Economy .....                                 | E11-9  |
| PA Worldwide .....  | E11-10 |
| PA Assets .....   | E11-11 |
| PA Core Communities .....                                   | E11-12 |
| <b>Housing Finance Agency</b> .....                         | E12-1  |
| Community Development and Conservation .....                | E12-5  |
| <b>Conservation and Natural Resources</b> .....             | E13-1  |
| Parks and Forests Management .....                          | E13-7  |
| <b>Corrections</b> .....                                    | E14-1  |
| Institutionalization of Offenders .....                     | E14-6  |
| <b>Probation and Parole Board</b> .....                     | E15-1  |
| Reintegration of the Adult Offender .....                   | E15-5  |
| <b>Drug and Alcohol Programs</b> .....                      | E16-1  |
| Drug and Alcohol Abuse Prevention and Treatment .....       | E16-5  |
| <b>Education</b> .....                                      | E17-1  |
| Education Support Services .....                            | E17-8  |
| PreK–12 Education (Basic Education) .....                   | E17-9  |
| Library Services .....                                      | E17-12 |
| Higher Education .....                                      | E17-14 |
| <b>Higher Education Assistance Agency</b> .....             | E18-1  |
| Financial Assistance to Students .....                      | E18-5  |
| Financial Aid to Institutions .....                         | E18-7  |
| <b>eHealth Partnership Authority</b> .....                  | E19-1  |
| Health Information Technology .....                         | E19-5  |
| <b>Emergency Management Agency</b> .....                    | E20-1  |
| Emergency Management .....                                  | E20-6  |
| Fire Prevention and Safety .....                            | E20-8  |
| <b>Environmental Protection</b> .....                       | E21-1  |
| Environmental Support Services .....                        | E21-8  |
| Environmental Protection and Management .....               | E21-9  |
| <b>Ethics Commission</b> .....                              | E22-1  |
| Executive Direction .....                                   | E22-5  |
| <b>Fish and Boat Commission</b> .....                       | E23-1  |
| Recreational Fishing and Boating .....                      | E23-5  |
| <b>Game Commission</b> .....                                | E24-1  |
| Wildlife Management .....                                   | E24-5  |
| <b>Gaming Control Board</b> .....                           | E25-1  |
| Gaming Regulation .....                                     | E25-5  |

# Table of Contents

|   |        |
|---|--------|
| <b>General Services</b> .....                           | E26-1  |
| Facility, Property and Commodity Management .....       | E26-6  |
| <b>Health</b> .....                                     | E27-1  |
| Health Support Services .....                           | E27-8  |
| Health Research .....                                   | E27-10 |
| Preventive Health .....                                 | E27-11 |
| Health Treatment Services .....                         | E27-15 |
| <b>Health Care Cost Containment Council</b> .....       | E28-1  |
| Health Care Reporting .....                             | E28-5  |
| <b>Historical and Museum Commission</b> .....           | E29-1  |
| State Historic Preservation .....                       | E29-5  |
| Museum Assistance .....                                 | E29-7  |
| <b>Human Services</b> .....                             | E30-1  |
| Human Services Support .....                            | E30-13 |
| Medical Assistance .....                                | E30-14 |
| Long-Term Living .....                                  | E30-18 |
| Income Maintenance .....                                | E30-20 |
| Mental Health .....                                     | E30-23 |
| Intellectual Disabilities .....                         | E30-26 |
| Human Services .....                                    | E30-30 |
| Child Development .....                                 | E30-33 |
| <b>Infrastructure Investment Authority</b> .....        | E31-1  |
| PENNVEST .....  | E31-6  |
| <b>Insurance</b> .....                                  | E32-1  |
| Insurance Industry Regulation .....                     | E32-6  |
| <b>Labor and Industry</b> .....                         | E33-1  |
| Community and Occupational Safety and Stability .....   | E33-6  |
| Workers' Compensation and Assistance .....              | E33-8  |
| Workforce Investment .....                              | E33-9  |
| Vocational Rehabilitation .....                         | E33-12 |
| <b>Liquor Control Board</b> .....                       | E34-1  |
| Liquor Control .....                                    | E34-5  |
| <b>Military and Veterans Affairs</b> .....              | E35-1  |
| State Military Readiness .....                          | E35-6  |
| Veterans Homes .....                                    | E35-7  |
| Compensation and Assistance .....                       | E35-9  |
| <b>Milk Marketing Board</b> .....                       | E36-1  |
| Milk Industry Regulation .....                          | E36-5  |
| <b>Public School Employees' Retirement System</b> ..... | E37-1  |
| Public School Employees' Retirement .....               | E37-5  |
| <b>Public Utility Commission</b> .....                  | E38-1  |
| Regulation of Public Utilities .....                    | E38-5  |
| <b>Revenue</b> .....                                    | E39-1  |
| Revenue Collection and Administration .....             | E39-6  |
| Community Development and Preservation .....            | E39-8  |
| Homeowners and Renters Assistance .....                 | E39-9  |
| <b>State</b> .....                                      | E40-1  |
| Consumer Protection .....                               | E40-6  |
| <b>State Employees' Retirement System</b> .....         | E41-1  |
| State Employees' Retirement .....                       | E41-5  |
| <b>State Police</b> .....                               | E42-1  |
| Public Protection and Law Enforcement .....             | E42-7  |



# Table of Contents

|  |        |
|--|--------|
| <b>Transportation</b> .....  | E43-1  |
| Transportation Support Services .....  | E43-9  |
| Highways and Bridges .....   | E43-10 |
| Local Highway and Bridge Assistance .....                                    | E43-12 |
| Multimodal Transportation .....  | E43-13 |
| Driver and Vehicle Services .....  | E43-17 |
| <b>Legislature</b> .....   | E44-1  |
| Legislature .....  | E44-6  |
| <b>Judiciary</b> .....   | E45-1  |
| State Judicial System .....  | E45-6  |
| <b>Government Support Agencies</b> .....                                     | E46-1  |
| Government Support Agencies .....  | E46-5  |
| <br><b>F. CAPITAL BUDGET</b>   |        |
| Capital Budget Program Summary .....   | F3     |
| Estimated Capital Expenditures — State Funds .....                           | F5     |
| Forecast of New Project Authorizations — State Funds .....                   | F6     |
| Recommended New Project Authorizations — State Funds .....                   | F7     |
| Agriculture .....  | F8     |
| Conservation and Natural Resources .....                                     | F10    |
| Corrections .....  | F23    |
| Education .....  | F27    |
| Environmental Protection .....   | F31    |
| General Services .....   | F33    |
| Historical and Museum Commission .....                                       | F35    |
| Human Services .....   | F38    |
| Military and Veterans Affairs .....  | F41    |
| State Police .....   | F44    |
| Transportation .....   | F47    |
| Summary of Forecast of Future New Project Authorizations — State Funds ..... | F66    |
| Forecast of Future Projects by Department .....                              | F67    |
| Estimate of Capital Project Expenditures by Department .....                 | F70    |
| Estimate of Capital Expenditures .....                                       | F71    |
| <br><b>G. PUBLIC DEBT</b>  |        |
| Debt Authorized, Issued and Outstanding .....                                | G3     |
| General Obligation Bond Issues .....   | G4     |
| General Obligation Debt Outstanding .....                                    | G5     |
| Constitutional Debt Limit .....  | G6     |
| Debt Service on General Obligation Debt .....                                | G7     |
| Annual Debt Service on Outstanding General Obligation Bonds .....            | G8     |
| Trends in Debt Service and Debt Ratios .....                                 | G9     |
| Outstanding Indebtedness of Pennsylvania Agencies and Authorities .....      | G10    |
| <br><b>H. OTHER SPECIAL FUNDS</b>  |        |
| Other Special Funds .....  | H3     |
| Special Fund Categories .....  | H4     |
| Acid Mine Drainage Abatement and Treatment Fund .....                        | H6     |
| Administration Fund .....  | H6     |
| Agricultural College Land Scrip Fund .....                                   | H7     |
| Agricultural Conservation Easement Purchase Fund .....                       | H7     |
| Anthracite Emergency Bond Fund .....   | H8     |
| Automobile Theft Prevention Trust Fund .....                                 | H8     |
| Banking Fund .....   | H9     |
| Ben Franklin Technology Development Authority Fund .....                     | H9     |

# Table of Contents

|  |     |
|--|-----|
| Benefit Completion Fund .....  | H10 |
| Boat Fund.....   | H10 |
| Broadband Outreach and Aggregation Fund.....   | H11 |
| Budget Stabilization Reserve Fund .....  | H11 |
| Capital Debt Fund .....  | H12 |
| Capital Facilities Fund .....  | H12 |
| Capitol Restoration Trust Fund.....  | H13 |
| Catastrophic Loss Benefits Continuation Fund.....                                      | H13 |
| Children's Trust Fund .....  | H14 |
| Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund.....             | H14 |
| City Revitalization and Improvement Fund .....   | H15 |
| Clean Air Fund .....   | H15 |
| Coal and Clay Mine Subsidence Insurance Fund.....                                      | H16 |
| Coal Lands Improvement Fund .....  | H16 |
| Community College Capital Fund.....  | H17 |
| Compulsive and Problem Gambling Treatment Fund.....                                    | H17 |
| Conrad Weiser Memorial Park Trust Fund .....   | H18 |
| Conservation District Fund .....   | H18 |
| Deferred Compensation Fund .....   | H19 |
| Deferred Compensation Fund – Short-Term Portfolio .....                                | H19 |
| DNA Detection Fund .....   | H20 |
| Educational Assistance Program Fund .....  | H20 |
| Emergency Medical Services Operating Fund .....  | H21 |
| Employment Fund for the Blind .....  | H21 |
| Energy Conservation and Assistance Fund.....   | H22 |
| Energy Development Fund.....   | H22 |
| Environmental Education Fund .....   | H23 |
| Environmental Stewardship Fund.....  | H24 |
| Farm Products Show Fund.....   | H25 |
| Fire Insurance Tax Fund .....  | H25 |
| Fish Fund .....  | H26 |
| Game Fund .....  | H26 |
| Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund ..... | H27 |
| Growing Greener Bond Fund .....  | H28 |
| Growing Greener Bond Sinking Fund.....   | H29 |
| Hazardous Material Response Fund .....   | H29 |
| Hazardous Sites Cleanup Fund.....  | H30 |
| Higher Education Assistance Fund .....   | H31 |
| Highway Beautification Fund .....  | H31 |
| Historical Preservation Fund .....   | H32 |
| HOME Investment Trust Fund.....  | H32 |
| Homeowners Assistance Settlement Fund.....   | H33 |
| Housing Affordability and Rehabilitation Enhancement Fund .....                        | H33 |
| Industrial Development Fund.....   | H34 |
| Industrial Sites Cleanup Fund .....  | H34 |
| Insurance Fraud Prevention Trust Fund.....   | H35 |
| Insurance Liquidation Fund .....   | H35 |
| Insurance Regulation and Oversight Fund .....  | H36 |
| Job Training Fund .....  | H36 |
| Justice Reinvestment Fund .....  | H37 |
| Keystone Recreation, Park and Conservation Fund.....                                   | H37 |
| Land and Water Development Fund.....   | H38 |
| Land and Water Development Sinking Fund.....   | H38 |
| Liquid Fuels Tax Fund.....   | H39 |
| Liquor License Fund.....   | H39 |
| Local Cigarette Tax Fund .....   | H40 |
| Local Criminal Justice Sinking Fund.....   | H40 |
| Local Government Capital Project Loan Fund.....  | H41 |
| Machinery and Equipment Loan Fund.....   | H41 |

# Table of Contents

|   |     |
|---|-----|
| Manufacturing Fund .....  | H42 |
| Marcellus Legacy Fund .....                                     | H42 |
| Medical Care Availability and Reduction of Error Fund .....     | H43 |
| Milk Marketing Fund .....                                       | H44 |
| Mine Safety Fund .....  | H44 |
| Minority Business Development Fund .....                        | H45 |
| Monetary Penalty Settlements Fund .....                         | H45 |
| Motor Vehicle Transaction Recovery Fund.....                    | H46 |
| Multimodal Transportation Fund.....                             | H46 |
| Municipal Pension Aid Fund .....                                | H47 |
| Municipalities Financial Recovery Revolving Aid Fund.....       | H47 |
| Neighborhood Improvement Zone Fund.....                         | H48 |
| Non-Coal Surface Mining Conservation and Reclamation Fund ..... | H48 |
| Nutrient Management Fund.....                                   | H49 |
| Oil and Gas Lease Fund .....                                    | H49 |
| Patient Safety Trust Fund.....                                  | H50 |
| Pennsylvania Economic Revitalization Fund .....                 | H50 |
| Pennsylvania eHealth Partnership Fund .....                     | H51 |
| Pennsylvania Gaming Economic Development and Tourism Fund.....  | H51 |
| Pennsylvania Historical and Museum Commission Trust Fund.....   | H52 |
| Pennsylvania Infrastructure Bank.....                           | H52 |
| Pennsylvania Municipal Retirement Fund .....                    | H53 |
| Pennsylvania Race Horse Development Fund .....                  | H54 |
| Pennsylvania Veterans Memorial Trust Fund.....                  | H54 |
| PENNVEST Bond Authorization Fund.....                           | H55 |
| PENNVEST Drinking Water Revolving Fund.....                     | H55 |
| PENNVEST Fund.....  | H56 |
| PENNVEST Non-Revolving Equity Fund.....                         | H57 |
| PENNVEST Redemption Fund.....                                   | H57 |
| PENNVEST Revolving Fund .....                                   | H58 |
| PENNVEST Trustee Fund.....                                      | H58 |
| PENNVEST Water Pollution Control Revolving Fund .....           | H59 |
| Persian Gulf Conflict Veterans' Compensation Bond Fund .....    | H59 |
| Persian Gulf Conflict Veterans' Compensation Sinking Fund.....  | H60 |
| Pharmaceutical Assistance Fund .....                            | H60 |
| Philadelphia Regional Port Authority Fund .....                 | H61 |
| Philadelphia Taxicab and Limousine Regulatory Fund.....         | H61 |
| Philadelphia Taxicab Medallion Fund .....                       | H62 |
| Port of Pittsburgh Commission Fund.....                         | H62 |
| Property Tax Relief Fund .....                                  | H63 |
| Public Transportation Assistance Fund .....                     | H64 |
| Public Transportation Trust Fund .....                          | H64 |
| Purchasing Fund .....   | H65 |
| Racing Fund .....   | H66 |
| Real Estate Recovery Fund.....                                  | H67 |
| Recycling Fund.....   | H67 |
| Rehabilitation Center Fund.....                                 | H68 |
| Remining Financial Assurance Fund.....                          | H68 |
| Rightful Owners' Claims Payment Fund.....                       | H69 |
| School Employees' Retirement Fund .....                         | H70 |
| School Retirees' Health Insurance Fund .....                    | H71 |
| Self-Insurance Guaranty Fund .....                              | H71 |
| Small Business First Fund.....                                  | H72 |
| Solid Waste-Resource Recovery Development Fund.....             | H72 |
| Special Administration Fund.....                                | H73 |
| State College Experimental Farm Fund .....                      | H73 |
| State Employees' Retirement Fund.....                           | H74 |
| State Gaming Fund .....   | H75 |
| State Insurance Fund .....                                      | H76 |

# Table of Contents

|   |     |
|---|-----|
| State Restaurant Fund .....                               | H76 |
| State School Fund.....                                    | H77 |
| State Stores Fund .....                                   | H78 |
| State Treasury Armory Fund .....                          | H79 |
| State Worker's Insurance Fund.....                        | H79 |
| Storage Tank Fund.....                                    | H80 |
| Substance Abuse Education and Demand Reduction Fund.....  | H80 |
| Surface Mining Conservation and Reclamation Fund.....     | H81 |
| Tax Note Sinking Fund.....                                | H81 |
| Tobacco Settlement Fund .....                             | H82 |
| Treasury Initiative Support Fund .....                    | H83 |
| Tuition Account Guaranteed Savings Program Fund .....     | H84 |
| Tuition Account Investment Program Fund .....             | H84 |
| Unconventional Gas Well Fund .....                        | H85 |
| Underground Storage Tank Indemnification Fund.....        | H86 |
| Unemployment Compensation Benefit Payment Fund.....       | H87 |
| Unemployment Compensation Contribution Fund.....          | H87 |
| Unemployment Compensation Debt Service Fund.....          | H88 |
| Uninsured Employers Guaranty Fund .....                   | H88 |
| Veterans Trust Fund.....                                  | H89 |
| Vocational Rehabilitation Fund.....                       | H90 |
| Volunteer Companies Loan Fund.....                        | H90 |
| Water and Sewer Systems Assistance Bond Fund .....        | H91 |
| Water and Sewer Systems Assistance Bond Sinking Fund..... | H91 |
| Water Supply and Wastewater Treatment Fund.....           | H92 |
| Water Supply and Wastewater Treatment Sinking Fund.....   | H92 |
| Wild Resources Conservation Fund .....                    | H93 |
| Wireless E-911 Emergency Services Fund.....               | H93 |
| Workers' Compensation Security Fund .....                 | H94 |
| Workmen's Compensation Administration Fund.....           | H95 |
| Workmen's Compensation Supersedeas Fund .....             | H95 |

## I. COMPLEMENT

|  |     |
|--|-----|
| Authorized Salaried Complement By Agency ..... | I 3 |
| Summary of Complement Changes .....            | I 4 |

## J. STATISTICAL DATA

|                                   |    |
|-----------------------------------|----|
| General Information.....          | J3 |
| State Population Trends.....      | J4 |
| State Employment Trends.....      | J5 |
| State Unemployment Trends.....    | J7 |
| State Personal Income Trends..... | J9 |

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# READER'S GUIDE

This section of the budget is intended to assist readers with interpreting and understanding the content of the Governor's recommended budget.

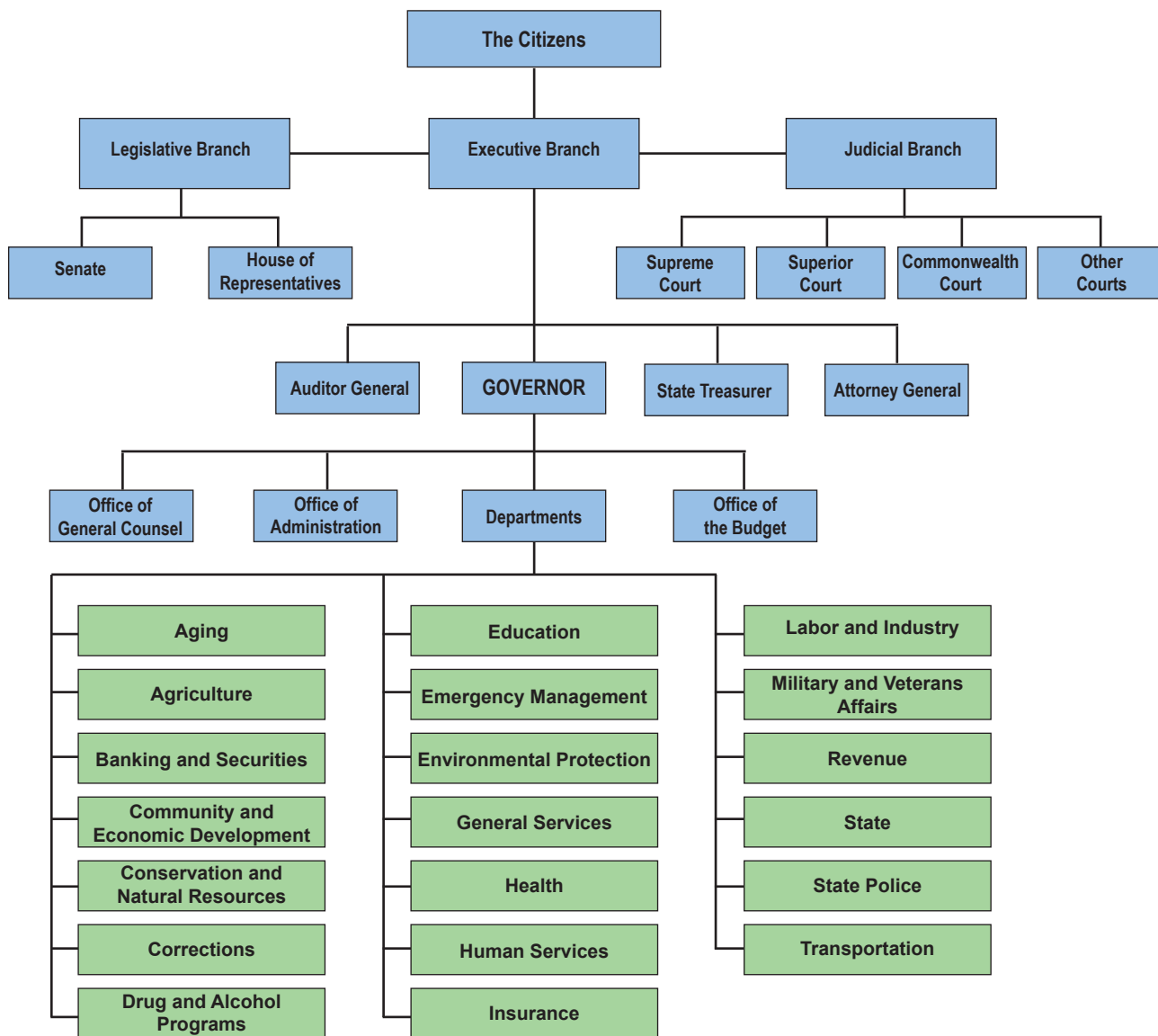
It contains an organization chart of the commonwealth, descriptions of the operating and capital budget processes, explanations of the program budget structure and the basis of budgeting and accounting, a summary of significant financial policies, terms used in the budget process and a list of common federal funds abbreviations.

The government of the commonwealth is comprised of three separate branches: the Executive Branch, the Legislative Branch and the Judicial Branch. The organization chart shown on the following page provides additional information about the structure of Pennsylvania State Government.

To view the Governor's Executive Budget online or learn more about the Pennsylvania Office of the Budget, go to [www.budget.state.pa.us](http://www.budget.state.pa.us). To learn more about the Commonwealth of Pennsylvania, go to [www.pa.gov](http://www.pa.gov).



# Commonwealth of Pennsylvania Organization Chart



## AGENCIES

Higher Education Assistance  
Housing Finance  
Interstate Agencies

## AUTHORITIES

Automobile Theft Prevention  
Commonwealth Financing  
eHealth Partnership  
Energy Development  
Higher Education Facilities  
Industrial Development  
Infrastructure Investment  
Insurance Fraud Prevention  
Minority Business Development  
Patient Safety  
Public School Building

## BOARDS

Claims  
Environmental Hearing  
Gaming Control  
Finance and Revenue  
Liquor Control  
Milk Marketing  
Municipal Retirement  
Pardons  
Probation and Parole  
Public School Employees' Retirement  
State Employees' Retirement  
Tax Equalization

## COMMISSIONS

Civil Service  
Crime and Delinquency  
Ethics  
Fish and Boat  
Game  
Harness Racing  
Historical and Museum  
Horse Racing  
Human Relations  
Juvenile Court Judges  
Public Employee Retirement  
Public Utility  
Turnpike

# The Budget Process

The Pennsylvania Constitution requires that the Governor submit a budget annually to be adopted by the General Assembly for the ensuing fiscal year. The General Assembly may add, change or delete any items in the budget proposed by the Governor, but the Governor retains veto power over the individual appropriations passed by the General Assembly. The Governor may also reduce individual appropriations, but may not increase them. A gubernatorial veto can be overridden only by a two-thirds majority of each House of the General Assembly.

The Governor's Budget is developed with a focus on the results of government programs and provides information about program goals, objectives, accomplishments and effects.

The Governor's Budget is a statement of the commonwealth's program plan, the resources necessary to support that plan, a description of how resources are to be used, and an assessment of the effects of programs on people and the environment. This information is presented so that the levels of expenditure are associated with levels of government services and, ultimately, with the resulting effects on important public policy issues and concerns faced by the commonwealth.

## PHASES OF THE BUDGET PROCESS

The state budget process can be divided into four phases: gubernatorial preparation and submission to the General Assembly; approval (involving the executive and legislative branches); execution; and program performance evaluation and financial audit.

### Preparation

The preparation phase of the budget process begins nearly twelve months prior to the July 1 start of that fiscal year. The first step of the preparation phase is the distribution of the budget instructions by the Governor's Budget Office and program policy guidance by the Governor's Office. The program policy guidance defines major policy issues, spells out priorities and provides policy direction to the agencies for budget preparation.

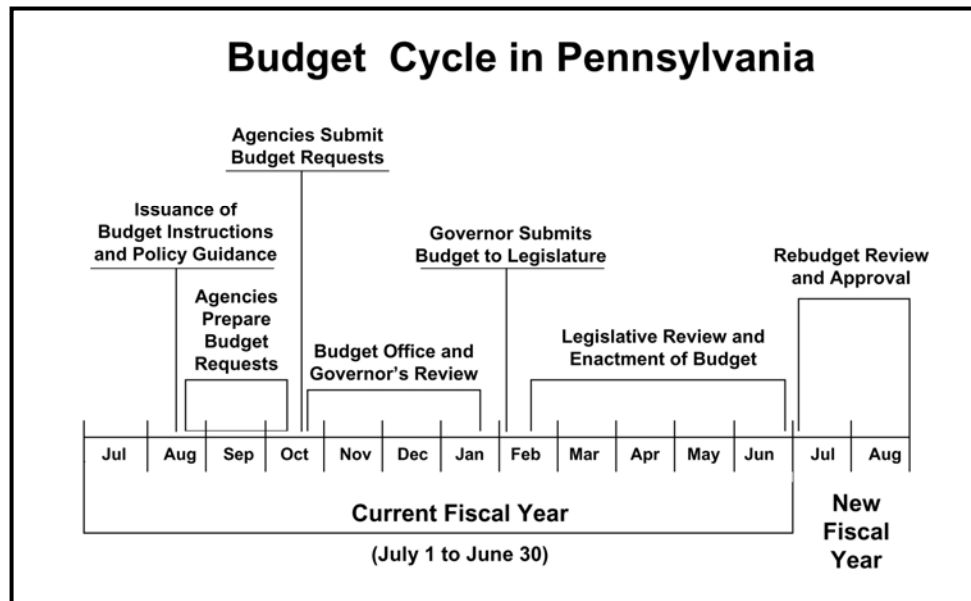
Agency budget requests are submitted to the Governor's Budget Office beginning in early October. Agencies prepare and submit their requests electronically. The Agency Program Plan, the programmatic presentation of agency budget requests, and the appropriation-level information are prepared and submitted in the format and manner specified in budget instructions issued annually by the Governor's Budget Office.

During December, the Governor apprises Legislative leaders of anticipated spending and revenue levels and major fiscal issues expected to be addressed in the upcoming budget.

The Secretary of the Budget and Governor's Budget Office staff review agency budget requests for accuracy and for adherence to the policy guidance. The Agency Program Plan and appropriation templates are used by the Governor's Budget Office to analyze the agency requests and prepare funding recommendations for the Secretary of the Budget and the Governor. Total agency requests must be brought into balance with total funds estimated to be available from existing sources and any new revenue sources that are recommended. The Secretary of the Budget makes recommendations to the Governor on the expenditure proposals contained in each agency budget request and, along with the Secretary of Revenue, provides revenue estimates. The Governor reviews these recommendations and makes final budget decisions. The Governor's Executive Budget document is then completed and submitted to a joint session of the General Assembly by the Governor through the budget address.

### Approval

Shortly after receiving the Governor's Executive Budget, the Appropriations Committees of the House of Representatives and Senate hold public hearings to review individual agency requests for funds. The appropriations hearings provide the legislators with an opportunity to review the specific programmatic, financial and policy aspects of each agency's programs. The legislators' decisions on the budget are reflected in the annual General Appropriation Bill and individual appropriation bills. The General Appropriation Bill contains appropriations for the executive, legislative and judicial departments, public schools and for public debt. All other appropriations are made individually by separate special bills.



Appropriations made to institutions not under the absolute control of the commonwealth are considered nonpreferred appropriations and require a two-thirds vote of each House of the General Assembly for passage. The passage of the General Appropriation Bill and other appropriation bills by the General Assembly and the passage of any revenue measures which may be required to ensure a balanced budget constitute the legislative approval phase of the budget process.

At the time that the General Appropriation Bill and other appropriation bills are presented to the Governor for approval, the official revenue estimates for the budget year are established by the Governor. If the appropriations passed by the Legislature exceed the revenue estimates plus any available surplus, the Governor has the authority and duty either to veto entire appropriation bills or to reduce the amount of appropriations in order to produce a budget that is in balance with total resources available. The Governor also has the power to reduce or item veto any appropriation he thinks excessive or unnecessary even if the total appropriations passed by the legislators do not exceed estimated resources available. A Governor's item veto may be overridden by a two-thirds vote of each House of the General Assembly.

The signing of the appropriations bills and any revenue bills by the Governor is the last step in the approval stage of the budget process.

On occasion, additional appropriations are made subsequent to the enactment of the General Appropriation Act. These additional appropriations are made for a purpose for which either no appropriation was originally made or where the General Assembly deems it desirable or necessary that an original appropriation be increased in the current fiscal year period. These appropriations are made in supplemental appropriation bills that are passed in the same manner as regular appropriation bills.

### Execution

The Governor's Budget Office has the authority to request and approve agency spending plans, commonly referred to as rebudgets, and to establish authorized levels for agency's full-time equivalent (FTE) salaried complement, i.e., personnel. The rebudgets are based primarily on the enacted appropriations. The Governor's Budget Office electronically enters allocation amounts into the accounting system based upon the approved rebudget. Program managers and administrators are responsible for operating their programs within the resources that are available and for producing the results cited in the budget.

### Audit

The last phase of the budget cycle, which occurs after the close of the fiscal year, encompasses audit and review of program and financial performance. The Governor's Budget Office informally reviews program and financial performance and performs formal evaluations of selected programs. In addition, the Auditor General performs a financial post audit.

# The Capital Budget Process

## Preparation, Submission and Approval

The capital budget process in Pennsylvania is similar to the process used for the operating budget. The capital budget process has a preparation and submission to the General Assembly phase, an approval phase involving both the executive and legislative branches and an execution phase.

The preparation phase follows the operating budget preparation cycle for a fiscal year beginning July 1. When agencies submit operating budget requests to the Secretary of the Budget beginning in early October, agencies also submit a capital budget request itemizing proposed capital projects they want to undertake. The Governor's Budget Office reviews capital requests and develops recommendations based on the Governor's financial parameters and policies.

The Governor makes final decisions on the capital budget at the same time as the operating budget. The Governor's final recommendations are contained in a separate capital budget section in the Governor's Budget submitted to the General Assembly.

The Governor's capital project recommendations along with any additions or deletions made by the General Assembly are contained in a separate bill usually known as the Capital Budget Project Itemization Act. This bill, along with the Capital Budget Act which contains the maximum debt limitations for the next fiscal year beginning July 1, must be passed by both Houses of the General Assembly and presented to the Governor for signature.

The Governor reviews the projects contained in the Capital Budget Project Itemization Act taking into consideration his priorities, the importance of the project and the impact the project will have on agency operating budgets. The Governor may approve the bill as is or item veto parts or all of the amounts contained in the bill. Any item veto may be overridden by a two-thirds vote of each House of the General Assembly. The Governor's approval of the Capital Budget Project Itemization Act is the final stage of the capital budget approval process.

Each year, even if a capital budget project itemization bill is not passed, the Capital Budget Act – legislation establishing limitations on the debt to be incurred for capital projects – is passed and signed into law. The act establishes a debt ceiling for each major category of the capital program and remains in force for a single fiscal year.

## Capital Project Activation

In order for a capital project approved in an enacted project itemization act to move forward, the Department of General Services must request that it be activated. All project activation requests are reviewed by the Governor's Budget Office for consistency with the Governor's priorities and policies. Projects approved by the Governor's Budget Office are scheduled for release, first for design – and then when design is complete – for construction. Project releases are made in accordance with certain fiscal guidelines in order to keep the entire capital budget at affordable levels each fiscal year.

## Debt Financing vs. Current Revenue Financing

A capital project can be funded by commonwealth debt obligations, current revenues or funds received from other jurisdictions if it meets one of the project category criteria listed in the Capital Budget Program Summary. The majority of capital projects are funded through general obligation bonds, but in accordance with commonwealth debt policy, highway capital projects are funded from current revenues of the Motor License Fund. Agencies will request either bond or current revenue funding when they submit capital project requests. The statements in section F summarize new capital projects by capital program category, then by department, and finally by department, capital program category and bond or current revenue sources. The capital projects for each department first list agency bond-funded projects, then list agency projects funded through current revenues.

The reader is referred to Section F Capital Budget, which contains the Governor's recommended capital budget and five-year capital program, including funding sources and amounts needed to support capital programs.

# The Commonwealth's Program Budget Structure

## COMMONWEALTH PROGRAM PLAN

The budget presentation for each commonwealth department or agency is shown on a program basis and on an appropriation basis. The Section B: Program Budget Summary provides a summary presentation by commonwealth program and shows program costs according to eight major commonwealth program classifications. These eight Commonwealth Programs are each defined in terms of broadly stated goals of state government.

The first commonwealth program, Direction and Supportive Services, includes the resources to support administrative functions that affect the overall operations of the commonwealth. The next six commonwealth programs are substantive in nature and deal with costs related to their program titles: Protection of Persons and Property; Education; Health and Human Services; Economic Development; Transportation; and Recreation and Cultural Enrichment. The last commonwealth program, Debt Service, includes the resources to meet the timely payment of commonwealth debt obligations. Debt Service is shown as a separate commonwealth program and is not merged with program expenditures so that direct program expenditures may be more clearly identified.

### Program Budget Structure

- *Commonwealth Program – eight major programs*
- *Program Category – defined by desired goals*
- *Program Subcategory – Program Presentation that includes an objective, narrative and funding*
- *Program Element – activities contributing toward the accomplishment of the subcategory program objective*

Each of the eight major Commonwealth Programs is subdivided into Program Categories defined by more specific goals. Program Categories are further broken down into Program Subcategories (more commonly referred to as Program Presentations in the budget book). The Program Presentations include program objectives, narratives and funding recommendations. Program narratives are further broken down into Program Elements – the basic unit of the program budget structure. Program elements are the activities that contribute to the accomplishment of the program objective of the Program Presentation.

## Department Presentations

Each agency presented in Section E of this budget book includes a Mission Statement, an Organization Overview, a Summary by Fund and Appropriation, a Program Funding Summary and a program subcategory Program Presentation.

### Mission Statement

The mission statement is included on the title page of the department or agency presentation and describes what the agency does or intends to accomplish and why.

### Organization Overview

The organization overview presentation displays the departmental organization chart and authorized complement count for the past five actual years.

### Summary by Fund and Appropriation

The Summary by Fund and Appropriation presentation is organized by fund, character of expenditure, state appropriation, and the federal funds, augmentations and other funds that supplement the activities funded by each state appropriation. Three fiscal years are shown on this presentation – the budget year and two prior fiscal years. The most immediate prior fiscal year is named the “available year” and the second most immediate prior fiscal year is named the “actual year.”

State funds included in the SFA presentation are the: General Fund, Motor License Fund, and Lottery Fund and all appropriations or executive authorizations made from these funds. Section C presents financial statements and revenue detail for each of these state funds.

Federal fund amounts shown on the SFA include appropriations to date as well as anticipated adjustments because of increases or decreases in the amount of funds to be received. Because of the manner in which they are appropriated, federal funds are deposited as General Fund revenues rather than as augmentations. Federal funds are not, however, included in the revenue sections of the budget. Instead, federal funds are shown with the state funds which they supplement. Abbreviations or acronyms often are used in the federal appropriation titles shown on the SFA. The Federal Funds Identification section in this Reader's Guide lists common federal fund abbreviations.

The budget may propose the transfer of appropriations between agencies, a departmental reorganization or the restructuring of appropriations within or between departments. Usually in these cases, for ease of comparison in the

SFA presentation, the actual and available year funding amounts are shown consistent with the budget year proposal. This means, however, that the amounts shown in the actual and available years may not be consistent with those shown in accounting reports and appropriations acts. When this occurs, footnote explanations are included within the agency SFA presentation.

The Summary by Fund and Appropriation example pages immediately following this section explain the layout of the SFA and provide more detail on the items discussed here.

## Program Funding Summary

The agency Program Funding Summary presents general, special, federal and other funding organized by the program subcategory Program Presentations of the commonwealth's program budget structure rather than by appropriation. The summary is a seven-year presentation – including the actual, available and budget years previously discussed, plus four additional planning years beyond the budget year. The four planning years do not show cost projections based on desired progress toward meeting goals, but rather show the future cost consequences of current program policy including the cost of any current legislatively mandated increases that may be effective in a future year. All departmental program funding summaries are shown aggregated in Section B according to the eight major Commonwealth Programs and their identified Program Categories. Each departmental subcategory shown in its program funding summary is included in one and only one of the eight major Commonwealth Programs and in one of the Program Categories.

## Program Presentation

Each program subcategory Program Presentation includes a program objective that states the program's purpose in terms of desired accomplishments, a narrative describing program activities and services, funding recommendations that identify increases or decreases over available year funding, and a list of state appropriations that support the activities within the program.

An agency may have one or more Program Presentations, depending on the breadth and complexity of its mission, activities, goals and objectives. The reader can quickly see program presentation titles in the Table of Contents which lists every program presentation for every agency. Each program presentation begins with and is defined by one program objective. Program narratives describe program activities, services and expected outcomes and may be further broken down by program element narratives which focus on specific program activities.

### Program Presentation

- *Program Objective – program purpose stated as desired accomplishments*
- *Narrative – program activities and services description*
- *Program Recommendations – proposed funding increases or decreases*
- *Appropriations within this Program – appropriations supporting program activities*

The Program Recommendations section lists and briefly describes each funding increase or decrease for each state appropriation. Major funding changes are identified as Initiatives or Program Revision Requests which often are more fully discussed in the Section A: Overview and Summaries section. Significant program changes are explained and justified in a separate Program Revision Request section that immediately follows the program subcategory Program Presentation to which it pertains.

The Appropriations within this Program section is a seven-year presentation of the state appropriations included in the Program Presentation. As noted in the previous planning year discussion, the four planning years do not show cost projections based on desired progress toward meeting goals, but rather show the future cost consequences of current program policy including the cost of any current legislatively mandated increases that may be effective in a future year. Each state appropriation appears in only one agency and in only one Program Presentation.

The Program Presentation example pages immediately following the Summary by Fund and Appropriation example pages in this section explain the layout of the Program Presentation and provide more detail on the items discussed here. The reader is also referred to the Terms Used in the Budget Process section of this Reader's Guide for the definitions of the terms discussed in this section.

## Program Measures

Within the commonwealth's program budget structure, performance measures are used to quantify program activities and results. Program Measures is the last section in the agency presentation, and is a seven-year presentation of performance measures that identify program activities and outcomes and the impact the proposed budget is expected to have on those activities and outcomes.

## OTHER SPECIAL FUNDS

The Section H Other Special Funds provides brief descriptions and financial data for those special funds of the commonwealth not given an expanded treatment in other sections of this document.



# The Summary by Fund and Appropriation

A summary by fund and appropriation (SFA) is shown at the beginning of each agency presentation in Section E. The SFA identifies all state appropriations within the agency and those federal funds, augmentations and other funds which supplement the activities within the respective state appropriation.

**General Fund** — The fund into which the general (non-earmarked) revenues of the state are deposited and from which monies are appropriated to pay the general expenses of the state.

**General Government** — A character of expenditure which is a classification of appropriations according to their general purpose. Other characters of expenditure are institutional, grants and subsidies, capital improvements and debt service.

**General Government Operations** — Identifies an appropriation by the General Assembly or an executive authorization (EA) by the Governor to spend state monies.

**"(F)"** Identifies a federal appropriation by the General Assembly or an executive authorization by the Governor to spend federal monies.

**"(A)"** Identifies other monies which augment a state appropriation.

**"(R)"** Identifies funds which are in a restricted account and which may only be spent for very limited purposes related to the state appropriation.

## Summary by Fund

### GENERAL FUND:

#### General Government:

##### General Government Operations .....

(F) Surface Mine Conservation .....

(A) Department Services .....

Subtotal .....

##### Environmental Program Management .....

(F) Coastal Zone management .....

(F) Storm Water Permitting Initiative .....

(A) Safe Drinking Water Revolving Fund Administration .....

(R) Sewage Facilities Program Administration (EA) .....

Subtotal .....

Subtotal - State Funds .....

Subtotal - Federal Funds .....

Subtotal - Augmentations .....

Subtotal - Restricted Revenues .....

Total - General Government .....

#### Grants and Subsidies:

Black Fly Control and Research .....

West Nile Virus Control .....

Delaware River Master .....

Interstate Mining Commission .....

Susquehanna River Basin Commission .....

Delaware River Basin Commission .....

Chesapeake Bay Commission .....

Total - Grants and Subsidies .....

STATE FUNDS .....

FEDERAL FUNDS .....

AUGMENTATIONS .....

RESTRICTED REVENUES .....

GENERAL FUND TOTAL .....

### MOTOR LICENSE FUND:

#### General Government:

Dirt and Gravel Roads .....

MOTOR LICENSE FUND TOTAL .....

### OTHER FUNDS:

#### GENERAL FUND:

Safe Drinking Water Account .....

#### ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:

Acid Mine Drainage Abatement and Treatment (F) (EA) .....

DEPARTMENT TOTAL - ALL FUNDS

GENERAL FUND .....

SPECIAL FUNDS .....

FEDERAL FUNDS .....

AUGMENTATIONS .....

RESTRICTED .....

OTHER FUNDS .....

TOTAL ALL FUNDS .....

# Environmental Protection and Appropriation

(Dollar Amounts in Thousands)

2013-14  
ACTUAL

2014-15  
AVAILABLE

2015-16  
BUDGET

\$ 10,400      \$ 10,500      \$ 10,600  
413      630      680  
154      75      75  
\$ 10,967      \$ 11,205      \$ 11,355

21,325      21,424      22,524  
4,700      4,700      4,700  
2,300      2,300      2,300  
91      85      85  
1,500      1,500      1,500  
\$ 29,916      \$ 30,009      \$ 31,109

\$ 31,725      \$ 31,924      \$ 33,124  
7,413      7,630      7,680  
245      160      160  
1,500      1,500      1,500  
\$ 40,883      \$ 41,214      \$ 42,464

\$ 3,250      \$ 3,250      \$ 3,250  
3,676      3,676      3,776  
76      76      76  
25      25      30  
490      500      490  
1,000      1,000      1,000  
190      190      200  
\$ 8,707      \$ 8,717      \$ 8,822

\$ 40,432      \$ 40,641      \$ 41,946  
7,413      7,630      7,680  
245      160      160  
1,500      1,500      1,500  
\$ 49,590      \$ 49,931      \$ 51,286

\$ 4,000      \$ 4,000      \$ 4,000  
\$ 4,000      \$ 4,000      \$ 4,000

\$ 549      \$ 658      \$ 470

\$ 5,500      \$ 5,500      \$ 5,500

\$ 40,432      \$ 40,641      \$ 41,946  
4,000      4,000      4,000  
7,413      7,630      7,680  
245      160      160  
1,500      1,500      1,500  
6,049      6,158      5,970  
\$ 59,639      \$ 60,089      \$ 61,256

**NOTE:** In some cases the budget may propose the shifting of appropriations between agencies, departmental reorganizations or the restructuring of appropriations within or between departments. Usually, for ease of comparison, all columns in the budget presentation are shown consistent with the recommendation in the budget year. This means, however, that the amounts shown in the actual and available columns may not be consistent with those shown in accounting reports and appropriation acts. When this occurs, explanations have been included in the footnotes to the Summary by Fund and Appropriation.

Identifies one of a group of special funds which are presented fully in Section C: Summary by Fund. For purposes of this presentation, State funds include the General, Motor License and Lottery funds.

Identifies selected restricted accounts.

Identifies one of a group of special funds which are presented on a limited basis in Section H: Other Special Funds.

## Program Presentation

Each Program Presentation provides a written and financial explanation of the activities of the program. Recommendations for the continuation of current programs at essentially current levels of commitment are shown within department program subcategories. Recommendations for major program changes are identified as department Program Revision Requests (PRRs) or Initiatives which provide explanations and justification for the change.

**Program Recommendations** — Identifies the increases or decreases over the available year funds as presented in the Summary by Fund and Appropriation.

**General Government Operations** — Identifies a specific appropriation.

**PRR** — A Program Revision Request identifies a major program change and is explained in more depth in a presentation following the program.

**Appropriations within this Program** — Identifies all state appropriations which support the activities within the program. Each appropriation appears in only one agency program.

**PROGRAM OBJECTIVE:** To protect and improve the health and safety of the citizens of the commonwealth from unnecessary radiation from natural and man-made sources and to manage water and mineral resources to prevent destruction and depletion while allowing economic development.

## Program: Environmental Protection

This program encompasses the major program elements that help to protect the health and safety of the citizens of the commonwealth as well as the quality of their environment and economic health. These activities are all associated with the department's goals for Clean Air, Clean Water, Land Protection, Community Health and Safety and Sustainable Energy.

Act 68 of 1999, the Environmental Stewardship and Watershed Protection Act, authorized the beginning of the "Growing Greener" program. The goal of this program is to ensure citizens their rights to clean air, to pure water and to the preservation of the natural, scenic, historic and esthetic values of the environment. Expanded activities include the reclamation of abandoned mines, plugging of certain oil and gas wells, protection and restoration of watersheds, and improvements to drinking water and sewer systems.

### Program Recommendations:

This budget

|    |       |   |
|----|-------|---|
| \$ | 100   | <b>General Government Operations</b><br>—to continue current program.   |
| \$ | 100   | <b>Environmental Program Management</b><br>—to continue current program.  |
|    | 1,000 | —PRR—Rebuilding Pennsylvania's Infrastructure. To provide increased assistance to communities for flood control projects. |
| \$ | 1,100 | <b>Appropriation Increase</b>   |

### Appropriations within this Program:

|                                       | 2013-14<br>Actual | 2014-15<br>Available |
|---------------------------------------|-------------------|----------------------|
| GENERAL FUND:                         |                   |                      |
| General Government Operations .....   | \$ 10,400         | \$ 10,500            |
| Environmental Program Management..... | 21,325            | 21,424               |
| Black Fly Control and Research.....   | 3,250             | 3,250                |
| West Nile Virus Control .....         | 3,676             | 3,676                |
| Delaware River Master .....           | 76                | 76                   |
| Interstate Mining Commission .....    | 25                | 25                   |
| Susquehanna River Basin Commission .. | 490               | 500                  |
| Delaware River Basin Commission ..... | 1,000             | 1,000                |
| Chesapeake Bay Commission .....       | 190               | 190                  |

## Program

|  | 2013-14 | 2014-15 |
|--|---------|---------|
| <b>Protection of Air Quality</b>   |         |         |
| Percentage of population in counties<br>attaining the ambient PM-2.5 (fine particles)<br>annual standard ..... | 90%     | 90%     |
| Percentage of population in counties<br>attaining the 1997 ambient ozone standard                              | 88%     | 88%     |
| Percentage of population in counties<br>attaining the 2008 ambient ozone standard                              | 35%     | 42%     |

# Environmental Protection

Identifies the agency being presented.

to protect the quality of the air, water and environment for the Commonwealth, to protect the people from dangerous waste sources, including occupational and medical waste sources in a way which ensures against their undue economic benefits from their use.

**Objective** — A statement of the program's purpose in terms of desired accomplishments.

## Program and Management

**Program** — The agency program focuses upon objectives which can be measured in terms of quantifiable impact.

### CLEAN AIR

#### Program Element: Protection of Air Quality

**Program Element** — Used within a program narrative to identify sub-program components.

Emissions of air contaminants are closely monitored and controlled by the department to protect public health as required by the Federal Clean Air Act, the Pennsylvania Air Pollution Control Act of 1960 and regulations adopted under the acts. Pollutants of primary concern include ground-level ozone, suspended particulates, sulfur and nitrogen oxides, volatile organic compounds and toxic air pollutants. Ozone, a bluish gas, irritates the eyes and upper respiratory system. Small particles and toxic air pollutants they carry with them can aggravate or cause respiratory ailments.

**Narrative** — Describes program services and activities.

Many of the volatile organic compounds and heavy metals resulting from industrial processes and combustion sources are toxic air pollutants. Emissions of these pollutants must be controlled under Federal Maximum Achievable Control Technology requirements.

It recommends the following changes: (Dollar Amounts in Thousands)

|    |     |  |
|----|-----|--|
| \$ | 100 | <b>West Nile Virus Control</b><br>—to continue current program.      |
| \$ | 5   | <b>Interstate Mining Commission</b><br>—to continue current program. |
| \$ | -10 | <b>Susquehanna River Basin Commission</b><br>—nonrecurring project.  |
| \$ | 10  | <b>Chesapeake Bay Commission</b><br>—to continue current program.    |

(Dollar Amounts in Thousands)

| 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 10,600         | \$ 10,600            | \$ 10,600            | \$ 10,600            | \$ 10,600            |
| 22,524            | 22,524               | 22,524               | 22,524               | 22,524               |
| 3,250             | 3,250                | 3,250                | 3,250                | 3,250                |
| 3,776             | 3,776                | 3,776                | 3,776                | 3,776                |
| 76                | 76                   | 76                   | 76                   | 76                   |
| 30                | 30                   | 30                   | 30                   | 30                   |
| 490               | 490                  | 490                  | 490                  | 490                  |
| 1,000             | 1,000                | 1,000                | 1,000                | 1,000                |
| 200               | 200                  | 200                  | 200                  | 200                  |

## Measures

| 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---------|---------|---------|---------|---------|
| 90%     | 100%    | 100%    | 100%    | 100%    |
| 100%    | 100%    | 100%    | 100%    | 100%    |
| 50%     | 68%     | 100%    | 100%    | 100%    |

**Program Measures** — Indicates the expected impact of the proposed budget on services, costs, etc., involved in all programs within the entire agency.

# Basis of Budgeting and Basis of Accounting for Financial Reporting

## Basis of Budgeting For Control and Compliance – Modified Cash Basis

The commonwealth's budgets are prepared on a modified cash basis that is used to establish and ensure compliance with enacted budgets according to applicable commonwealth statutes and administrative procedures. For each commonwealth operating fund, the total amount appropriated by the General Assembly for a fiscal year may not exceed the fiscal year's estimated revenues available for appropriation, as developed by the Governor, plus the unappropriated surplus fund balance (or less a deficit) of the preceding fiscal year, except for constitutionally authorized debt service payments.

With modified cash basis of budgeting, tax receipts, non-tax receipts, augmentations and all other receipts are recognized when posted to the commonwealth's accounting system. Expenditures are recorded at the time payment requisitions and invoices are posted to the commonwealth's accounting system. Expenditures include appropriated amounts reserved for payment of contracts for the future delivery of goods and services to the commonwealth through an encumbrance process. Also, appropriated funds are retained at fiscal year-end to pay direct expenditures such as salaries, wages, travel and utility costs payable against a fiscal year's appropriation authority but expended in the subsequent fiscal year.

Budgetary control is exercised at the appropriation level (legislative spending authority level). Encumbrances and expenditures cannot exceed appropriated amounts. Appropriation transfers between departments and any supplemental appropriations require both executive and legislative branch approval. Uncommitted and unexpended appropriations return to the fund balance (lapse) at fiscal year-end and become available for appropriation in the subsequent fiscal year. Over-estimates of amounts required to meet current year obligations are lapsed in the subsequent year and under-estimates are paid from subsequent year appropriations.

Budgets are statutorily adopted each fiscal year for the General Fund and the following special revenue funds: Banking Department, Ben Franklin Technology Development Authority, Emergency Medical Services Operating, Energy Conservation and Assistance, Hazardous Material Response, HOME Investment Trust, Milk Marketing, Motor License, and Workmen's Compensation Administration. However, not all special revenue funds are controlled by statutorily adopted budgets. Controls over spending in such special revenue funds are maintained by use of spending limits (executive authorizations) established by the Governor, within parameters established by the General Assembly. Budgets are also statutorily adopted for the administration of the State Employees' Retirement and Public School Employees' Retirement Funds and for portions of the State Stores, Tobacco Settlement and Tuition Account Guaranteed Savings Program Funds.

The commonwealth also makes appropriations to authorize expenditures for various capital projects. Capital project appropriations normally remain in effect until the completion of each project unless modified or rescinded.

## Basis of Accounting for Financial Reporting – GAAP Modified Accrual Basis

In addition to the budgetary basis financial information maintained by the commonwealth to monitor and enforce budgetary control, special account balances, principally receivable and payable items, are maintained to provide and report information in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. GAAP requires a modified accrual basis of accounting for governmental fund types. With modified accrual basis accounting, revenues are recognized when they become both measurable and available to finance expenditures. Expenditures are generally recognized and recorded when a liability to make a payment is incurred, regardless of when the cash disbursement is to be made. For proprietary and fiduciary fund types, GAAP requires a full accrual basis of accounting.

## Accounting Differences in GAAP Financial Reporting versus Budgetary Reporting

Revenues and expenditures reported and included in GAAP financial statements differ from those reported in the commonwealth's budgeting system. Among other differences, the GAAP statements generally recognize revenues when they become measurable and available rather than when cash is received; report expenditures when goods and services are received and a liability incurred rather than when cash is disbursed; include government-wide statements, representing aggregate governmental activities of the commonwealth, along with fund statements, including individual major and aggregate nonmajor funds grouped by GAAP fund type rather than by commonwealth funds; and include activities of all funds in the financial reporting entity, including agencies and authorities usually considered as independent of the commonwealth for budgetary accounting and reporting purposes. GAAP financial accounting generally requires sales/use, personal income, corporation and other tax revenue accruals as well as tax refunds payable and tax credits to be subtracted from reported tax revenues; and expenditures not covered by appropriations to be included as expenditures.



## Significant Financial Policies

A summary of significant financial management policies of the commonwealth is presented here:

**Accounting** – Accounting policies are noted in the Basis of Budgeting and Basis of Accounting for Financial Reporting section immediately preceding this section. In addition to the budgetary basis financial information maintained by the commonwealth to monitor and enforce budgetary control, special account balances, principally receivable and payable items, are maintained to provide and report information in conformity with accounting principles generally accepted in the United States applicable to governments. The Governmental Accounting Standards Board establishes accounting and financial reporting requirements for state and local governments.

**Budget Stabilization Reserve Fund** – Act 91 of 2002 provided for this fund effective July 1, 2002 to eventually establish a reserve fund amounting to 6 percent of the revenues of the General Fund. For the fiscal year beginning July 1, 2002 and in any fiscal year thereafter in which the Secretary of the Budget certifies that there is a surplus in the General Fund, 25 percent of the surplus is to be deposited by the end of the next succeeding quarter into this fund. In certain fiscal years legislation has provided for a transfer of an amount not equal to 25 percent for that fiscal year. Act 126 of 2014 suspended the transfer to the Budget Stabilization Reserve Fund for the most recent fiscal year ending June 30, 2014. Additional information on this fund, commonly referred to as the Rainy Day Fund, is found in Section A1.

**Investments – Investment Pools** – The Fiscal Code provides the Treasury Department with investment control over most commonwealth funds. The Treasury Department uses a variety of sophisticated internal investment pools that seek to provide preservation of principal, liquidity, diversification and income for commonwealth funds. All participating funds report amounts invested in such pools as temporary and/or long-term investments; the pools themselves are not financially reported.

**Debt Issuances** – The commonwealth constitution permits debt to be issued for capital projects in approved capital budgets; purposes approved by voter referendum and response to disasters. The constitution limits outstanding capital budget debt to 1.75 times the average tax revenues during the previous five fiscal years. Voter approved and disaster relief debt are not subject to the constitutional debt limit. Capital projects addressing health, safety and public protection receive top priority for activation. Additional information on public debt and debt policies is found in the Section G Public Debt.

**Debt Policy** – The commonwealth's very conservative public debt policies date back to the 1980's:

- General Obligation pledges are the preferred source of security.
- referendum questions should be submitted to the voters for critical needs only.
- moral obligation pledges should not be provided.
- revenue pledges are to be used by independent agencies.
- lease revenue debt should be used only when budgetary restraints prohibit the use of current revenue funding.
- debt service should not exceed four percent of revenues.
- highway projects should be funded from current revenues.
- capital projects addressing health, safety and public protection receive top priority for activation, followed by renovations to existing facilities.

In addition, the commonwealth never entered into swaps, and 100 percent of its outstanding General Obligation debt is in fixed rate debt – no variable rate, auction rate or other exotic debt instruments are used. The 2008 Financial Crisis and the freezing of capital markets did not adversely impact the commonwealth due to its conservative portfolio of debt.

Additional detail on these financial policies can be found in other sections of this document including the Section A Overview and Summaries, Section F Capital Budget, Section G Public Debt and Section H Other Special Funds.



## Terms Used in the Budget Process

**Accrual:** The accounting recognition of revenue or expenditures/expense amounts prior to cash receipt of revenue or cash disbursements for expenditures/expenses. Accruals are based on the delivery of a good or completion of a service by a specific date for which related cash receipts or disbursements have not yet occurred. Accruals are typically posted at the end of an accounting period and are reversed during a subsequent accounting period.

**Agency Program Plan:** The aggregation of program and financial information projected over a five-year period that serves as the agency input into the Commonwealth Program Plan.

**Appropriation:** Legislation requiring the Governor's approval authorizing an agency, department, board, commission or institution to spend a specified amount of money for a stated purpose or purposes during a particular period of time, usually one fiscal year.

**Augmentation:** Monies such as institutional billings or fees credited to a specific appropriation of state revenues. An augmentation can usually be spent for those purposes authorized for the appropriation it augments. Although augmentations usually are appropriated in general terms with no specific dollar limits, federal aid monies must be appropriated specifically.

**Authorized Salaried Complement:** A complement authorization established by the Governor's Budget Office as part of the annual rebudget process and based on funding and agency justification for positions.

**Balanced Budget:** A budget in which proposed expenditures equal actual and estimated revenues and surplus. The Constitution of Pennsylvania requires the Governor to submit a balanced budget and prohibits the General Assembly from appropriating monies in excess of actual and estimated revenues and surplus.

**Budget:** A statement of the state's program plan, the resources necessary to support that plan, a description of how and for what purposes the resources are to be used and a projection of the effects of the programs on people and the environment.

**Budget Type:** A term used to describe the components of various funding sources and status of the funding sources that determine the total funds available for each Commonwealth appropriation or executive authorization. Budget Types include:

- **Appropriation or Executive Authorization** – The amount provided in an enacted appropriation bill or executively authorized and issued in approved Expenditure Symbol Notification letters.
- **Estimated Augmentations** – The amount made available in an approved allocation or allocation amendment to supplement an Appropriation or Executive Authorization from non-Federal sources.
- **Federal Transfers** – The amount of expenditures anticipated to occur in the State Appropriation or Executive Authorization in the first instance and then transferred to a related Federal Appropriation or Executive Authorization.
- **Non-Federal Transfers** – The amount of expenditures anticipated to occur in the State Appropriation or Executive Authorization in the first instance, and then transferred to another State Appropriation or Executive Authorization or Other Funds source within the same or a different Commonwealth Fund.
- **Pending Lapse** – The amount of funds from an Appropriation or Executive Authorization that may potentially lapse. These funds are no longer available for expenditure or commitment.
- **Lapse** – The amount of funds from the Appropriation or Executive Authorization for which a lapse has been processed and approved. These funds are no longer available for expenditure or commitment.
- **Federal Expiration** – The amount of lapse of Appropriation or Executive Authorization authority from a Federal Appropriation or Executive Authorization.
- **Budget Carry Forward** – The amount of prior year available funds that have carried forward to a new fiscal year.

**Capital Authorization:** The appropriations and/or debt authorization enacted in an annual capital budget to fund any permitted capital program.

**Capital Budget:** The capital budget is that part of the state budget that recommends projects for the construction, renovation, improvement, acquisition and purchase of original furniture and equipment of any building, structure, facility, land or land rights. Projects must have an estimated useful life in excess of five years and an estimated cost in excess of \$100,000 or more if bond funds are used and \$300,000 or more when current revenues are used.

Those projects under these thresholds are not considered capital and are funded from operating budgets. Most of the capital budget projects in the past have been paid from monies obtained by the sale of bonds.

**Character of Expenditure:** A classification of appropriations according to their general purpose, including general government, institutional, grants and subsidies, capital improvements and debt service.

**Commonwealth Program Plan (CPP):** The aggregation of all of the Agency Program Plans (APP) within the framework of the Commonwealth's program structure.

**Complement:** A term synonymous with state personnel or workforce, more often used in the context of positions rather than employees or persons employed.

**Complement Level:** The number of full-time equivalent wage or salaried positions authorized by appropriation and agency. The Governor's Budget Office establishes authorized salaried complement levels and the Governor's Office of Administration establishes authorized wage complement levels.

**Current Commitment:** Current level of services; when used in projecting costs, the future cost consequences of current program policy. Also referred to as "Cost to Carry."

**Deficit:** A fiscal operating result for an individual fund that may occur at the end of a fiscal year, whereby expenditures for a fiscal year exceed the actual revenues during the same period plus the prior year surplus. The deficit must be paid from the next year's revenues.

**Encumbrance:** That portion of an appropriation representing a commonwealth obligation or commitment pursuant to a contract, a purchase order, a grant or another known obligation but where an actual disbursement has not been made.

**Executive Authorization:** An authorization made in the name of the Governor to spend money from funds that had been previously appropriated through blanket action of the General Assembly. Usually this term is used in connection with the special funds. An example of this would be the operations of the Vocational Rehabilitation Fund.

**Expenditure:** An accounting entry indicating a disbursement has been made.

**Federal Fiscal Year (FFY):** A twelve-month period beginning October 1 and ending September 30 of the following calendar year which is used as the federal accounting and appropriation period. Referred to by the year in which the fiscal year ends. For example, October 1, 2014 to September 30, 2015 would be FFY 2015.

**Federal Funds Appropriation:** An appropriation of monies received from the federal government. All monies, regardless of source, deposited in the state treasury must be appropriated. Federal funds are appropriated for a specific time period.

**Fiscal Year:** A twelve-month period beginning July 1 and ending June 30 of the following calendar year which is used as the state's accounting and appropriation period. In the accounting system, the fiscal year is referred to by the year in which the fiscal year begins, for example, July 1, 2015 to June 30, 2016 would be Fiscal Year 2015. In the budget document, the fiscal year is referred to by using both calendar years in which the fiscal year spans, for example, July 1, 2015 to June 30, 2016 would be Fiscal Year 2015-16.

- **Actual Year** – Includes all expenditures and encumbrances chargeable to that fiscal year as of June 30 of the previous year plus available balances held for certain commitments and any supplemental appropriations enacted after June 30. In the case of continuing appropriations, the actual figure will also include any available balances. For non-appropriated and non-executively authorized restricted receipts and restricted revenues, it reflects expenditures only.
- **Available (Current) Year** – For state funds, includes amounts appropriated to date and supplemental appropriations recommended in this budget. For non-appropriated and non-executively authorized restricted receipts and restricted revenues, the best estimate of expenditures currently available is used.
- **Budget Year** – Reflects the amounts being recommended by the Governor in this document for the next fiscal year.
- **Planning Years 1, 2, 3 and 4** – Reflects only the cost of the budget year projected into the future and the implementation of legislatively mandated increases that may be effective in a future year.

**Full-time Equivalent:** A numeric unit that indicates the workload of an employed person in a way that makes full- and part-time workloads comparable. A full-time worker is equivalent to one FTE and two half-time workers are also equivalent to one FTE. For budgeting purposes, an agency's total FTE count is rounded to the nearest integer.

**Fund:** An independent fiscal and accounting entity comprising a source of money set aside by law for the purpose of carrying on specific activities in accordance with special regulations, restrictions or limitations. A fund is created by legislation. The General Fund is the fund from which most state programs are financed.

**Fund Balance:** The beginning balance is the ending balance brought forward from the previous year. The ending balance (positive or negative) is the sum of the beginning balance, revenues/receipts and lapses less expenditures within the fiscal year.

**General Appropriation Act:** A single piece of legislation containing numerous individual appropriations. The General Appropriation Act contains only appropriations for the executive, legislative and judicial departments of the commonwealth, for the public debt and for public schools. All other appropriations are made by separate acts, each concerning one subject.

**General Fund:** The fund into which the general (non-earmarked) revenues of the state are deposited and from which monies are appropriated to pay the general expenses of the state.

**Goal:** A goal is a desired state of affairs based upon current knowledge and values. It is timeless in the sense that as achievement approaches, goals tend to be restated at a higher level of aspiration or new goals are projected. Goals reflect the basic values of society and are therefore always culture bound and subjective.

**Initiative:** (see also the definition of Program Revision Request) Changes in program purpose, level or activity as the result of changes in policy, statute, regulation or court direction which result in dollar increases or decreases too low to require submission of a Program Revision Request (i.e., less than \$200,000 or 15 percent of an appropriation, whichever is greater) are identified as Initiatives. Cost increases to operate an existing program without change in policy, law or regulation such as increased fuel costs at an institution or increased rental costs for regional offices are current commitment costs and are not identified as Initiatives.

**Item Veto:** The constitution of Pennsylvania empowers the Governor to disapprove part or all of any item or items of any bill making appropriations of money. The part or parts of the bill approved become law and the item or items disapproved become void. This power is known as the item veto.

**Lapse:** The return of unencumbered or unexpended monies from an appropriation or executive authorization to the fund from which the money was appropriated. Most appropriations are for one fiscal year and any unencumbered and unexpended monies usually lapse after the end of that fiscal year.

**Limited-Term Salaried Position:** A salaried position that has a specific date of expiration, regardless of duration, that requires the temporary, full- or part-time employment of at least one person.

**Mandated Expenditures:** Expenditures that are authorized and required by legislation, other than appropriation acts, or required by the state constitution. Such expenditures include payment of public debt.

**Nonpreferred Appropriations:** An appropriation to any charitable or educational institution not under the absolute control of the commonwealth that requires the affirmative vote of two-thirds of the members elected to each House of the General Assembly.

**Objective:** A statement of program purposes in terms of desired accomplishments measured by outcome indicators. Accomplishments are intended effects (impacts) upon individuals, the environment and institutions. The intended effect should be quantifiable and achievable within a specific time and stated resources and contribute toward pursuing the goals of the commonwealth. Objectives are defined at the program subcategory level.

**Official Revenue Estimate:** The estimate of revenues for the coming fiscal year determined by the governor at the time the governor signs the General Appropriation Act. This revenue estimate is used to determine whether appropriations are in balance with available revenues.

**Operating Budget:** The operating budget is that portion of the state budget that supports the general day to day activities and expenses of state government paid out of revenues derived from taxes, license or permit fees, or other non-tax sources.

**Position:** An authorized and individually identified group of duties and responsibilities requiring the full- or part-time employment of at least one person.

**Preferred Appropriation:** An appropriation for the ordinary expenses of state government which only requires the approval of a majority of the Senators and Representatives elected to the General Assembly.

**Program:** A general term applied to any level of program aggregation defined in the Agency Program Plan. Included are the Commonwealth Program, the Program Category and the Program Subcategory.

**Program Budgeting:** A method of budgeting that relates expenditures to government program accomplishments. Program budgeting generally includes the identification of programs and their objectives, a system of measuring and reporting program results and the allocation of funds with a consideration of program effectiveness.

**Program Category:** The first major subdivision of the commonwealth program. The program category is defined in terms of desired goals, e.g., clean air environment.

**Program Element:** The agency activity or set of activities which produce an output or group of related outputs that contributes to the accomplishment of the objective of a single program subcategory. Program elements are the basic units of the program structure of the budget.

**Program Performance Measure:** A general term applied to any of the substantive measures found in the agency programs. Included are impacts, outcomes, output/activity indicators, efficiency measures and need and/or demand estimators.

**Program Policy Guidelines (PPG):** Issued by the Governor, the policy guidelines identify those problems confronting the commonwealth that are of major concern. The guidelines initiate the budget process in that they ask for a preliminary assessment of alternative program changes which respond to the Governor's concerns.

**Program Revision Request (PRR):** The PRR is the means by which the agency proposes a new program or a major change in an existing program. A PRR is required when an agency is requesting an increase or decrease of more than 15% of an appropriation, but a PRR is not required if that 15% does not exceed \$200,000. The PRR reflects the guidance provided by the Governor's annual Program Policy Guidelines, results obtained from special analytic studies, and needs or demands considered relevant by the Governor.

**Program Structure:** The system used to organize goals and objectives within a logical framework so that activities of different organizational units designed to accomplish similar results can be reviewed for decision purposes within the appropriate program context. Program structure also provides the means for determining what information is required in order to identify the needs and demands on government and what information is required for the management and evaluation of program operations.

**Program Subcategory:** A subdivision of a program category. The subcategory focuses upon objectives that can be measured in terms of quantifiable impact. Program subcategories within agencies are called programs within the Governor's Budget.

**Rebudget:** An agency-revised spending plan based on its enacted appropriations. The Governor's Budget Office has the authority to request and approve agency spending plans or rebudgets.

**Restricted Receipts:** Monies received by a state fund (usually the General Fund) from a source outside of the state which may be used only for a specific purpose. The funds are held in a trust capacity for a period of time and then are disbursed to authorized recipients including other state agencies. Restricted receipts do not augment an appropriation. Usually the state makes no other appropriation for the purpose specified for the restricted receipt.

**Restricted Revenue:** Monies designated either by law or by administrative decision for specific purposes. The revenues are deposited in the General Fund or in certain special funds but reported separately. Restricted revenue accounts continue from one year to the next and finance a regular operation of state government. Disbursements from restricted revenue accounts must be accounted for as expenses of state government.

**Revenue:** Monies received from taxes, fees, fines, federal grants, bond sales and other sources deposited in the state treasury and available as a source of funds to state government.

**Salaried Position:** A position requiring the full- or part-time employment of at least one person on a regularly scheduled basis for a period of time exceeding six months.

**Special Fund:** A fund in which revenues raised from special sources named by law are deposited (earmarked revenue). Such revenues can be spent only for purposes prescribed by law and for which the revenues were collected. Examples are: Motor License Fund, Game Fund and Boat Fund.

**Surplus:** A fiscal operating result that may occur in a fund at the end of a fiscal year, whereby expenditures are less than the fund's beginning balance, revenues/receipts and lapses during the same period. The surplus funds become available for appropriation during the following fiscal year.

**Wage Position:** A position requiring the full- or part-time employment of one person, either on a regular schedule for a limited duration of time or on an intermittent or irregularly scheduled basis without regard to the employment duration.

**Workforce:** Persons employed by the commonwealth.

## Federal Funds Identification

The most common abbreviations used to identify federal funds in this document are:

|           |   |
|-----------|---|
| ADA       | Americans with Disabilities Act                                     |
| ARC       | Appalachian Regional Commission                                     |
| ARRA      | American Recovery and Reinvestment Act                              |
| BG        | Block Grant   |
| CCDFBG    | Child Care and Development Fund Block Grant                         |
| CHIPRA    | Children's Health Insurance Program Reauthorization Act             |
| COPS      | Community Oriented Policing Services                                |
| CSBG      | Community Services Block Grant                                      |
| DCSI      | Drug Control and Systems Improvement                                |
| DFSC      | Safe and Drug Free Schools and Communities                          |
| DOE       | Department of Energy  |
| EDA       | Economic Development Administration                                 |
| EEOC      | Equal Employment Opportunity Commission                             |
| EMAC      | Emergency Management Assistance Compact                             |
| EMS       | Emergency Medical Services  |
| EPA       | Environmental Protection Agency                                     |
| EPCA      | Energy Policy and Conservation Act                                  |
| ESEA      | Elementary and Secondary Education Act                              |
| FEMA      | Federal Emergency Management Agency                                 |
| FFY       | Federal Fiscal Year (October 1 to September 30)                     |
| FHWA      | Federal Highway Administration                                      |
| FTA       | Federal Transit Administration                                      |
| HIPAA     | Health Insurance Portability and Accountability Act                 |
| HHS       | Health and Human Services   |
| HUD       | Department of Housing and Urban Development                         |
| ID        | Intellectual Disabilities   |
| JAG       | Justice Assistance Grants   |
| LIHEABG   | Low-Income Home Energy Assistance Block Grant                       |
| LSTA      | Library Services and Technology Act                                 |
| LWCF      | Land and Water Conservation Fund                                    |
| MA        | Medical Assistance  |
| MAGLOCLEN | Middle Atlantic Great Lakes Organized Crime Law Enforcement Network |
| MCH       | Maternal and Child Health   |
| MCHSBG    | Maternal and Child Health Services Block Grant                      |
| MH/ID     | Mental Health/ Intellectual Disabilities                            |
| MHSBG     | Mental Health Services Block Grant                                  |
| NCHIP     | National Criminal History Improvement Program                       |
| NEA       | National Endowment for the Arts                                     |
| NICS      | National Instant Check System                                       |
| NSF       | National Science Foundation   |
| OEP       | Office of Emergency Preparedness                                    |
| OSM       | Office of Surface Mining  |
| PHHSBG    | Preventive Health and Health Services Block Grant                   |
| RSAT      | Residential Substance Abuse Treatment                               |
| SABG      | Substance Abuse Block Grant   |
| SAFETEA   | Safe, Accountable, Flexible and Efficient Transportation Equity Act |
| SCDBG     | Small Communities Development Block Grant                           |
| SDA       | Service Delivery Area   |
| SSA       | Social Security Act   |
| SSBG      | Social Services Block Grant   |
| SSI       | Supplemental Security Income  |
| TANFBG    | Temporary Assistance to Needy Families Block Grant                  |
| TEA 21    | Transportation Equity Act for the 21 <sup>st</sup> Century          |
| USFWS     | United States Fish and Wildlife Service                             |
| VA        | Veterans Administration   |
| VOCA      | Victims of Crime Act  |
| WIA       | Workforce Investment Act  |
| WIC       | Women, Infants and Children Program                                 |



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *OVERVIEW AND SUMMARIES*

– THIS PAGE INTENTIONALLY LEFT BLANK –





---

# **FISCAL AND PROGRAM POLICY DIRECTION AND BUDGET THEMES**

The Fiscal and Program Policy Direction section immediately following this page presents the fiscal and program policies that guided the development of the 2015-16 Governor's Executive Budget. The revenue and expenditure recommendations included in this budget provide a solid fiscal foundation for the governor to successfully address his vision, goals and program priorities for Pennsylvania.

This section summarizes the governor's recommended budget initiatives within the following budget theme presentations: Governor's Introduction; Jobs that Pay; Schools that Teach; and Government that Works.

Theme topics vary from year to year based on the funding priorities established by the governor and the recommended budget initiatives proposed in the budget. Themes may include program revision budget recommendations. If so, detailed program revision presentations, including discussion of the program revision and its associated program measures, funding recommendations and costs by appropriation can be found in Section E: Department Presentations within the agency responsible for leading the program revision implementation.

– THIS PAGE INTENTIONALLY LEFT BLANK –

## Fiscal and Program Policy Direction

This section presents the fiscal and program policies that guided the development of the 2015-16 Governor's Executive Budget. Every four or eight years, as a new governor assumes leadership of the commonwealth, the budget planning and decision process commences under the direction of the outgoing governor and concludes under the direction of the incoming governor. The 2015-16 fiscal year is such a year. Typically, the outgoing governor does not outline new priorities or program initiatives in the annual program policy guidance, but instead, directs agencies to complete any remaining program initiatives and to budget program operations at levels consistent with the economic forecast and the fiscal condition of the commonwealth.

As this budget was being prepared, Pennsylvania was facing a structural budget deficit of about \$2 billion. Program spending has exceeded recurring revenue sources ever since the national economic recession. Budget decision makers in both the Executive and Legislative branches relied on one-time revenue sources to balance recent State budgets. The 2014-15 Enacted Budget included about \$2 billion from one-time revenue sources – revenue not available for the 2015-16 Budget. Without swift and decisive action to address the commonwealth's structural budget deficit and bring spending in line with recurring revenues, Pennsylvania will face persistent and increasing budget deficits well into the future.

This budget proposes revenue changes and expenditure efficiencies to close the budget gap. The revenue and expenditure recommendations included in this budget seek to address the commonwealth's structural deficit, and provide a solid fiscal foundation for the governor to begin to successfully address his vision, goals and program priorities for Pennsylvania.

Key budget development policy direction was provided by the Governor's Budget Office in August 2014 to assist agencies in developing their 2015-16 budget requests – the annual Budget Instructions and program policy guidance, and new policy guidance provided by the new administration.

### Budget Instructions

The 2015-16 Budget Instructions directed agencies to prepare budget requests consistent with the governor's policy guidance and seek responses to the specific issues that the governor wished to address in the 2015-16 Governor's Executive Budget. Agencies were to develop plans and policies designed to make government more efficient and effective. Agencies were asked to prepare 2015-16 budget requests building upon the administrative spending constraints and operational efficiencies initiated during the past budget planning cycle and make every possible effort to eliminate nonessential spending and deliver essential services at reduced cost.

**FY 2015-16  
Budget  
Instruction**

The budget instructions directed agency heads, program managers and fiscal officers to closely coordinate all aspects of the development of agency budget requests. The budget request was to include all data and analysis required to adequately explain and defend agency funding requests. Agency budget planning was to focus on specific budget proposals to improve the efficiency and effectiveness of program operations and to ensure that program delivery is consistent with the governor's policy guidance and the mission and goals of the commonwealth.

In addition, agencies were directed to strengthen their multi-year planning efforts to realistically reflect future-year consequences of actions proposed in their budget requests. Expected trends in eligible populations served, mandated service levels and the potential for improved program and/or administrative efficiencies were among the factors to consider when preparing multi-year projections.

The budget instructions also provided guidance on the submission of capital budget project requests. When proposing capital projects, agencies were to consider the broader operating program objectives and outcome measures the capital project was intended to serve. No capital project request would be recommended unless the request included a detailed estimate of annualized operating cost changes or impacts, including new positions required, that would result from completion of the project.

## Program Policy Guidance

The 2015-16 program policy guidance provided specific fiscal and program direction to the agencies. Agency budget planning for 2015-16 was to be predicated on the fact that the Pennsylvania economy was growing very modestly with a number of factors restraining its growth. The commonwealth budget faced additional challenges, such as increased pension obligations, wage and benefit increases, debt service and medical and entitlement costs, which would consume virtually all revenue growth. Therefore, agencies should not assume funding increases for the budget year and should focus on efforts that contribute to achieving structural balance. Agencies also were directed to evaluate current programs and recommend changes that would improve program management and operations, reduce costs and optimize direct services.

### FY 2015-16 Program Policy

Guidance provided by the new administration focused program priorities in three key areas: Jobs that Pay, Schools that Teach and Government that Works. The commonwealth must refocus its efforts to achieve structural balance and direct resources to areas where the investment will truly make a difference for Pennsylvanians.

## Performance Measurement

The 2015-16 budget planning process continued to emphasize performance measurement goal-setting as a core component of budget planning. Pennsylvania's public servants are entrusted to expend and invest the public's money on the public's behalf. In return, citizens expect results and accountability. Agencies were directed to identify key performance indicators along with strategies for achieving key results. Agencies should identify how their funding requests relate to the high-level goals in their annual performance plans. A core goal of the budget review process was to evaluate the impact each agency's proposed expenditure levels would have on the achievement of its mission and programmatic goals, utilizing the most efficient methods possible.

### Measuring Program Results

Finally, the guidance noted that Pennsylvania, like most other states, was facing a protracted economic recovery that will take considerable time and effort to address. In response to the significant financial challenges during the past few years, the commonwealth instituted operating and program reductions to help address recurring budget shortfalls. The ongoing weak national and state economies will continue to impact state revenues and program spending levels in 2015-16. Nonetheless, agencies are expected to rise to the challenge and continue to efficiently and effectively provide quality services to Pennsylvania citizens. The budget and policy direction given is responsive to fiscal realities and addresses the commonwealth's 2015-16 budget challenges.

The following pages present the major budget themes for the 2015-16 Governor's Executive Budget. The reader is referred to the agency program presentations in Section E: Department Presentations for specific budget recommendations for each program appropriation. The reader is also referred to the 2015-16 Budget in Brief, a separate booklet, for summary information on the 2015-16 Governor's Executive Budget, including recommended program changes and funding levels in pursuit of the administration's policy and program direction for the commonwealth.

## Governor's Introduction

### INTRODUCTION

My budget is centered around three priorities that will help to rebuild the middle class: Jobs that pay. Schools that teach. Government that works.

### **JOBS THAT PAY**

For too long, our economy has been headed in the wrong direction. Job growth has lagged our national economy and we've lacked the vision and leadership to move our economy into the 21st century. It's time that we make smart, targeted investments in proven programs to spur private business to create jobs.

I am a businessperson. I know it is tough for new businesses to grow here. I want business to thrive in Pennsylvania by making our corporate tax climate competitive and fair by immediately lowering our corporate net income tax rate to 5.99%, zeroing out the capital stock and franchise tax, and implementing combined reporting.

Pennsylvania's renaissance will be driven by a thriving manufacturing sector. My budget will help revive Pennsylvania's manufacturing economy by providing tax credits and targeted assistance to companies that increase the number of high paying jobs.

Pennsylvania is a national leader in higher education, and we must make better efforts to partner with our colleges and universities. Workforce development will be a priority for me. We'll work hard to match our employers with students and my budget will encourage partnerships with community colleges to improve education and training in high-growth occupation sectors.

Pennsylvania can and should be an energy leader. We must take full and responsible advantage of our rich Marcellus Shale resources. We need to partner with the industry and make Pennsylvania a leader in energy manufacturing and development. It is not enough to take it out of the ground and ship it to other markets; we need to build new businesses by using our natural gas as a feedstock as well as an energy resource. That way we will be a leader in exciting industries like biotech, materials, chemicals and life sciences.

We must not be limited in our energy approach. My budget will make Pennsylvania a national leader once again in clean energy production like solar and wind and I will work to protect coal and continue Pennsylvania's traditions of harvesting timber and hardwood.

It will not be easy to get our economy back on track and rebuild the middle class, but by taking bold steps and trying new things, we can grow our economy, create new jobs, and make Pennsylvania a leader in the 21st century.

### **SCHOOLS THAT TEACH**

For the past few weeks and throughout my campaign, I have traveled our state, visiting schools, talking with teachers and parents, and sitting with students in classrooms. I have seen dedicated teachers and committed students who simply do not have the resources they need. That is why I have proposed a common-sense severance tax on natural gas extraction. It is also why this budget makes historic investments in our schools. My budget restores cuts to basic education with a four-year commitment to increase funding by \$2 billion and pursue a goal of universal pre-kindergarten instruction for all children. My budget reforms cyber charter school funding, installing payment limits that will save school districts more than \$160 million annually. Further, I will require fully audited expenditures for all final charter school payments. For higher education, my budget restores cuts made to our institutions of higher learning, with a two-year plan to fully restore those cuts.

# Governor's Introduction

We must make our schools a top priority, and we must seamlessly integrate our schools into our pathways of economic development. It is not enough for a student to make it through our schools; they must complete their education with the skills they need to fill the jobs of the 21st century. To help achieve this, this budget commits new funds that are focused on workforce needs and collaborative research investment.

While my budget restores education funding, it also creates new accountability measures so that schools must demonstrate that they are preparing students for success. We must ensure that all tax dollars going to our schools – traditional public schools, charter schools and private schools – are being spent wisely and effectively.

## GOVERNMENT THAT WORKS

My budget plan will immediately repair a \$2.3 billion structural budget deficit that has caused great pain for our schools, our businesses, our communities, and taxpayers alike. Five downgrades by bond rating agencies, including three this past year, should make it clear to all of us that business as usual is no longer acceptable. We must take drastic steps to fix Pennsylvania's budget ills. Accordingly, this is a no-gimmicks budget. It is balanced, responsible and it solves our fiscal crisis.

My budget strives to build a government that works for all Pennsylvanians and effectively delivers services. My initiative, GO TIME, will save taxpayers more than \$150 million in the next year. I will continue to make government work better, and more efficiently. My budget will make effective consolidations. It will merge the Department of Corrections with the Board of Probation and Parole so that we eliminate duplicative administrative oversight and provide better outcomes after offenders return to the community. Already, I have reintegrated Medicaid into a single delivery system with a goal of realizing \$500 million in additional state savings next year.

This budget takes important steps to reform government wherever possible. This budget implements pension reforms that work and save real money for taxpayers while ensuring retirement security for workers who've faithfully paid their bill. By prioritizing returns and cost savings instead of paying extravagant Wall Street fees, we can save hundreds of millions each year. Moreover, by stepping up and paying our bills now, like families must do each month, we can reduce our obligations and get our pension system back on track. I will do that by creating a dedicated revenue stream and depositing it into a restricted account so politicians can no longer spend employees' pension savings at their whim, leaving the bill for a future generation. All told, my plan will produce savings to reduce our total long-term liability by more than \$10 billion.

My budget gives our Liquor Control Board the tools it needs to grow profits and provide substantial new taxpayer savings. Modernizing our liquor delivery system will make it easier and more convenient for customers, while maximizing profits. In my business, my success was dependent upon fully deploying assets and fully realizing their value, and my plan does just that for the wine and spirits system.

In addition to making state government work, we will collaborate with our local government partners to strengthen communities and address the long-standing challenges they face, including infrastructure, human services, and cost drivers such as municipal pensions.

A government that works is a government that does right by its seniors. By lowering property taxes, we will make it easier for seniors to stay in their homes, and my budget will provide more home healthcare options for seniors so they can live at home for as long as they want to remain there.

Since I took my oath of office, I have worked to change government and hold people to a higher standard. On my first day in office, I banned all gifts and reformed legal contracting. I have strived to be open and transparent in my actions as governor, posting my calendar on my website each week. And I will keep looking for ways to instill confidence in our government.

This budget is different. It is bold, and it has big ideas that will help to rebuild Pennsylvania's middle class. My budget makes historic investments in education, and it solves problems that have been languishing without solutions for too long. It is time for Pennsylvania to do big things. It is time for all of us to get to work and get Pennsylvania back on track.

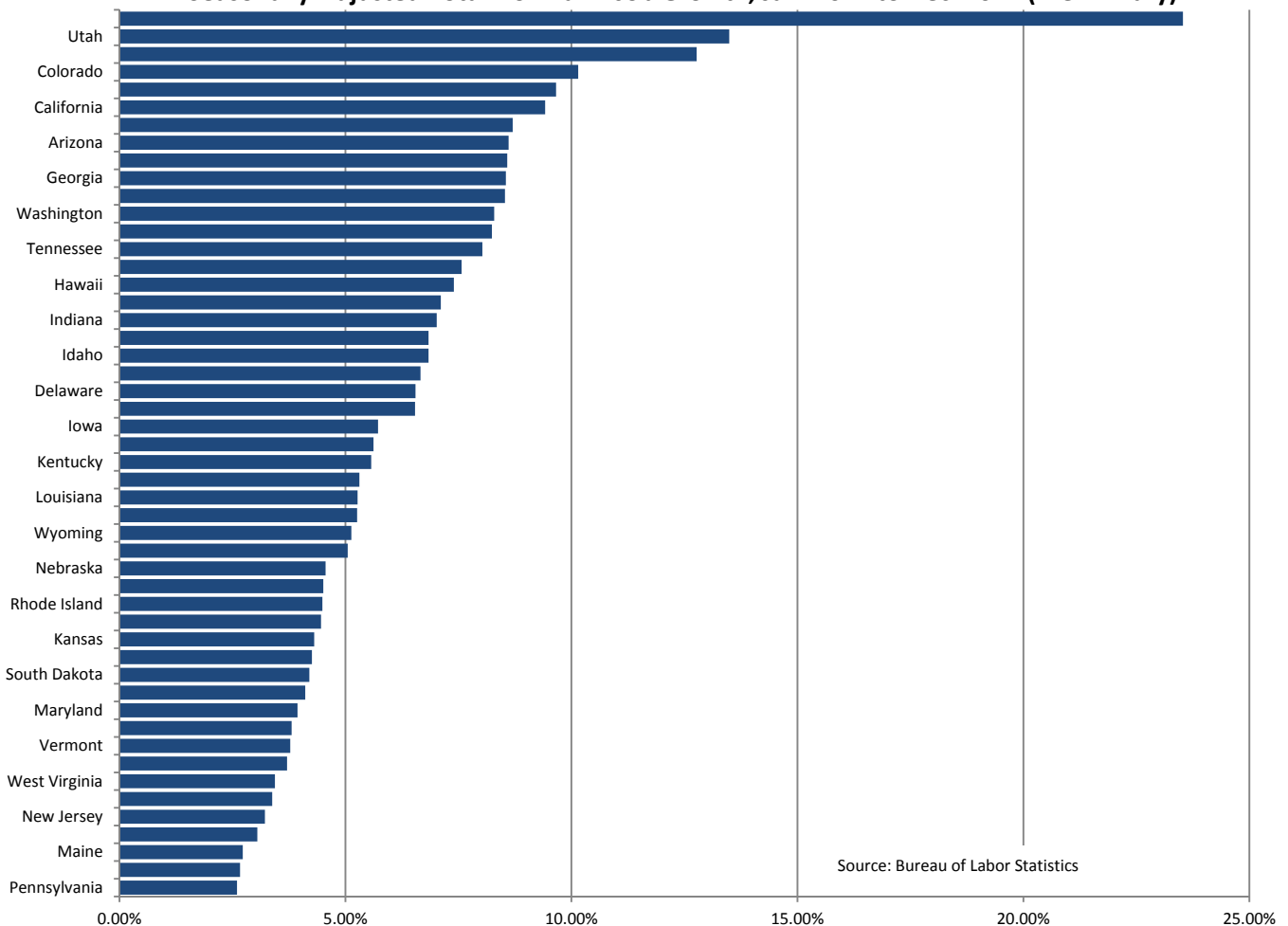
## Jobs that Pay

To build an economy characterized by strong growth and shared opportunity, Pennsylvania must give businesses the tools they need to succeed by fixing a broken and outdated tax structure, providing new capital for economic development, and establishing an education and training system for the twenty-first century economy. This will challenge employers to create new, high-wage jobs to help build economic prosperity for middle-class families.

First and foremost, Pennsylvania's tax climate puts it at a competitive disadvantage, and the 2015-16 Budget takes bold steps to solve this longstanding challenge. The budget completes the phase-out of the Capital Stock and Franchise Tax and proposes an immediate 40 percent reduction of the Corporate Net Income Tax. It removes the competitive disadvantage for smaller businesses by proposing mandatory combined reporting to level the playing field. And it enacts the largest property tax relief package in Pennsylvania's history to save working families and businesses money and strengthen communities.

These reforms and investments will allow Pennsylvania to shed its reputation for being last in job growth nationally, and restore the commonwealth to its historic place with steady job creation and rising incomes.

**Seasonally-Adjusted Total Non-Farm Job Growth, Jan. 2011 to Dec. 2014 (Preliminary)**



### A Competitive Tax Plan for More Jobs and Stronger Communities

The 2015-16 Budget establishes a competitive tax climate to attract and retain jobs and new investment, while making homeownership affordable for Pennsylvania families and building strong, stable communities. This sweeping tax relief package achieves economic growth and improves the fairness of the commonwealth's tax structure.



## Creating a Pro-Growth Business Climate

Pennsylvania's economic prosperity has long been hobbled by an outdated tax structure that is a disincentive to job growth. The 2015-16 Budget makes the commonwealth a place where businesses will want to come, invest and grow by lowering tax rates while leveling the playing field for all companies:

- **Ending Pennsylvania's Status as the Second-Highest Corporate Tax State.** The 2015-16 Budget reduces the Corporate Net Income Tax (CNIT) from 9.99 percent to 5.99 percent – improving the commonwealth's ranking from second-highest to fourteenth-lowest and bringing Pennsylvania's tax rate below the national average and below all of our neighboring states. Within 2 years, the rate will drop to 4.99 percent—ranking tenth-lowest in the nation.
- **Finally Eliminating the Capital Stock and Franchise Tax.** Seventeen years ago, Governor Ridge began the gradual phase out of the Capital Stock and Franchise Tax – but the tax's elimination has been delayed time and again. The 2015-16 Budget ends this process once and for all by fully eliminating the Capital Stock and Franchise Tax, effective January 1, 2016.
- **Leveling the Playing Field.** Loopholes in current law enable large corporations to shelter income – making it harder for small businesses to compete. With the 2015-16 Budget, Pennsylvania will join 28 other states that require “combined reporting.” Combined reporting means that corporations in a group will calculate their income for the entire group, making it harder to take advantage of tax loopholes.
- **Updating the Cap on “Net Operating Losses.”** The budget proposes to decrease the cap on net operating losses from \$5 million or 30 percent of income to \$3 million or 12.5 percent of income. This change only affects approximately 290 corporations and allows the CNIT rate to be reduced for all corporations subject to the tax.

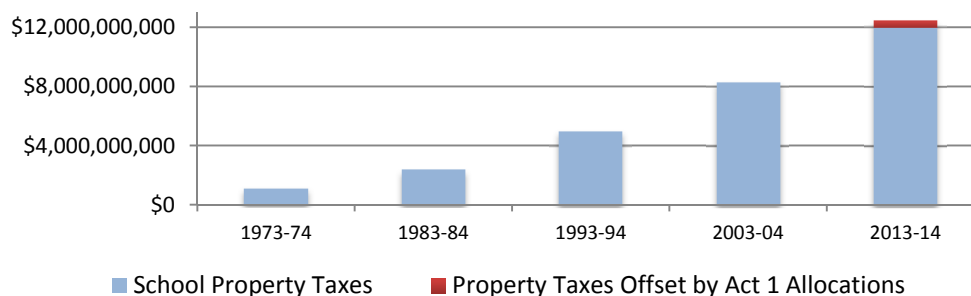
## Making Property Tax Relief a Reality

Pennsylvanians have been debating property tax relief for decades, but the tax bills keep mounting. **The 2015-16 Budget enacts historic dollar-for-dollar tax relief to finally cut school property taxes by \$3.8 billion – more than a 50 percent average reduction in homeowner and farmstead property taxes.** This tax reduction will target greater relief to high-tax, high-poverty communities and will revitalize communities across the commonwealth – creating economic growth and transforming the fates of boroughs, villages, towns and cities.

With \$3.8 billion in property tax relief effective in the 2016-17 school year, homeowners in many communities will receive the maximum reduction in their property tax bills allowed by the Pennsylvania Constitution, and the remaining funds will be used to reduce the property tax millage rate for both homeowners and businesses. These dramatic property tax cuts will encourage homeownership and business growth, protect senior citizens, and provide a lifeline to older, struggling towns and cities and to fast-growing and suburban communities alike. A total of **270,000 senior households** – nearly 30 percent – will have their school property taxes eliminated through this \$3.8 billion initiative.

In addition, renters having \$50,000 or less in household income will receive a **rent rebate, capped at \$500.**

**School Property Taxes Have Skyrocketed**

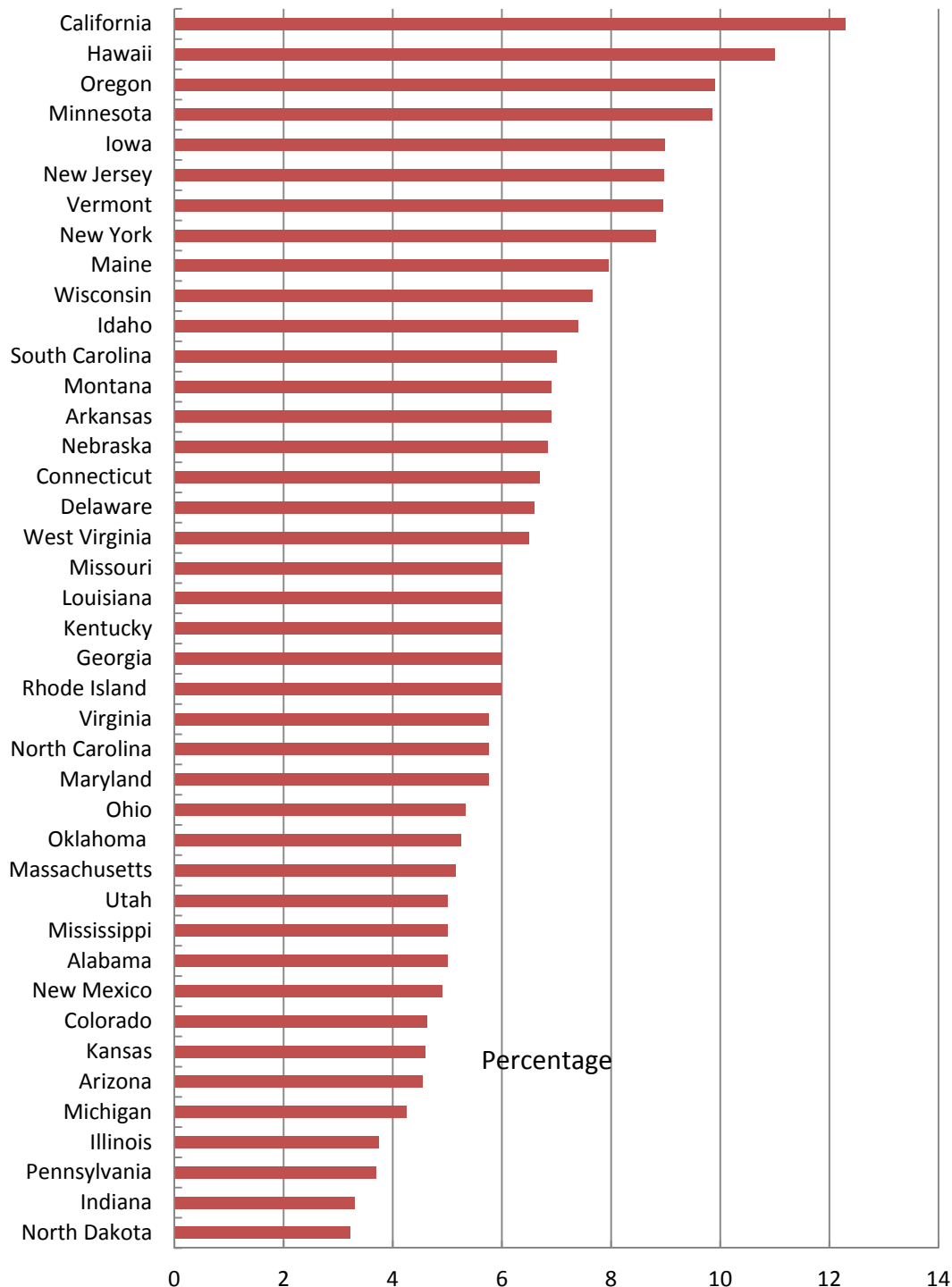


## Theme: Jobs that Pay

To achieve this historic tax relief, the 2015-16 Budget recommends changes to the personal income tax and sales tax based on proposals from the General Assembly. The personal income tax will rise to 3.7 percent – the **third-lowest** of all states with an income tax and significantly **lower than all of Pennsylvania's surrounding states**. In addition, a family of four earning up to 150 percent of the poverty level (approximately \$36,000) would **pay no state income taxes**.

### Pennsylvania Will Have the Third-Lowest Income Tax Rate in the Nation

Maximum Personal Income Tax Rate (2015)



## Theme: Jobs that Pay

Funds reserved for property tax and rent relief will be transferred from personal income tax revenues into a restricted account. Beginning in October 2016, \$3.6 billion will be transferred to the Property Tax Relief Fund and distributed to homeowners and renters.

### Personal Income Tax (PIT) Reserved for Property Tax and Rent Relief

(Dollar Amounts in Millions)

|                                      | 2015-16  | 2016-17  | 2017-18  | 2018-19  | 2019-20  |
|--------------------------------------|----------|----------|----------|----------|----------|
| Beginning Balance                    | \$ -     | \$ 2,140 | \$ 3,070 | \$ 3,070 | \$ 3,070 |
| PIT Restricted Revenue               | 2,140    | 4,596    | 3,666    | 3,631    | 3,631    |
| Total Funds Available                | \$ 2,140 | \$ 6,736 | \$ 6,736 | \$ 6,701 | \$ 6,701 |
| Transfer to Property Tax Relief Fund | -        | (3,666)  | (3,666)  | (3,631)  | (3,631)  |
| Ending Balance                       | \$ 2,140 | \$ 3,070 | \$ 3,070 | \$ 3,070 | \$ 3,070 |

Also based on legislative proposals, the sales tax will be expanded to be more consistent with the modern economy and the rest of the nation. Pennsylvania's sales tax rate will increase by 0.6 percentage points, and **exemptions for food, clothing and prescription drugs will remain in place** to protect the most vulnerable citizens. The broadening of the sales tax to services reflects the growing shift to a service-based economy. Likewise, outdated exemptions – often protected by special interests – will be eliminated to make the tax system fairer and more consistent with other states.

| Not currently taxed in PA | Taxed in...     |
|---------------------------|-----------------|
| Basic television          | 23 other states |
| Candy and gum             | 31 other states |
| Amusement and recreation  | 34 other states |

This property tax relief plan also incorporates more than \$600 million in revenue from gaming that is already being dedicated to property tax reduction.

### An Economic Growth Plan for Pennsylvania Jobs

The commonwealth can help set the table for robust private sector growth to create and retain jobs. The budget recapitalizes critical public investment programs, builds on success, and takes advantage of Pennsylvania's historic strengths in the energy and manufacturing sectors.

#### *Building Pennsylvania's Manufacturing Sector*

Manufacturing has been at the heart of Pennsylvania communities and the growth of its middle class. The 2015-16 Budget includes initiatives to build on that strength to create new, good-paying jobs:

- Made In Pennsylvania Job Creation Program.** To further encourage job growth, the 2015-16 Budget includes a \$5 million tax credit that will be distributed to manufacturing companies that are creating good-paying, middle-class jobs. The commonwealth will provide cash payments of up to 5 percent of new taxable payroll to manufacturing companies that increase their annual taxable payroll by at least \$1 million over a four-quarter period. In order to qualify, these new jobs must be full-time, have an average wage equal to or above the average county wage in which the company is locating or expanding, and include competitive health benefits. Companies will be required to maintain jobs for five years, and be accountable for wage and benefit standards. This initiative is funded through the elimination of underperforming tax credits.
- IRC Manufacturing Initiative.** The 2015-16 Budget provides \$5 million for a new initiative that combines the knowledge and experience of the state's Industrial Resource Centers with the breaking technological advances of our higher education sector. The IRC Manufacturing Initiative will mobilize the talents of Pennsylvania's research universities to advance manufacturing technology and commercialization. It is anticipated that the state investment will be leveraged by a 3:1 ratio for federal and private investment.

## *Harnessing Marcellus Shale Resources to Support Economic Growth Statewide*

The rich resources from Pennsylvania's natural gas deposits have brought employment and new growth in Marcellus communities and can be harnessed to invest in our state's overall economic future. The 2015-16 Budget launches a **\$675 million bond program, supported by revenue from the severance tax on drilling, to support economic development initiatives** that leverage private sector funds to create jobs across the commonwealth:

- **Recapitalize Revolving Loan Funds for Business Development.** The transfer of \$180 million from the Machinery and Equipment Loan Fund and the Small Business First Fund, a one-time measure to balance the 2014-15 Budget, has severely limited the commonwealth's ability to assist manufacturers and small businesses. The 2015-16 Budget provides **\$100 million to the Pennsylvania Industrial Development Authority** to address current and future business growth needs.
- **Business in Our Sites.** Business in Our Sites is a financing tool with a proven track record of allowing the commonwealth to compete effectively for business expansions and relocations. Since 2004, 18,006 jobs have been created and \$1.8 billion in private investment has been made at Business in Our Sites-funded projects. With new development projects already absorbing previously developed sites, there is a need for new investment, and this initiative provides **\$250 million in Business in Our Sites growth.**
- **Energy Investment.** The nation's first oil well was drilled in Pennsylvania, and the commonwealth has been a leader in developing renewable energy technologies, including solar and wind, that reduce our reliance on foreign oil. The budget includes a new \$225 million initiative to ensure a comprehensive energy portfolio that supports gas, coal, oil and renewables and encourages conservation and clean technology alternatives. Major investments include:
  - **Combined Heat and Power (Cogeneration).** The budget provides **\$30 million in competitive grants to businesses that employ new technologies to produce heat and power** on-site from gas, biomass, coal, waste heat, oil or a combination of fuel sources.
  - **Wind Power.** The state will accelerate its successful wind generation program with a new competitive **\$20 million program to facilitate construction of new wind farms and support interconnection to the grid.** Proposals will be evaluated based on the level of private financing, cost-effectiveness and commitment to create good-paying jobs with benefits.
  - **Green Agriculture.** Pennsylvania's large agricultural sector can play a significant role in achieving our energy goals, through the implementation of clean and renewable energy technologies. The budget provides **\$20 million in competitive grants for projects designed to make Pennsylvania farms more self-reliant,** including through energy efficiency upgrades, bio-digesters, and distributed wind generation.
  - **Pennsylvania Energy Development Fund.** The budget provides **\$30 million to the Pennsylvania Energy Development Authority** to support its mission of expanding the market for clean, advanced energy technologies, services and fuels.
  - **"Last Mile" Natural Gas Distribution Line Fund.** The budget provides **\$25 million in matching grants to business parks and manufacturers** to construct the last few miles of natural gas distribution lines. The program will make low-cost natural gas available to Pennsylvania's manufacturing sector, establishing a significant competitive advantage in production costs and boosting the commonwealth's ability to attract new enterprises.
  - **Solar Investment.** The budget re-launches the PA Sunshine program, which will distribute **\$50 million in rebates on qualifying solar projects** to homeowners and small businesses, and expand eligible institutions to include municipalities, universities, schools and hospitals. "Sunshine II" aims to stimulate the installation of 100 megawatts of new solar generation capacity in the first year.
  - **Energy Efficiency.** In addition to stimulating new, renewable sources of energy supply, the budget provides **\$50 million in competitive grants to fund projects to improve energy efficiency** at small businesses, local government units, schools, and non-profits with larger grants awarded for collaborative projects.

## Theme: Jobs that Pay

- **Technology Investments.** Technological innovation puts new ideas into commercial use in the economy to create new products and services and improves the performance of Pennsylvania's businesses to enable them to help build the middle class. As technological change and market competition have intensified, state support has become increasingly important to ensure the growth of this sector. The budget provides \$100 million to support entrepreneurs, established companies and manufacturing innovation.

### *Investing in Proven Job-Creation Programs*

Successful economic development requires partnerships between the public and private sectors. The 2015-16 Budget reinvests in programs that are proven to create jobs and long-term economic growth:

- **World Trade PA.** World Trade PA is the state's program to help companies take advantage of export markets and encourage foreign direct investment in Pennsylvania companies. The budget provides a **\$1 million increase** for this economic development initiative.
- **Marketing to Attract Tourists.** The budget provides a **\$2 million increase to encourage tourism**, which is one of the commonwealth's largest industries with \$32.9 billion in total economic activity and a 450,000-job impact on the state's economy.
- **Marketing to Attract Businesses.** The budget provides a **\$1 million increase for business attraction** initiatives.
- **PA First.** The PA First initiative facilitates investment and job creation through three programs: Opportunity Grants, Infrastructure Development, and Customized Job Training. The budget provides an increase of **\$25 million to PA First** for a total of \$45 million, estimated to create at least 11,000 jobs, retain 40,000 jobs, and leverage \$1.9 billion in private sector investment.
- **Keystone Communities.** The Keystone Communities program encourages partnerships between the public and private sectors to support joint local initiatives that foster growth and stability in neighborhoods and communities, social and economic diversity, and a strong and secure quality of life. The budget provides a **\$15 million increase for these programs**, including Main Street and Elm Street and the Core Communities Development Projects.
- **Infrastructure and Facilities Improvement Program (IFIP).** An **additional \$11 million** is allocated to IFIP, bringing the total appropriation to \$30 million. This program uses future state tax revenue increments to help pay for construction of hospitals, convention centers and hotels adjacent to convention centers, manufacturing facilities, and infrastructure for large retail and industrial projects. In 2014, IFIP generated \$3 for every \$1 invested.
- **Base Realignment and Closure (BRAC).** The budget provides **\$775,000 to help prevent base realignment and closure** actions by the federal government from affecting Pennsylvania's military communities. Base closures and the resulting job losses could have a significant impact on Pennsylvania's economy, with current military spending supporting 213,000 jobs and an overall economic impact of \$30 billion across the commonwealth.

### *Affordable Housing and Stable Communities*

The 2015-16 Budget includes **\$15 million for a Mixed Use Development Program** through the Pennsylvania Housing Finance Agency to increase affordable housing and commercial corridor development opportunities in areas of the commonwealth where significant need and potential impact are identified. This program will provide financing to critical projects as part of an overall strategy for community revitalization.

## Securing Our Future with Smart Infrastructure

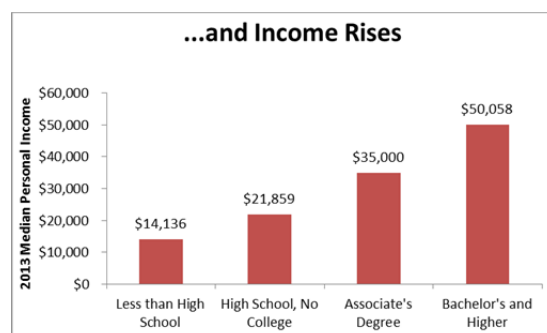
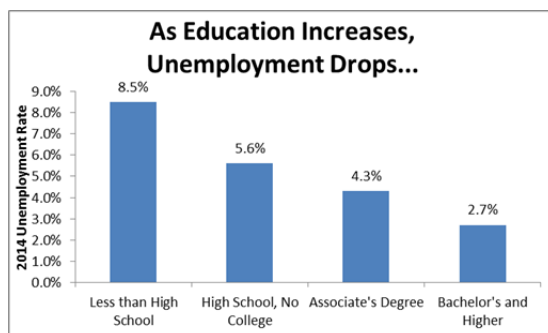
Infrastructure investments result in job creation, business growth and livable communities. The 2015-16 Budget represents a \$1 billion investment in transportation, water and sewer infrastructure:

- **Transportation Infrastructure.** Pennsylvania's aging transportation infrastructure is an obstacle to the creation of high-paying jobs in the commonwealth. To modernize the state's transportation infrastructure and thereby spur job creation, the budget includes historic levels of new investment in all modes of transportation. Revenues generated by the bipartisan transportation bill, Act 89 of 2013, will be supplemented by \$145 million in bonds scheduled to be issued in 2014-15 and authorized under Act 89 of 2013. This new capital investment will total \$500 million over the next three years. These investments will be further enhanced by public-private partnerships as authorized under Act 88 of 2012.
- **Water and Sewer Infrastructure.** According to the 2008 Governor's Sustainable Water Infrastructure Task Force Report, the anticipated capital needs of existing drinking water and wastewater facilities totals \$36.5 billion over the next 20 years. As part of the budget, the commonwealth will leverage more than \$500 million to address our deteriorating municipal water and sewer systems through the issuance of revenue bonds through PENNVEST.

## PA Rising: Higher Education and Workforce Development for Pennsylvania's Future

An economic resurgence is within Pennsylvania's reach if we give our students and working families the skills they need to succeed. Now more than ever, rebuilding the middle class and creating a better future for the commonwealth's residents depends on developing a skilled workforce and a business-driven education and training strategy.

The path forward is clear: greater levels of education and training, aligned with employer needs, lead to more economic opportunity for Pennsylvanians.



Yet today, just 48 percent of Pennsylvanians have a college degree or industry-recognized certification. By 2025, fully 60 percent of good-paying, reliable Pennsylvania jobs will require these credentials. Pennsylvania will close that gap – making a college degree or high-value industry-recognized certification available to at least 650,000 additional commonwealth residents over the next decade.

Pennsylvania is rising to the challenge. With higher levels of education and training, matched to the needs of our employers, we will create an economy based on opportunity, innovation and success – and leave the next generation of Pennsylvanians the vibrant commonwealth they deserve.



The 2015-16 Budget launches the **PA Rising education and training initiative**:

## *Building a Bridge from High School to College and Careers*

Preparation for high-skill careers starts long before most students begin to think about college and jobs. The 2015-16 Budget invests in programs that help prepare students for success after high school:

- **Career and Technical Education.** As the first step in transforming and modernizing Career and Technical Education, the state will provide **\$15 million** to support the establishment or enhancement of programs that prepare students for success in today's high-skill economy. School districts and Career and Technology Centers, higher education institutions, employers and labor organizations will be able to establish public-private partnerships to train students for high-demand, high-growth occupations that pay a living wage and offer a career ladder for growth opportunities. Students will have the opportunity to earn college credit and industry credentials and will participate in work-based learning. Approximately 30 grants of up to \$500,000 each will be awarded, with at least one in each Workforce Investment Area.
- **Career and Technical Education Equipment Grants.** The budget includes **\$5 million** for CTE equipment grants, with priority for Career and Technical Education grant applicants that show an in-kind or monetary contribution from employers or other partners.
- **Dual Enrollment Grant Program.** Students who earn college credit in high school are more likely to enroll and succeed in post-secondary education. The budget recommends **\$9 million** from PHEAA proceeds to re-establish the state's Dual Enrollment Grant Program, which pays the cost of tuition, textbooks and other expenses so that high school students can enroll in college classes and participate in Early College and Middle College High School programs.
- **Career Counselors.** Students and their families must begin preparing for college and careers long before the end of high school. The budget provides **\$8 million** to school districts to offer college and career counseling in middle and high schools in order to develop pathways for students to pursue high-skill careers.

## *Reinvesting in College Success*

The 2015-16 Budget reinvests in higher education and commits to fully restore the cuts to colleges and universities over the next two years. In addition, the state will also go much further as Pennsylvania works to achieve the goal of 60 percent of residents with a degree or high-value certificate by 2025: we will leverage our investment to dramatically improve college completion rates, boost innovation and strengthen alignment with real-world economic opportunities and the needs of employers.

As part of the 2015-16 Budget, the state will work with community colleges and the Pennsylvania State System of Higher Education (PASSHE) to develop individual college plans that address performance, affordability, student completion and transformation through structured career pathways and partnerships with employers:

- **Community Colleges.** The budget provides a **\$15.1 million (7.0 percent)** increase to community colleges to achieve these policy goals – restoring 75 percent of the community colleges' cuts since 2011.
- **PASSHE.** The budget provides a **\$45.3 million (11.0 percent)** increase to the Pennsylvania State System of Higher Education to achieve these policy goals.

Pennsylvania's world-class colleges and universities also play a critical role in research, innovation and invention. The 2015-16 Budget invests in the success stories of the future:

- **State-Related Universities.** As part of the state's commitment to restoring higher education cuts over the next two years, the budget provides a **\$80.9 million increase** to Penn State University, the University of Pittsburgh, Temple University and Lincoln University. These resources will encourage innovation by helping the four public universities translate research into job creation.



## *Making Higher Education Affordable for All*

The massive state cuts to colleges and universities over the last four years have led to tuition hikes that imperil the promise of higher education for working families. At PASSHE alone, state budget cuts resulted in tuition increasing by nearly 18 percent since 2010-11. The 2015-16 Budget makes higher education more affordable for Pennsylvanians:

- **Community College and PASSHE Tuition.** The budget calls on the community colleges and State System universities to freeze tuition for the next academic year. As the state reinvests, Pennsylvania families deserve a break.
- **STEM Scholarship Initiative.** The budget recommends **\$7.5 million** from PHEAA proceeds to enhance incentives for students to pursue careers in fast-growing Science, Technology, Engineering and Math (STEM) fields.
- **Ready to Succeed Scholarships.** The Ready to Succeed Scholarship Program was launched in the 2014-15 Budget to provide financial assistance to middle-class students who maintain strong grades. Due to limited funding, 8,000 qualified students were unable to receive grants. The budget provides a **\$10 million (200 percent) increase** to offer additional scholarships.
- **Institutional Assistance Grants.** The budget provides a **\$5 million (21 percent) increase** for grants to independent colleges and universities to make college more affordable on behalf of students who qualify for PHEAA State Grants.
- **Bond-Hill Scholarships.** The budget provides a **\$466,000 (87 percent) increase** for scholarships for graduates of Lincoln and Cheyney Universities who pursue graduate and professional degree programs at state-related universities.
- **Cheyney Keystone Academy.** The budget provides a **\$475,000 (31 percent) increase** for grants to offset tuition, mandatory fees, books and supplies, and living expenses for gifted students who attend Cheyney University.
- **Loan Forgiveness for Primary Care Physicians.** The budget recommends **\$8.5 million** from PHEAA proceeds to support current grant recipients and to expand the state's successful loan forgiveness program to recruit and retain doctors to work in medically underserved areas.

## *Creating Workforce Partnerships for Economic Success*

Pennsylvania's educational and job training systems are too often disconnected from the state's economy. Training programs frequently do not train workers for real jobs that offer family-sustaining wages, while employers who offer those jobs have trouble finding workers who have the skills they need. As a result, Pennsylvania faces a critical skills gap that harms both workers and employers. The 2015-16 Budget takes bold steps to address this challenge:

- **Industry Partnerships.** Pennsylvania's Industry Partnerships program, the first of its kind in the nation, enables companies in the same industry group or cluster to come together to identify their common skill needs and develop training programs to meet those needs. The budget provides a **\$10 million increase** to enable workers to earn industry-recognized credentials and move up into better jobs. Since their inception, Pennsylvania's Industry Partnerships have trained more than 105,000 workers.
- **Workforce and Economic Development Network of Pennsylvania (WEDnetPA).** WEDnetPA responds directly to the needs of employers and designs customized job training programs to meet their priorities in partnership with colleges and universities. The budget provides at least **\$8 million in funding** through the PA First initiative for additional employer-driven training to benefit more than 40,000 incumbent workers, included in the *Economic Growth Plan* described above.

- **Specialized Technical Education.** The budget provides significant increases to two of Pennsylvania's most successful, in-demand public post-secondary programs that work to meet the needs of regional and statewide employers – a **\$1.2 million (7 percent) increase for the Pennsylvania College of Technology** and an **\$863,000 (7 percent) increase for the Thaddeus Stevens College of Technology**.
- **Adult & Family Literacy.** The development of basic literacy skills is a major hurdle for many adults working to climb up the career ladder and earn a living wage. The budget provides a **\$4.6 million (38 percent) increase** for job-linked adult literacy programs that build both literacy and employment skills.
- **Vocational Rehabilitation.** The budget provides a **\$5 million (12 percent) increase** for vocational rehabilitation programs that help persons with disabilities prepare for, obtain and maintain employment. This increase will enable the state to maximize available federal funds, drawing down an additional **\$18.5 million** to support these important programs.

Together, these investments and reforms will set the commonwealth on the path to higher education and training levels, better wages and economic prosperity.

### **Making Work Pay: Increasing the Minimum Wage**

Pennsylvanians who work full time at the current minimum wage earn \$15,080 annually, below the poverty level for a family of four and not enough to pay for basic necessities. The current minimum wage of \$7.25 purchases one-quarter less than the minimum wage did in 1968, although low-wage workers now are better educated and have better skills. The productivity of workers has grown, which has increased business efficiency and competitiveness, but wages have not kept pace with these gains in productivity.

The 2015-16 Budget proposes to raise Pennsylvania's minimum wage from \$7.25 to \$10.10 and tie it to inflation to maintain its purchasing power over time. This change would benefit 1.265 million Pennsylvania residents. Six hundred economists, seven of them Nobel Prize winners in economics, have signed a letter of support for raising the minimum wage to \$10.10 by 2016. The minimum wage increase supports local businesses, creates new jobs and everyone wins.

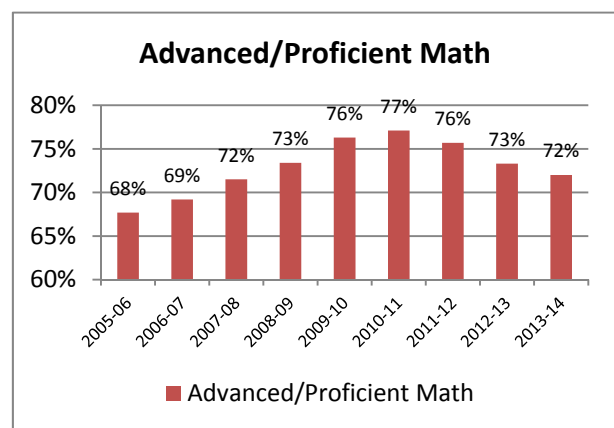
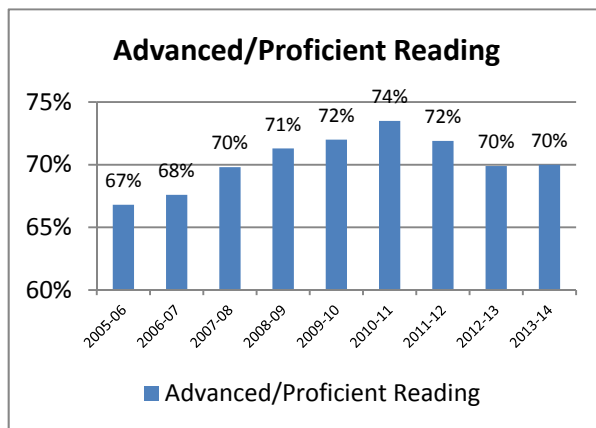
## Schools that Teach

**This budget makes historic investments in education.**

Pennsylvania's future depends on providing every child with a world-class education and the skills to succeed in the global economy of the twenty-first century. In order to rebuild the middle class and re-establish Pennsylvania as an economic leader, the quality of education the commonwealth's children receive can no longer be dictated by the ZIP code where they live.

A high-quality education is the birthright of every Pennsylvanian – from pre-kindergarten through college graduation. To fulfill this promise, the state must start by recognizing that resources, results and responsibility go hand-in-hand; the success of our schools relies on adequate and equitable public investment, accompanied by strong and fair accountability.

Pennsylvania has seen what happens when the state fails to fulfill this fundamental responsibility. According to surveys conducted by the Pennsylvania Association of School Business Officials and the Pennsylvania Association of School Administrators, 93 percent of Pennsylvania school districts reported staff reductions in the last five years – totaling 23,000 education jobs lost through 2012 alone – and nearly three-quarters of school districts cut academic programs. As a result of state budget cuts, 91 percent of school districts have raised taxes. Meanwhile, student achievement levels have fallen.



The 2015-16 Budget repositions public education as a centerpiece of Pennsylvania's strategy for economic growth and opportunity. After all, when our students thrive, so does our commonwealth.

### **\$1 Billion Restoration for Education**

The 2015-16 Budget sets Pennsylvania on a path to fully meet the state's responsibility for education funding.

The budget increases education funding and implements cost-saving reforms totaling \$1 billion for the 2015-16 school year. This investment includes:

- **A \$400 million (7.0 percent) increase in the Basic Education Subsidy.** This increase – the largest in Pennsylvania history – will fully restore the Accountability Block Grant and Educational Assistance Program funds that were previously cut. In addition, as part of the Basic Education Subsidy, school districts will receive a reimbursement for approximately 10 percent of their mandatory charter school tuition payments. Additional resources will be provided to help close the funding gap based on Basic Education Subsidy cuts instituted since the 2010-11 school year.

## Theme: Schools that Teach

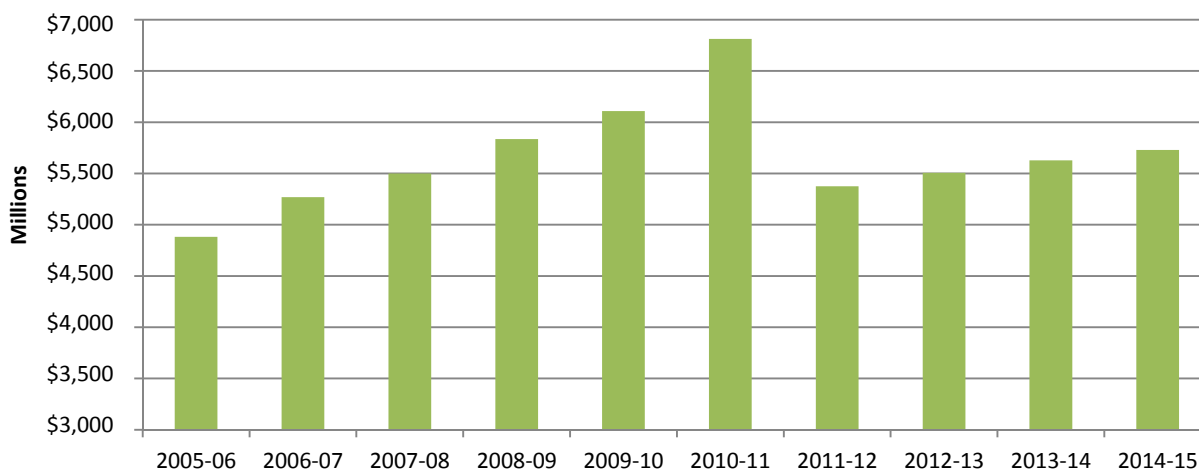
- **A \$100 million (9.6 percent) increase in the Special Education Subsidy.** This increase will continue Pennsylvania's transition to the formula enacted in 2014 reflecting the work of the bipartisan legislative Special Education Funding Commission. The budget incorporates that formula as a permanent component of the state's education law, known as the Public School Code.
- **A \$120 million (87.9 percent) increase in high-quality early childhood education to enroll more than 14,000 additional children in Pennsylvania Pre-K Counts and the Head Start Supplemental Assistance Program,** described in further detail below.

### Looking to the Future: A Commitment for Ongoing Investment

The 2015-16 Budget is the first phase of a **four-year goal to increase overall pre-k–12 investment by \$2 billion** in order to meet the state's education commitments and provide all children with a quality public education.

Achieving this goal will be made possible by enactment of the **Pennsylvania Education Reinvestment Act**. This will raise needed new revenue for our state's public education system by imposing a reasonable tax – in line with our neighbors – on the extraction of natural gas within the state. The tax proposed in the Education Reinvestment Act will be modelled after the severance tax in neighboring West Virginia, which like Pennsylvania has seen a recent boom in production of natural gas from unconventional drilling. Implementing a similar structure to West Virginia will ensure that Pennsylvania is competitive with neighboring states. In addition, this approach has the benefit of being field tested. West Virginia offers proof that a state can build a thriving unconventional natural gas industry while simultaneously using a portion of the proceeds to help make a better future for its citizens.

### Education Classroom Funding



Pennsylvania currently ranks 45th in the nation in the percentage of funding the state provides for public education. With Pennsylvania sitting on one of the largest deposits of natural gas in the world, it is up to us to use this resource wisely so it benefits all Pennsylvanians and helps to fund our schools. Pennsylvania is currently the only major gas producing state in the country that does not charge a tax on oil and natural gas extraction – and the state is failing to tax this resource at a time when our schools need more funding.

A key component of the state's education investment strategy is the **enactment of a real basic education funding formula**, which is currently being developed by a bipartisan Basic Education Funding Commission established by the General Assembly. The Commission is expected to complete its work by June 10, and this budget envisions that a new funding formula will be enacted by June 30, 2015, to take effect for the 2016-17 school year.

# Theme: Schools that Teach

Pennsylvania is one of only three states in the nation that does not have a school funding formula – which has left the state without a long-term strategy for financing its schools and, increasingly, shifted the burden to local property taxes. In finalizing a funding formula for Pennsylvania's future, the state must achieve four critical goals:

- **Adequacy:** School districts need sufficient resources to prepare all students for college and careers. Schools that educate students with the greatest needs – including low-income students, homeless students and students who are English language learners – require additional resources in order to help all students succeed.
- **Equity:** The state's funding formula must distribute funds fairly so that communities with the greatest needs and least local wealth receive the most assistance from the state. An equitable formula also addresses factors such as tax burden, sparsity, regional cost differences and the challenges of fast-growing communities where the tax base may not be keeping up with increases in enrollment.
- **Predictability:** School districts should be able to reliably project the amount of state funding they will receive in the future so that they can be responsible stewards of taxpayer dollars and student achievement.
- **Accountability:** Along with increased resources, there must be accountability for how school districts invest these funds and for the ultimate impact on student learning and success. This issue is described in greater detail in the sections that follow.

## Reaching a Historic Milestone

Combined with the landmark \$3.8 billion property tax reform plan included in the 2015-16 Budget, this renewed investment in public education will finally **bring Pennsylvania's state share of education funding over the 50 percent threshold.**

As a recent study by the American Institutes for Research concluded, Pennsylvania "is consistently among the most regressively funded education systems in the nation" and "has among the region's lowest state aid contributions to public school districts." In fact, according to the U.S. Department of Education, Pennsylvania's state share of total K-12 education funding is currently the sixth-lowest in the country.

The state's failure to adequately fund schools for more than a generation has had two damaging consequences. Shifting the burden to local school districts has meant dramatic property tax hikes for Pennsylvania homeowners, threatening economic security for middle-class families and seniors, and damaging communities. In addition, stark disparities in local wealth have led to dramatic school funding inequities – often leaving the students with the greatest needs in the worst-funded schools.

By reversing these damaging trends, Pennsylvania will strengthen both its communities and its public education system – laying the groundwork for student success and economic revitalization.

## Strengthening Pennsylvania's Accountability System

It is time for a renewed focus on strong and fair accountability at all levels – for students, educators and schools. To improve these accountability systems, the state must start by listening to key stakeholders and developing an accountability framework that will improve and support the success of our public education system, reduce over-testing and ensure public confidence in the performance of our schools.

As part of the 2015-16 Budget, appropriate accountability measures should be enacted by the end of June in concert with the state's new basic education funding formula and in partnership with the Basic Education Funding Commission and other members of the General Assembly. This process should address both academic and fiscal performance and must recognize that school and district leadership are the lynchpin of effective transformation strategies.

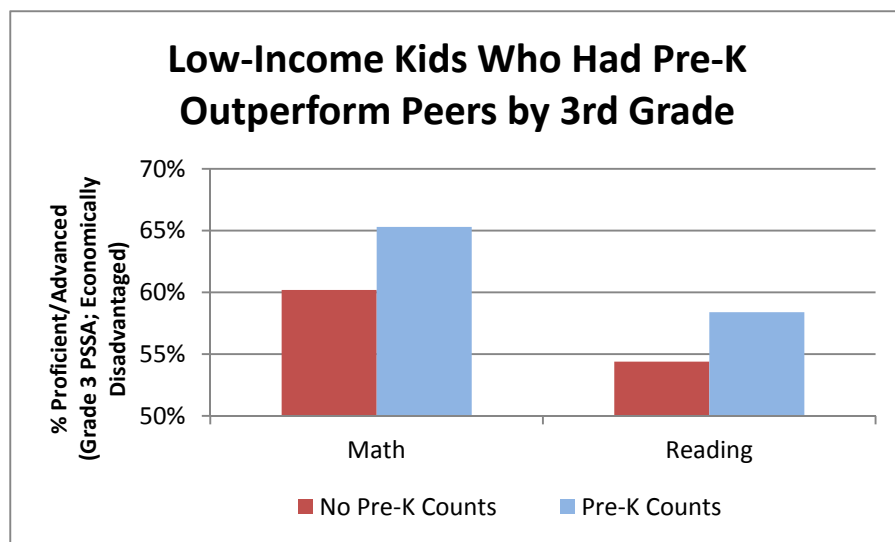
## Theme: Schools that Teach

In addition, as one component of this larger accountability agenda, the 2015-16 Budget includes new accountability provisions to ensure the public's return on investment and maximize the impact of new funding to increase student achievement. School districts that receive significant Basic Education Funding increases will be required to invest in their choice of evidence-based programs, in addition to restoring other cuts to programs and personnel that school districts were forced to make as a result of state budget cuts. These school districts will also be required to demonstrate the impact these investments have on quantifiable student performance goals.

### Investing in High-Quality Early Childhood Education

Children who participate in high-quality pre-kindergarten perform better in school, graduate at higher rates and earn more throughout their lives compared to peers who do not have access to early learning programs.

Since 2003, Pennsylvania has joined the ranks of states that offer full-day pre-kindergarten to 3- and 4-year-olds and, today, approximately 30 percent of Pennsylvania children in families earning up to three times the federal poverty level – or \$71,550 for a family of four – are enrolled in high-quality pre-k programs. The evidence shows that the commonwealth's hallmark pre-k program – Pennsylvania Pre-K Counts – is working. In 2013-14, when children who were enrolled in Pre-K Counts in 2009-10 reached third grade, they out-performed their economically disadvantaged peers in both math and reading.



The future success of Pennsylvania's children depends on dramatically expanding access while continuing to emphasize quality. The 2015-16 Budget represents a down payment on the goal of universal high-quality pre-kindergarten for Pennsylvania's 3- and 4-year-olds. By **investing an additional \$100 million in Pre-K Counts and \$20 million in the Head Start Supplemental Assistance Program, Pennsylvania will increase enrollment in these high quality programs by at least 75 percent.**

In addition to this historic expansion, the 2015-16 Budget will take important steps to continue to modernize the commonwealth's child development and early learning system – which is already recognized as a national leader – to further enhance quality and improve services to families. The state will:

- Ensure the allowable use of Head Start Supplemental Assistance Program funds for home-based pre-school, helping to ensure that rural families can access high-quality pre-k;
- Clarify that pre-kindergarten providers may use a portion of their funds for transportation, eliminating a major barrier for many families;



## Theme: Schools that Teach

- Establish a workgroup with state officials and outside stakeholders to develop strategies to build an integrated licensing, program monitoring and quality improvement system modeled after other states; streamline data tracking; and develop an integrated payment model for providers serving children in multiple programs;
- Give highest priority to special populations such as teen parents, siblings of children in care, wraparound child care for children in Pre-K Counts and the Head Start Supplemental Assistance Program, and children in foster care, to the extent funds are available;
- Explore the use of direct contracts to Pre-K Counts and the Head Start Supplemental Assistance Program providers to meet the full-day, full-year care and education needs of their families;
- Examine the impact of the current early childhood certificate as a qualification for teachers in Pre-K Counts in order to ensure that all children in pre-k are taught by effective, skilled and caring educators;
- Partner with the Department of Labor and Industry to conduct an early learning workforce analysis to identify and address gaps in preparing, recruiting and retaining early childhood educators; and
- Allow counties to submit proposals to the Department of Human Services to fund Nurse-Family Partnership programs as part of the Needs Based Plan and budget to expand the program in the county.

### Cyber Charter Funding Reform

Cyber charter schools are fundamentally different from traditional brick-and-mortar charter schools, and the 2015-16 Budget advances cyber charter funding reform to reflect these structural realities. School districts spent \$421 million on mandatory cyber charter tuition payments in 2013-14; under this reform plan, **school districts would have realized more than \$162 million in savings** to reinvest in the classroom.

Pennsylvania's 14 cyber charter schools enroll fewer than 40,000 students and – unlike brick-and-mortar charter schools or traditional public schools – do not have many of the same facility costs and face-to-face service delivery costs. The 2015-16 Budget establishes a rational funding formula specifically for cyber charter schools:

- **Regular Education Tuition:** To better reflect the cost structure of online learning, the state looked to the programs currently offered by Pennsylvania's Intermediate Units that provide full-time online learning opportunities for students. Based on the highest-cost of several high-performing, comparable IU online education programs – and then further enhanced by 10 percent to reflect administrative and overhead costs that cyber charter schools could reasonably incur – the 2015-16 Budget sets the regular education tuition rate for cyber charter schools at \$5,950. This rate would be annually adjusted to reflect inflation.
- **Special Education Tuition:** The budget applies the formula recommended by the Special Education Funding Commission to cyber charter schools. In the first year, the special education tuition rates would provide an additional \$3,035 for special education students who are identified as Category 1 (representing approximately 95 percent of all cyber charter special education students); an additional \$16,482 for Category 2 students; and an additional \$38,437 for Category 3 students.



## Theme: Schools that Teach

The 2015-16 Budget also recommends two additional reforms for both cyber charter and brick-and-mortar charter schools:

- **Making the pension “double dip” prohibition permanent.** The General Assembly previously enacted bipartisan reform to stop charter and cyber charter schools from being paid twice for the same employee pension costs. The budget makes this reform a permanent part of education law as described further in the Government that Works theme.
- **Reimbursement based on audited costs.** By the end of the 2013-14 school year, charter and cyber charter schools had amassed undesignated, unreserved fund balances of more than \$156 million because they collected more in tuition revenue than they actually spent on students. The budget includes a requirement for an annual reconciliation whereby charter and cyber charter schools will refund money to their sending school districts if the charter school's audited expenditures are less than its tuition revenue.

### Maximizing Tax Dollars to Invest in the Classroom

Pennsylvania school districts spend more than \$3 billion each year on administrative staff, back-office operations, transportation and other central office costs. While these functions are of course necessary, school districts should work to maximize the resources that are invested directly in teaching and learning.

With 500 school districts, two of the strategies that have held the most promise for achieving cost-savings are the use of shared services and joint purchasing. Many school districts and Intermediate Units already participate in these efforts – covering expenses like energy, health care and building supplies.

Consistent with the state's GO TIME savings and productivity initiative, the state will challenge school districts to work together and with their Intermediate Unit partners to achieve \$150 million in additional savings through shared services and other efficiency strategies.

## Government that Works

Public trust in the integrity of government has continued to erode in recent years and the commonwealth's first order of business is to restore that trust.

We have learned from experience that cutting government is not synonymous with improving government. This budget looks for efficiencies and innovations to transform the way we do business without sacrificing our fundamental commitment to provide high-quality services to our citizens. It identifies new tools and approaches for the delivery of public services.

The 2015-16 Budget takes immediate steps to put the state's fiscal house in order. It eliminates our structural budget deficit and responsibly funds our pension obligations. Our pension plan reduces debt obligations, while providing savings to the state and school districts to manage future cost increases. Government must work for all our citizens. Our plan expands access to affordable health care, strengthens our health care delivery system, and saves hundreds of millions in state costs during the next fiscal year. It provides answers to the challenges for senior citizens who want to remain in their homes as they age, so they can do so safely and securely.

Finally, our budget plan improves public safety, while reducing the growth in our prison population and making prisoner reentry into the community more successful and permanent.

### Ethics Reform

The citizens of the commonwealth must be able to trust in the integrity of their government, and this budget reflects a commitment to transparency and good governance.

The Governor's first Executive Order amends the Governor's Code of Conduct for Commonwealth Employees to establish a strict gift ban, clarifying that no employee may accept gifts, favors or other things of value from any person doing or seeking to do business with the commonwealth. This high standard will help to build public trust by removing even the appearance of impropriety.

The Governor's second Executive Order requires the Office of General Counsel to award contracts for legal services, in circumstances where outside counsel is needed, through the use of competitive bidding. Requiring submission of proposals both makes the selection process more open, and ensures that the most qualified candidate will be selected.

### Improving Government Efficiency

This budget will deliver services more efficiently, eliminate unnecessary and redundant programs, reduce costs and change the way business is conducted to assure taxpayer dollars are spent wisely.

**The Governor's Office of Transformation, Innovation, Management and Efficiency (GO TIME)**, established to bring forward-thinking and best management practices to state government, will save taxpayers more than \$150 million in the next year. Substantial savings have already been identified in just a few short weeks. The public will be able to monitor its progress and track savings through an online database.

In 2015-16, the Office of Administration and Department of General Services will implement efficiencies which include:

- Reviewing \$3 billion in existing state contracts and applying commercial best practices to save more than **\$100 million** in procurement in 2015-16.
- Reintroducing reverse auctions, an innovation started in Pennsylvania, to negotiate supply contracts, which will help the commonwealth to receive the best price in the marketplace and save tens of millions of dollars in the next year.

## Theme: Government that Works

- Modernizing the technology used to manage \$1 billion in building and infrastructure projects administered by the Department of General Services to generate **\$3 million in annual savings**. Pennsylvania will move away from its current paper-based construction management process and employ an up-to-date contract enablement system to reduce costs and improve timeliness of projects for both contractors and the commonwealth.

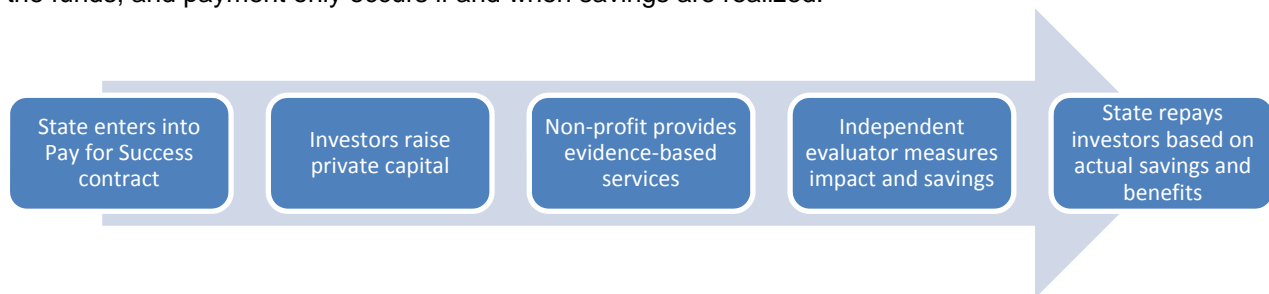
Since the launch of GO TIME, agencies and state employees have submitted more than 150 ideas to make government work more efficiently, and modernization strategies that will transform agency operations have been identified that will save millions annually. For example, consolidation of the commonwealth's 28 disparate mailrooms will result in **\$5 million** in annual savings.

### Pay for Success Performance Contracts

Decades of research have demonstrated that public investment can improve the lives of Pennsylvanians while simultaneously strengthening the state's bottom line. From pre-kindergarten – where every \$1 in public funding generates more than \$7 in government savings and benefits – to public safety – where reducing recidivism avoids costs of \$42,481 per inmate each year – there are opportunities for evidence-based investments across state government.

Pay for Success performance contracts – also known as “Social Impact Bonds” – provide an innovative strategy to finance these proven programs. Pay for Success contracts are rigorous, binding agreements based on a straightforward proposition: taxpayers will only pay for services that actually get results and save money in the long-run. The strategy enables the state to fund programs and services that improve economic opportunity, health and safety that it otherwise might not be able to afford in the short-term, and it requires strict limitations based on which programs have a strong evidence base and record of effectiveness.

Under Pay for Success, the state selects the programs and sets the targets, private investors raise the funds, and payment only occurs if and when savings are realized:



Pay for Success projects on homelessness, early childhood education and recidivism are currently underway in six states, counties and cities across the country, and many more are in development. This budget enables Pennsylvania to enter into Pay for Success contracts in five high-priority areas:

- Early childhood care and education, including pre-kindergarten education and services that address maternal and child outcomes from pregnancy through age 2;
- Education, workforce preparedness and employment, including school-to-work programs and alternative education services;
- Public safety, including programs that reduce recidivism;
- Health and human services, including addiction treatment, chronic homelessness, supportive housing and child welfare; and
- Long-term living and home- and community-based services.

These public-private partnerships will be selected on a competitive basis, and payment will only occur after validation by an independent, third-party evaluator.

# Theme: Government that Works

## Real Pension Solutions to Protect Taxpayers and Safeguard Retirement Security

Plotting an effective pension reform strategy first requires a fundamental understanding of how we fund our current pension plans for state employees through the State Employees Retirement System (SERS) and school employees through the Public School Employees Retirement System (PSERS). During the past several years attention has appropriately been focused on a growing unfunded liability now totaling more than \$50 billion. This unfunded liability, a state debt we owe to our state employees and public school employees, is a legal and constitutional responsibility that we must pay.

Multiple factors are responsible for the rapid escalation of this debt. Two economic recessions, including the great recession, are one root cause. However, the overwhelming factor allowing this debt to grow has been repeated decisions by policy makers to delay making the required contribution to fund our future pension obligations. The full required payments have not been made for more than 15 years. Rather than dwelling on that past history to affix blame or responsibility, we must chart a path to fully fund these obligations, remove any temptation to further shirk this employer debt, and pay down this looming liability. The 2015-16 Budget plan outlined below provides a prudent approach to meet this challenge. The three part strategy would first institute pension investment reforms to significantly reduce excessive management fees and overreliance on high risk investment strategies. The plan eliminates “double dip” payments to charter schools permanently by amending our school code, and guarantees all actuarially required employer obligations are paid in full.

The strategy provides the state and local school districts with a manageable plan to fully fund their employer contributions while maintaining the ability to meet all other obligations. The recommended initiatives will produce savings to reduce our total long term liability by more than \$10 billion. More immediate savings will reduce employer obligations by nearly \$1.3 billion during the next five years, including nearly \$370 million in savings for school districts and more than \$900 million for the state. Most importantly, beginning in the 2016-17 fiscal year, future employer payments to SERS and PSERS will fully fund employer obligations and will begin to reduce the outstanding unfunded liability. Annual payments for both systems will continue to increase, but only modestly, and not beyond normal inflationary amounts.

### *Plan Design Specifics*

Management reforms for the operation of both retirement boards must also be adopted. These commonsense reforms would significantly reduce taxpayer costs for professional fund managers, seek less costly passive investment approaches where appropriate, and prudently maximize future investment returns through cost effective investment strategies.

Building upon comprehensive bi-partisan reforms previously enacted in 2010, the plan is respectful of legal and constitutional constraints to protect future retiree benefits.

Financial reforms include establishing a restricted account to guarantee all future employer obligations are paid in full. A portion of the current unfunded liability for PSERS would be refinanced to take advantage of historically low interest rates, with all savings reinvested to reduce that liability.

### *Building upon Past Reforms*

Bi-partisan pension reforms enacted in 2010 created a new retirement plan for employees hired after the bill became law. Those reforms reduced future retirement benefits by more than 25 percent for newly hired employees. Given these design changes, the employer cost to fund future benefits for teachers has been reduced to 3 percent annually, a rate below the cost of most private employer pension plans. In light of these prior reforms, further plan design changes would have limited impact on the unfunded liability.

### *Guaranteeing Future Employer Contributions*

State payments for PSERS obligations would be guaranteed from annual General Fund tax receipts in the full amount actuarially determined by the PSERS board and certified by the Budget Secretary.

# Theme: Government that Works

A portion of the current unfunded liability, \$3 billion, will be refinanced with all proceeds reinvested into PSERS to reduce the future unfunded liability by an estimated \$8 billion. Beginning in the 2017-18 fiscal year and all subsequent years thereafter, the full cost of debt service for the refinancing will be paid with new revenues generated from enhanced profits generated by our wine and spirits system. This initiative would initially fund direct payments to PSERS to reduce local school district employer payments during 2016-17, before refinancing savings begin to reduce school district and state obligations in the following year.

## Modernizing Pennsylvania's Wine and Spirit System

Pennsylvania's Wine and Spirits system is an asset to the state and its taxpayers, now providing \$550 million annually in profit and tax revenue to support enforcement, drug treatment, and General Fund obligations.

Rather than selling the system for short term gain, the budget plan provides the Liquor Control Board with the tools it needs to modernize our wine and spirits system. Reforms include adding Sunday hours, identifying the most convenient locations for customers and competitive pricing. This will result in improved customer convenience and significantly increase the profitability of the existing system.

New revenue from modernization will be allocated to help school districts and the state address their future pension obligations. In 2015-16, \$80 million in new profits from liquor modernization will be allocated to school districts to reduce pension payments.

Beginning in 2017-18, \$185 million in increased profits from our LCB system will be transferred annually to pay the full cost of debt service on a \$3 billion bond to refinance part of the unfunded PSERS liability.

## Caring for our Most Vulnerable

With one of the oldest populations in the nation, the commonwealth must identify successful programs that allow our seniors to age with dignity. A 2010 survey by AARP-Pennsylvania found that 95 percent of aging Pennsylvanians would prefer to receive care in their home. The 2015-16 Budget reflects a commitment to increase opportunities for seniors to age in place and to strengthen the homecare workforce.

- **Expand Services for Older Pennsylvanians.** The budget expands home and community-based long term care programming by directing an additional **\$31 million** to the Department of Human Services (DHS) and **\$7.3 million to the Department of Aging (PDA) to enable more than 5,500 additional individuals** to obtain care in their homes this year. With this expansion, the commonwealth will hit a major marker – more than 50 percent of residents receiving long term care will do so in a home or community setting. Not only is this expansion essential to respecting residents' preference on where to receive care, but it is also a fiscally responsible move for the commonwealth. For every month a resident receives care in the community as opposed to a nursing facility, the state is able to save \$2,457, offsetting more than \$162.2 million in nursing care costs.
- **Implement Managed Care Long Term Care within Three Years.** DHS, in partnership with PDA, will pursue the implementation of managed long term care through engaging stakeholders to ensure that the system is person-centered, breaks down barriers and fills in the gaps that currently exist in the long term care services and supports system. This initiative, which was recommended by the Pennsylvania Long Term Care Commission, will result in a more strategic care delivery system and improve health outcomes for seniors.
- **Implement an Online Homecare Registry.** Not only do we need to expand programs that allow seniors to remain in their own homes when possible, we also need to ensure that we are growing

## Theme: Government that Works

and professionalizing the homecare workforce. According to PHI PolicyWorks (PHI), Pennsylvania's direct care workforce in 2013 consisted of 194,670 workers. Between 2012 and 2022, the direct care workforce is projected to grow by 33 percent. PDA is currently working to develop an online tool, which will make it easier for workers to find stable employment opportunities and for consumers to find competent care.

- **Reduce waiting lists for individuals with physical and intellectual disabilities.** The 2015-16 Budget includes a total of **\$45.9 million** to reduce waiting lists and expand services for vulnerable Pennsylvanians. Included is an **additional \$19.3 million** to provide home and community-based care to 1,050 individuals with intellectual disabilities and autism, and **\$12.8 million** to fully annualize the 2014-15 program expansion.

### Closing the Health Care Coverage Gap – Medicaid Expansion

This budget expands Medicaid into a single consolidated system, closing the coverage gap for hundreds of thousands of working adults, and reducing state General Fund costs by more than \$500 million next year. The consolidation plan will streamline delivery of health care services to alleviate confusion and remove unnecessary red tape to ensure that individuals experience no loss of coverage, and move toward better health outcomes for Pennsylvania residents.

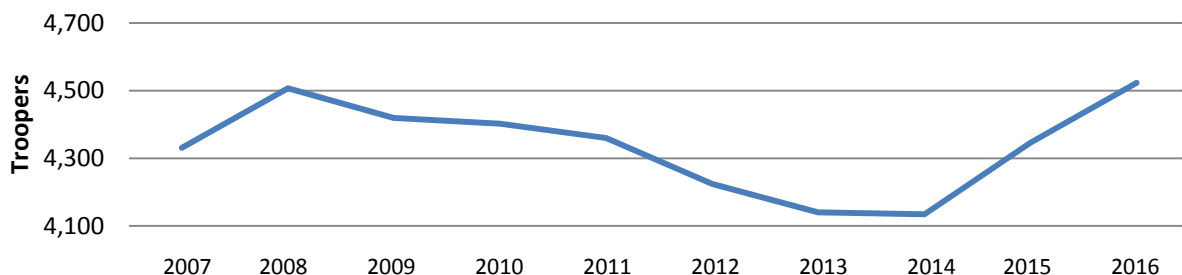
- **Covering More Kids.** Pennsylvania led the nation in establishing the Children's Health Insurance Program, which today provides health coverage to 147,000 children from birth to age 21. This budget expands coverage to an additional 15,881 children, while requiring fewer state dollars, as federal matching rates grow from 66 percent to 89 percent, providing \$63 million in additional federal assistance to support program expansion.
- **Treatment to Combat Increase in Heroin Use.** Law enforcement, treatment professionals and families have all expressed alarmed at the growth in heroin use and opioid addiction. This budget provides a **\$2.5 million increase** to Behavioral Health Services for a total of \$46.2 million, and a **\$5 million increase** to the Department of Drug and Alcohol Programs to launch new initiatives aimed at addressing this epidemic.

### Make Pennsylvania Safer

The Pennsylvania Department of Corrections and the Board of Probation and Parole have a common vision: to ensure public safety by successfully reintegrating offenders into the community. This budget will consolidate the two agencies, creating a new department, to eliminate duplicative administrative oversight and provide better outcomes. A unified approach will offer a seamless transition from facility to the community and reduce recidivism rates resulting in lower crime rates and safer Pennsylvania communities. The consolidation, which will occur by the end of the 2015-16 fiscal year, will not impact the Board of Probation and Parole's independent parole granting authority.

The budget funds four classes of Pennsylvania State Police Troopers, or 350 new cadets, to maintain the complement at full strength despite expected retirements and turnover. By year end, the resulting graduates will increase the estimated filled Trooper complement level to the highest point in ten years.

### Filled Trooper Levels



– THIS PAGE INTENTIONALLY LEFT BLANK –



## Economic Outlook

The Pennsylvania Department of Revenue and the Office of the Budget are assisted in constructing the official tax revenue estimates by two main sources of economic forecast data: IHS Global Insight, Inc., of Lexington, Massachusetts, and Moody's Analytics, of West Chester, Pennsylvania. Both firms are private economic forecasting and consulting firms that provide forecast data to the commonwealth and other customers. Various projections from IHS Global Insight's national forecast, as well as a recent forecast produced by Moody's Economy.com, were used to assist in developing the revenue estimates in this document for the budget year and other future fiscal years. Analyses and discussion in this section, as well as the revenue estimates used in the budget, are based on a combination of data from each source and further analysis from the Department of Revenue and the Office of the Budget.

### U.S. Recent Trends and Current Conditions

The United States economy continues to improve as sound fundamentals emerge as the theme going forward.

The Bipartisan Budget Act of 2013, which was signed into law on December 26, 2013, provided relief from the spending sequester and eliminated the chance of another government shutdown in the near future. This, along with a number of other positive economic indicators, has helped to produce a strong 2014 third quarter real GDP growth (5.0%). The improved economic fundamentals of the third quarter – the strongest growth since the third quarter of 2003 – contributed to this outstanding performance. While all areas of aggregate categories made strong contributions, the service sector made the strongest impact contributing 4.57 percentage points to GDP.

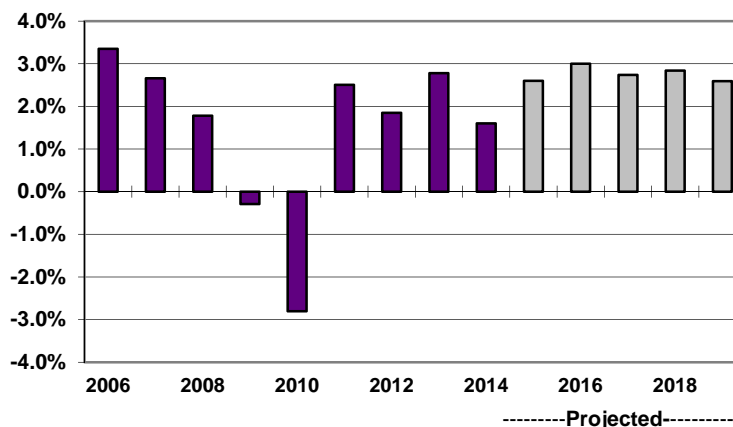
The Federal Reserve Board (Fed) ended its asset purchase program in October with the economy continuing to make progress toward the Fed's objectives... *"As indicated in our policy statement, the FOMC reaffirmed its view the current 0 to ¼ percent range for federal funds remains appropriate."* In the labor market, progress continues toward the FOMC's objective of maximum employment. The pace of job growth has been strong recently. Broader measures of labor market utilization have shown improvement while the labor force participation rate has leveled out. The Fed continues to see sufficient underlying strength in the economy to support ongoing improvement in the labor market. Inflation has continued to run below the committee's targeted objective partially due to the sizeable declines in oil prices, which should hold down inflation in the near future. Real GDP appears to have increased solidly in the third quarter, reflecting solid consumption and investment spending. The Fed continues to expect a moderate pace of growth going forward.

GDP has rebounded and is forecast to grow approximately 2.8 percent annually over the next five years as shown in Chart 1.

Although the unemployment rate has decreased, the majority of the jobs recovered or created nationwide, six out of ten, according to U.S. Labor Department data, are at the low end of the wage scale.

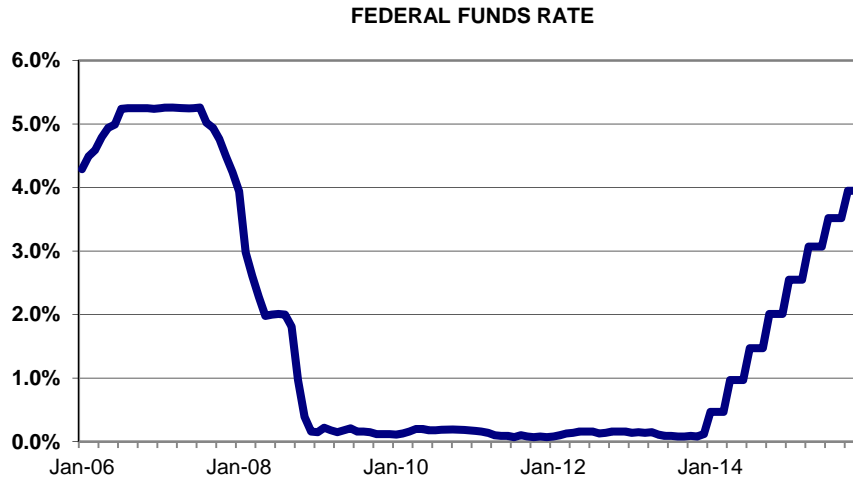
The federal funds rate, the rate at which depository institutions actively trade balances held at the Federal Reserve on an uncollateralized basis, continues to be at historic lows but is starting to rise slightly.

**Chart 1**  
**REAL GROSS DOMESTIC PRODUCT**  
Annual Growth



The Fed took action during the financial crisis in an attempt to reduce the impact of the economic crisis. Reductions to the federal funds rate were extraordinary in scale and frequency.

The expectation, at least for the foreseeable future, is that the Fed will continue to keep rates at historic lows. When the federal funds rate is low, banks have more money available to lend, and consumers can borrow at lower costs.



## The Forecast

Based on the Congressional Budget Office's (CBO) document, "*The Budget and Economic Outlook: Fiscal Years 2015 to 2025*", the forecast presented covers years 2014 through 2018. In the CBO outlook, economic growth is projected to be 2.5 percent in 2015 and averages 2.2 percent per year in 2016 through 2019. That growth closes the gap between actual and potential GDP by 2017. As a result of stronger economic growth, the unemployment rate in CBO's forecast falls from 5.7% in the fourth quarter of 2014 to 5.5% in the fourth quarter of 2015 and then declines gradually to 5.4% in the fourth quarter of 2018.

The quickening of economic growth in 2015 reflects CBO's projections of continued improvements in households' income and wealth and in credit markets. Consumer spending will be supported by faster growth in wages and salaries (a result of more robust employment growth) and by continued gains in household wealth, owing to persistent increases in house prices and stock prices. Stronger demand for goods and services by households, in turn, will encourage businesses to undertake investments in structures and equipment as well as to engage in further hiring. Greater availability of credit will also support consumer spending and business investment. In addition, CBO expects that increased spending by federal, state and local governments will add a small amount to overall demand during 2015.

**Table 1**  
Forecast Change in  
Key U.S. Economic Indicators  
Annual Percentage Growth\*

| Indicator                     | 2013 | 2014p | 2015p | 2016p |
|-------------------------------|------|-------|-------|-------|
| Nominal GDP                   | 3.7  | 4.0   | 4.9   | 4.6   |
| Real GDP                      | 2.2  | 2.4   | 3.1   | 2.7   |
| Real Personal Consumption     | 1.6  | 1.7   | 2.3   | 2.1   |
| Corporate Profits (After Tax) | 4.7  | 4.7   | 5.8   | 0.0   |
| Unemployment Rate (Rate)      | 7.4  | 6.2   | 5.5   | 5.3   |
| CPI                           | 1.5  | 1.6   | 0.1   | 2.3   |
| Federal Funds (Rate)          | 0.1  | 0.1   | 0.4   | 1.6   |

Table 1 and Table 2 are U.S. Macro Forecast projections from IHS Global Insight. The tables depict similar forecasts to what the CBO is projecting for the near-term. Table 1 confirms the expected outlook for lower unemployment and an increase in GDP. Table 2 notes that over the next two years there is a 70 percent probability of modest GDP growth, with an increase in consumer and business fixed investment.

Table 2 also provides narrative for each economic indicator.

**Table 2**  
**U.S. Macro Forecast Projection from IHS Global Insight**  
**January 2015**

|                                    | <b>Baseline Forecast (70% Probability)</b>  |
|------------------------------------|---|
| <b>GDP Growth</b>                  | Modest growth, 3.1% in 2015 and 2.7% in 2016  |
| <b>Consumer Spending</b>           | Modest, up 3.4% in 2015 and 3.0% in 2016  |
| <b>Business Fixed Investment</b>   | Moderate, up 4.8% in 2015 and 5.4% in 2016  |
| <b>Housing</b>                     | Gradual improvement, more than 1.2 million starts by end of 2015  |
| <b>Exports</b>                     | Modest growth, 3.9% in 2015 and slowing to 3.3% in 2016   |
| <b>Monetary Policy</b>             | The first federal funds rate hike occurs in the second quarter of 2015  |
| <b>Credit Conditions</b>           | Gradually easing  |
| <b>Consumer Confidence</b>         | Growing at a moderate pace  |
| <b>Oil Prices (Dollars/barrel)</b> | Brent crude oil price averages \$64 in 2015 and rises to \$75 by late 2015  |
| <b>Stock Markets</b>               | The S&P 500 advances moderately   |
| <b>Inflation (CPI)</b>             | Headline CPI inflation registers only 0.2% in 2015, as lower oil prices take effect; core CPI inflation reaches 2.0% in 2015                          |
| <b>Foreign Growth</b>              | In 2015, Eurozone growth will proceed slowly and Japan will regain weak growth momentum; China and India post above-average growth                    |
| <b>U.S. Dollar</b>                 | The dollar appreciates against the euro and the yen in 2015, while rate hikes in the UK and Canada will help those currencies rise against the dollar |

## Pennsylvania Outlook

Pennsylvania benefits from a highly diversified economy with a mix of industries, and no one single employment sector dominates Pennsylvania. Since the turbulent diversification of the Pennsylvania economy during the 1970's and 1980's, Pennsylvania has a much more stable economy which tends to track the national economy but with less volatility. During periods of national economic contraction, Pennsylvania often will outperform the U.S. in areas such as growth in real gross state product, growth in real personal income and employment growth. Pennsylvania's unemployment rate generally trends below the U.S. rate, and per capita income levels in the Commonwealth exceed national levels. However, during periods of economic expansion, Pennsylvania will often lag behind the rate of growth in the national economy.

Although hiring growth has been slow over the last several years, according to the Bureau of Labor Statistics, employment growth has come from a number of sectors. Year-over-year gains were achieved in manufacturing (0.7 percent), construction (3.9 percent), professional and business services (0.5 percent), and the leisure and hospitality industry (1.4 percent). Increases in the leisure and hospitality sector are a likely indicator of increased travel and discretionary spending.

Payrolls were slightly higher in Pennsylvania as the state's growth remains below the national average pace. The state's manufacturers have added jobs in recent months as public sector employment at the state and local levels remains weak.

Pennsylvania will benefit from the development of the Marcellus shale natural gas deposit which will provide jobs in the mining industry. The state may also attract jobs in industries that can benefit from the increase in natural gas supplies, either for low-cost energy or for inputs into chemical products. Low oil prices are not expected to have a big impact on natural gas exploration. The current growth phase in the Marcellus Shale production still mostly involves building infrastructure to service existing wells.

Table 3 shows various historical and projected key economic indicators for Pennsylvania and the U.S. economy.

**Table 3**  
**Key Economic Indicators for Pennsylvania**

| <b>PENNSYLVANIA: Key Economic Indicators</b>         | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Real Gross State Product (in millions, 2005 dollars) | 603,872     | 611,216     | 624,676     | 637,469     | 650,560     | 663,034     |
| Real Gross State Product (percentage change)         | 0.7%        | 1.2%        | 2.2%        | 2.0%        | 2.1%        | 1.9%        |
| Total Employment (in thousands)                      | 5,743.5     | 5,784.4     | 5,858.7     | 5,940.0     | 5,990.0     | 6,009.8     |
| Total Employment (percentage change)                 | 0.3%        | 0.7%        | 1.3%        | 1.4%        | 0.8%        | 0.3%        |
| Manufacturing Employment (in thousands)              | 563.5       | 559.5       | 563.5       | 571.1       | 575.4       | 575.0       |
| Nonmanufacturing Employment (in thousands.)          | 5,180.0     | 5,224.9     | 5,295.1     | 5,368.9     | 5,414.6     | 5,434.8     |
| Population (in thousands)                            | 12,781.7    | 12,788.7    | 12,803.9    | 12,827.0    | 12,852.1    | 12,877.6    |
| Population (percentage change)                       | 0.1%        | 0.1%        | 0.1%        | 0.2%        | 0.2%        | 0.2%        |
| Unemployment Rate (percentage)                       | 7.4%        | 5.7%        | 5.2%        | 5.2%        | 5.1%        | 5.2%        |
| Personal Income (percentage change)                  | 1.4%        | 3.4%        | 4.1%        | 4.7%        | 5.1%        | 4.5%        |
| <b>U.S. ECONOMY</b>                                  |             |             |             |             |             |             |
| Real Gross Domestic Product (percentage change)      | 1.8%        | 2.3%        | 3.0%        | 2.6%        | 2.6%        | 2.3%        |
| Employment (percentage change)                       | 1.7%        | 1.7%        | 2.0%        | 1.8%        | 1.3%        | 0.7%        |

Copyright 2015 IHS Global Insight Inc.

## Summary of Major Operating Expenses

The total 2015-16 operating budget for the commonwealth is \$78.6 billion. It includes \$29.9 billion in the General Fund, \$2.7 billion in the Motor License Fund, \$27.9 billion in federal funds and \$18.1 billion in fees and other special fund revenues.

The majority of the commonwealth's operating expenses are paid from the General Fund, Motor License Fund and Lottery Fund. The following provides an overview of major revenues and expenditures. More details regarding these funds may be found in Section C: Summary by Fund and Section E: Department Presentations.

### General Fund

#### Revenue

The General Fund is the commonwealth's largest operating fund. All tax revenue, non-tax revenue and federal grants and entitlements not specified by law to be deposited elsewhere are deposited into the General Fund. The General Assembly makes appropriations of specific amounts from tax revenue and certain non-tax revenue of the General Fund. These amounts are contained in this budget as General Fund Revenue Sources.

Tax revenue in the General Fund constitutes more than 98 percent of annual General Fund revenue. Four taxes account for the majority of General Fund tax revenue. The personal income tax, the sales and use tax, the corporate net income tax and the gross receipts tax together provide approximately 84 percent of annual General Fund revenue. For non-tax revenue, the largest sources of revenue are typically from profit transfers from the Pennsylvania Liquor Control Board, licenses and fees, and the escheats or "unclaimed property" program.

**Recent Revenue Trends:** For the five fiscal years ending with 2013-14, total General Fund revenue increased by 3.4 percent, an annual rate of increase of approximately 0.9 percent. The rate of growth for revenue during the period has been affected by the recent recovery from the economic recession and the increased economic growth during the post-recessionary period. Without adjusting for tax rate and base changes, the major tax revenue sources experiencing the largest growth during this

period were the realty transfer tax, the inheritance tax and personal income tax. Each had five-year total increases of over 26.8 percent, 16.4 percent and 14.3 percent, respectively. Revenue from some tax sources declined or were flat over the period. Receipts from the gross receipts tax declined 0.7 percent and the cigarette tax was basically flat. Non-tax revenue sources decreased as well over this five-year period.

Receipts from the personal income tax in recent fiscal years had been steadily improving since the national economic recession. Over the last three fiscal years, growth in personal income tax receipts has been 3.5 percent, 5.3 percent and 0.6 percent, respectively. Due to the increases in personal income tax revenues mentioned above, personal income tax collections over the past five completed fiscal years have increased an average of 3.5 percent annually. For fiscal year 2015-16, personal income tax receipts are anticipated to increase with the proposed rate increase. Estimates for the personal income tax are developed from a series of regression equations that use forecasts of wages, salaries, interest, dividends, rents, and capital gains income.

The sales and use tax is levied on taxable property and services used by consumers and by businesses. Annual growth rates for this tax have been modest during the recovery from the most recent recession, increasing at an average rate of 3.3 percent annually over the past five completed fiscal years. Annual increases of 1.4 percent and 2.7 percent occurred during the last two fiscal years ending 2013 and 2014. Estimates for the sales and use tax are developed from a series of regression equations that use forecasts of national consumer expenditures on durable goods, non-durable goods, and new and used motor vehicles.

The largest General Fund tax on businesses is the corporate net income tax. Annual receipts from the corporate net income tax can vary significantly from year-to-year and may experience a year-over-year decline. This variability is due to fluctuations in corporate profitability, including losses, the availability and use of tax credits and net operating loss deductions, and the timing of estimated and final state tax payments based on when a corporation's tax year begins. Previously enacted tax rate reductions to the capital stock and franchise tax continue to be implemented which annually reduce the tax rate imposed until it will be entirely eliminated. Corporate tax receipts over the past five completed fiscal years have increased by a total of 10.5 percent. Corporate tax collections averaged a modest increase over that past five fiscal years, growing 2.5 percent annually. Estimates for the corporate net income tax are developed from a regression equation that uses forecasts of national before-tax corporate profits.

## Expenditures

The General Fund is the primary funding source for most state agencies and institutions. More than 77 cents of every dollar is returned to individuals, local governments, institutions, school districts, among others, in the form of grants and subsidies. The remainder pays operating expenses and debt service.

The total General Fund budget proposed for 2015-16 is \$29.9 billion. General Fund expenditure growth is projected to increase 2.7 percent. Major program expenditures occur in the areas of education, public health and welfare and state correctional institutions.

**PreK-12 Education (Basic Education):** The financial responsibility for public education in Pennsylvania is shared by the commonwealth and 500 local school districts. Funds provided by the commonwealth supplement funds raised locally. State aid to local school districts is provided through various school subsidy payments for basic instruction, career and technical education, debt service, pupil transportation, school employees' retirement and various special education programs.

The largest such subsidy is the Basic Education subsidy, which provides commonwealth aid to local school districts. This budget proposes more than \$6.1 billion for the Basic Education subsidy in state funds in 2015-16, which is a \$400 million or 7 percent increase. Basic education increases include \$100 million, or 102.8 percent, for Pre-K Counts; \$20 million, or 51 percent, for Head Start Supplemental Assistance; \$23 million, or 37.1 percent, for Career and Technical Education; and \$100 million, or 9.6 percent, for Special Education. In total, state funding for basic education is more than \$9.7 billion in 2015-16.



**Higher Education:** Higher education in Pennsylvania is provided through 275 degree-granting institutions, which include the 14 universities of the State System of Higher Education, four state-related universities, community colleges and various other independent institutions. The budget proposes nearly \$1.9 billion for higher education.

**Public Health and Human Services:** The commonwealth provides support for its residents who are seeking to achieve and sustain independence. It also provides care, treatment and rehabilitation to persons with behavioral, intellectual and physical disabilities. *Medicaid Expansion* will close the coverage gap for working adults and streamline delivery of health care services. The commonwealth also supports disease prevention programs. For 2015-16, the total public health and human services expenditures from all sources is \$38.7 billion; the amount from the General Fund will be \$12.3 billion, which is an increase of \$713 million or 6.16 percent. The largest component of public health and human service expenditures is the Medical Assistance (MA) program. In the last ten years, the program grew at an annual rate of 7.4 percent. Caseload growth has stabilized after several years of higher growth due to poor economic conditions. While technological advances in medicine and general medical inflation, including increases in pharmaceutical prices, contribute to an overall increase in MA expenditures in 2015-16, this increase is mitigated through cost containment and operational efficiencies. Total funding in 2015-16 increased by \$3.6 billion from \$22.8 billion to \$26.4 billion. State funds are anticipated to increase from \$6.5 billion in 2014-15 to nearly \$6.9 billion in 2015-16, which is an increase of \$389 million or 5.96 percent. The state fund increase is due primarily to an increase in caseload and utilization in the various programs. Income maintenance, including cash assistance payments and child care services for families in transition to independence and self-sufficiency, totaled \$2.7 billion from all sources for 2014-15. The 2015-16 budget increased total resources to \$2.8 billion while the commonwealth's General Fund share is increased from \$876 million to \$908 million. Of the \$2.8 billion, the budget provides a total of \$768 million for child care services.

The 2015-16 budget continues to provide a continuum of services for individuals with mental health and intellectual disabilities, ranging from home and community-based supports to quality institutional care. In June 2002, the state supported 5,098 institutional beds. By June 2015, that will be reduced to 2,395, a reduction of 53 percent. Over that period the community budgets will have grown by more than \$1.6 billion, an increase of 93.3 percent.

**State Correctional Institutions:** The 2015-16 budget proposed for the state correctional system is \$2.26 billion. From 2011-12 to 2015-16, total costs have grown from \$1.86 billion to \$2.26 billion. During this timeframe, the inmate population has declined by over 1,800, from 51,638 to 49,828. The inmate population is projected to decline in 2014-15 due to recent legislative changes.

## Motor License Fund

The Motor License Fund is one of the special revenue funds of the commonwealth and a major operating fund of the commonwealth. It is the fund that receives most of the revenues required by the Constitution of Pennsylvania to be used only for costs of construction, reconstruction, maintenance and repair of and safety on highways and bridges and for the payment of debt service on obligations incurred for such purposes. The major sources of revenue to the Motor License Fund are from motor fuels taxes, vehicle registration fees, license and operators' license fees and excise taxes imposed on products used in motor transportation. Certain of these revenues are further restricted to specific highway uses and are not included in the Motor License Fund estimate of revenue.

Taxes on motor fuels provided approximately 53.0 percent of total non-restricted Motor License Fund revenues in 2013-14. Revenue from liquid fuels taxes (including Act 89 liquid fuels taxes) has been growing incrementally over the past several years. For the five-year period ending with 2013-14, liquid fuels tax revenues increased at an annual average rate of 0.7 percent. For 2014-15 Act 89 liquid fuels taxes are expected to increase 0.8 percent. Overall liquid fuels taxes are projected to increase 7.5 percent over fiscal year 2014-15. License and fee revenues represent the other major source of revenues for the Motor License Fund. Annual growth of receipts from these sources has also been modest in recent years. For the five-year period ending with 2013-14, license and fee revenues increased at an annual average rate of 1.0 percent. However, as the national economy continues to recover, an increase of 0.2 percent in license and fee revenue is projected for fiscal year 2015-16. This growth is expected to increase slightly over the next several fiscal years. Beginning in 2007-08, the commonwealth and the Pennsylvania Turnpike Commission reached an agreement for the Turnpike Commission to provide annual contributions for an expanded highway and bridge program and for local

maintenance of roads and bridges. Annual contributions have been \$200 million since inception. Act 89 of 2013 redirected this \$200 million from the Motor License Fund to the Public Transportation Trust Fund and the Multimodal Transportation Fund.

The budget for 2015-16 recommends \$5.25 billion for construction, reconstruction and maintenance of highways and bridges in the commonwealth. This is an increase of 6.65 percent from 2014-15, primarily due to the passage of Act 89 of 2013. The increase is supported by bond financing for highway projects.

The Department of Transportation will continue to establish and maintain a first-rate infrastructure, which unites roads, rails, waterways, airports and information networks linking goods, services, people and ideas to our community, state and world markets.

## Lottery Fund

The Lottery Fund is a special revenue fund that receives the proceeds of lottery sales. It provides funding for lottery prizes and for programs supporting older Pennsylvanians. These programs include assistance in the purchase of pharmaceuticals, property tax and rent assistance, community care programs and public transportation subsidies.

The Property Tax and Rent Rebate program within the Department of Revenue allows older Pennsylvanians, surviving spouses over age 50 and permanently disabled citizens to lead fuller lives by restoring a portion of their income through property tax and rent rebate assistance. Act 1 of Special Session No. 1 of 2006 expanded the current Property Tax / Rent Rebate program to give more Pennsylvanians a rebate while also increasing the amounts of the rebates. The expansion included increasing the household income limit from \$15,000 to \$35,000 and increasing the maximum rebate from \$500 to \$650. As a result of Act 156 of 2014, income eligibility guidelines for this program have changed so that income increases due solely to Social Security cost-of-living adjustments (COLAs) will no longer disqualify claimants from receiving rebates.

The Pharmaceutical Assistance Contract for the Elderly (PACE/PACENET) program provides pharmaceutical benefits to qualified older Pennsylvanians who face a growing burden from the cost of prescription drugs required to maintain healthy and productive lives.

The PENNCARE program provides home and community-based services to older Pennsylvanians to enrich their lives and enable them to delay or avoid moving to a nursing home. For 2015-16, \$305.2 million is provided for the PENNCARE appropriation including increases of \$1.9 million to annualize services for individuals in the Options program and \$1.8 million to expand Attendant Care services to 228 additional people. For additional details, see the Department of Aging presentation.

The Lottery Fund also provides \$309.1 million to offset program costs in Long-Term Care and \$105.7 million to offset program costs for the Home and Community-Based Services program in the Department of Human Services.

Act 44 of 2007 provides a transfer to the Public Transportation Trust Fund for distribution to transit systems providing free rides to older Pennsylvanians.

The 2015-16 budget assumes revenue growth by expanding points of distribution, optimizing the retailer network, continuing the growth of instant games and implementing a number of modernization initiatives.

## Rainy Day Fund

Act 91 of 2002 created the Budget Stabilization Reserve Fund to replace the Tax Stabilization Reserve Fund as the commonwealth's Rainy Day Fund. The purpose of the Rainy Day Fund is to provide financial assistance to counterbalance downturns in the economy that result in revenue shortfalls in order to promote greater continuity and predictability in the funding of vital government services.

The Budget Stabilization Reserve Fund is to receive an annual transfer of 25 percent of the General Fund's fiscal year ending balance. The transfer requirement is reduced to 10 percent of the General Fund's ending balance if the balance of the Budget Stabilization Reserve Fund equals or exceeds 6 percent of actual General Fund revenues received for the fiscal year. Appropriations out of the Budget Stabilization Reserve Fund require approval by two-thirds of the members of each house of the General Assembly.



At the close of the 2001-02 fiscal year, the balance of the former Tax Stabilization Reserve Fund was nearly \$1.04 billion. In order to balance the 2001-02 and 2002-03 General Fund budgets, Act 91 of 2002 repealed the Tax Stabilization Reserve Fund and by law the entire balance was transferred to the General Fund. The General Appropriation Act of 2002 transferred \$300 million from the General Fund as an initial deposit into the new Budget Stabilization Reserve Fund. Subsequently, the General Appropriation Act of 2003 repealed this transfer and the \$300 million reverted back to the General Fund. In accordance with Act 91 of 2002, 25 percent of the General Fund's 2002-03 fiscal year ending balance, or \$69.8 million, was transferred to the Rainy Day Fund after the close of the fiscal year.

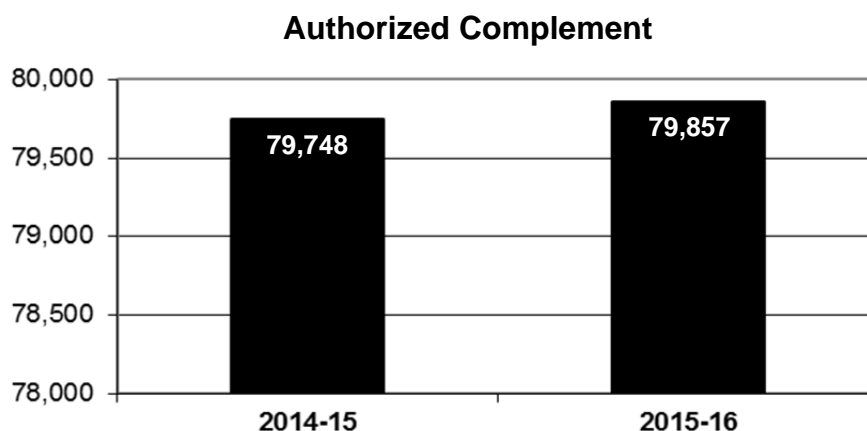
The transfer from the 2003-04 General Fund balance to the Budget Stabilization Reserve Fund of \$190 million exceeded the 25 percent statutory minimum and increased the balance in the Fund to more than \$260 million, bringing it slightly higher than the balance in 1996-97. In accordance with Act 41 of 2005, the transfer from the General Fund balance for the fiscal year 2004-05 was 15 percent of the balance; the amount transferred was \$64.4 million. Transfers of 25 percent of the General Fund balance amounted to \$171.4 million in 2005-06 and \$177 million in 2006-07.

Act 53 of 2008 suspended the transfer of surplus funds to the Budget Stabilization Reserve Fund for 2007-08. To help balance the 2009-10 budget, Act 50 of 2009 authorized the transfer of \$755 million from the Budget Stabilization Reserve Fund to the General Fund. Act 46 of 2010 authorized the transfer of \$745,000 to the General Fund. Act 26 of 2011 suspended the transfer of surplus funds to the Budget Stabilization Reserve Fund for 2010-11. Act 87 of 2012 suspended the transfer of surplus funds to the Budget Stabilization Reserve Fund for 2011-12. Act 71 of 2013 suspended the transfer of surplus funds to the Budget Stabilization Reserve Fund for 2012-13.

Act 126 of 2014 suspended the transfer of surplus funds to the Budget Stabilization Reserve Fund for 2013-14. There was \$213,000 remaining in the Budget Stabilization Reserve Fund as of June 30, 2014. This budget proposes to reinstate the transfer of 25 percent of the 2014-15 General Fund surplus to the Budget Stabilization Reserve Fund.

## Complement

A major component of any budget is the size of its workforce or complement. In Pennsylvania, a complement level (the number of full-time equivalent (FTE) salaried positions) is authorized by appropriation for each agency under the Governor's jurisdiction. A summary of authorized salaried complement by department is included in Section I of this budget document.



This budget proposes an overall increase in the commonwealth's current authorized FTE salaried complement level in 2015-16 of 109 positions, from 79,748 to 79,857 positions.



---

# STATEMENTS

This section summarizes the budget for the General Fund and selected Special Funds. It includes seven year financial statements for each of these funds, a seven year summary by agency and fund, summaries by the seven commonwealth programs, and several summaries for the General Fund including income by major source and outgo by program.

– THIS PAGE INTENTIONALLY LEFT BLANK –

## Seven Year Financial Statements By Fund

The following financial statements are a summary of the General Fund and selected Special Fund revenues and expenditures for the 2013-14 actual year, 2014-15 available year, 2015-16 budget year, as well as future year estimates. Additional information on revenues and expenditures is detailed in subsequent tables and in Section C of this budget.

### General Fund

(Dollar Amounts in Thousands)

|   | <u>2013-14</u>   | <u>2014-15</u>      | <u>2015-16</u>   | <u>2016-17</u>   | <u>2017-18</u>    | <u>2018-19</u>    | <u>2019-20</u>      |
|---|------------------|---------------------|------------------|------------------|-------------------|-------------------|---------------------|
| Beginning Balance.....                                  | \$ 540,918       | \$ 80,631           | \$ 8,975         | \$ 96,768        | \$ 44,816         | \$ 639,894        | \$ 925,990          |
| Revenues.....   | \$ 28,607,152    | \$ 30,176,500       | \$ 31,387,500    | \$ 32,780,500    | \$ 35,099,900     | \$ 36,365,300     | \$ 37,893,600       |
| Adjustments <sup>a</sup> .....                          | -672,396         | -1,197,273          | -1,383,100       | -1,512,400       | -1,574,400        | -1,624,100        | -1,672,300          |
| Funds Available.....                                    | \$ 28,475,674    | \$ 29,059,858       | \$ 30,013,375    | \$ 31,364,868    | \$ 33,570,316     | \$ 35,381,094     | \$ 37,147,290       |
| Total Spending.....                                     | -28,395,043      | -29,047,891         | -29,884,351      | -31,305,113      | -32,717,124       | -34,146,441       | -35,158,669         |
| Preliminary Balance.....                                | \$ 80,631        | \$ 11,967           | \$ 129,024       | \$ 59,755        | \$ 853,192        | \$ 1,234,653      | \$ 1,988,621        |
| Less Transfer to Budget Stabilization Reserve Fund..... | 0 <sup>b</sup>   | -2,992 <sup>c</sup> | -32,256          | -14,939          | -213,298          | -308,663          | -497,155            |
| Ending Balance.....                                     | <u>\$ 80,631</u> | <u>\$ 8,975</u>     | <u>\$ 96,768</u> | <u>\$ 44,816</u> | <u>\$ 639,894</u> | <u>\$ 925,990</u> | <u>\$ 1,491,466</u> |

<sup>a</sup> Includes refunds, lapses and adjustments to beginning balances.

<sup>b</sup> Act 126 of 2014 suspended the 25% transfer to the Budget Stabilization Reserve Fund for 2013-14.

<sup>c</sup> This budget proposes the reinstatement of the 25% transfer to the Budget Stabilization Reserve Fund for 2014-15 and for 2015-16.

## Seven Year Financial Statements By Fund

### Motor License Fund<sup>a</sup>

|                        | (Dollar Amounts in Thousands) |                   |                   |                   |                   |                   |                   |
|------------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                        | <u>2013-14</u>                | <u>2014-15</u>    | <u>2015-16</u>    | <u>2016-17</u>    | <u>2017-18</u>    | <u>2018-19</u>    | <u>2019-20</u>    |
| Beginning Balance..... | \$ 107,584                    | \$ 104,796        | \$ 106,469        | \$ 13,163         | \$ 13,047         | \$ 12,563         | \$ 12,126         |
| Receipts.....          | <u>2,491,366</u>              | <u>2,611,398</u>  | <u>2,644,800</u>  | <u>2,759,200</u>  | <u>2,870,600</u>  | <u>2,884,200</u>  | <u>2,919,100</u>  |
| Funds Available.....   | \$ 2,598,950                  | \$ 2,716,194      | \$ 2,751,269      | \$ 2,772,363      | \$ 2,883,647      | \$ 2,896,763      | \$ 2,931,226      |
| Less Expenditures..... | <u>-2,494,154</u>             | <u>-2,609,725</u> | <u>-2,738,106</u> | <u>-2,759,316</u> | <u>-2,871,084</u> | <u>-2,884,637</u> | <u>-2,920,974</u> |
| Ending Balance.....    | <u>\$ 104,796</u>             | <u>\$ 106,469</u> | <u>\$ 13,163</u>  | <u>\$ 13,047</u>  | <u>\$ 12,563</u>  | <u>\$ 12,126</u>  | <u>\$ 10,252</u>  |

### Lottery Fund

|                                    | (Dollar Amounts in Thousands) |                   |                   |                   |                    |                    |                    |
|------------------------------------|-------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
|                                    | <u>2013-14</u>                | <u>2014-15</u>    | <u>2015-16</u>    | <u>2016-17</u>    | <u>2017-18</u>     | <u>2018-19</u>     | <u>2019-20</u>     |
| Beginning Balance.....             | \$ 161,176                    | \$ 202,173        | \$ 11,443         | \$ 12,437         | \$ -70,515         | \$ -133,549        | \$ -152,674        |
| Add Reserve From Prior Year.....   | 75,000                        | 75,000            | 75,000            | 0                 | 0                  | 0                  | 0                  |
| Receipts.....                      | <u>1,795,791</u>              | <u>1,757,984</u>  | <u>1,875,050</u>  | <u>1,902,950</u>  | <u>1,931,550</u>   | <u>1,974,350</u>   | <u>2,013,350</u>   |
| Funds Available.....               | \$ 2,031,967                  | \$ 2,035,157      | \$ 1,961,493      | \$ 1,915,387      | \$ 1,861,035       | \$ 1,840,801       | \$ 1,860,676       |
| Less Expenditures.....             | <u>-1,754,794</u>             | <u>-1,948,714</u> | <u>-1,949,056</u> | <u>-1,985,902</u> | <u>-1,994,584</u>  | <u>-1,993,475</u>  | <u>-2,000,289</u>  |
| Less Reserve for Current Year..... | <u>-75,000</u>                | <u>-75,000</u>    | <u>0</u>          | <u>0</u>          | <u>0</u>           | <u>0</u>           | <u>0</u>           |
| Ending Balance.....                | <u>\$ 202,173</u>             | <u>\$ 11,443</u>  | <u>\$ 12,437</u>  | <u>\$ -70,515</u> | <u>\$ -133,549</u> | <u>\$ -152,674</u> | <u>\$ -139,613</u> |

<sup>a</sup> Excludes restricted revenue.

# Overview and Summaries

## Seven Year Department Summary by Fund

The following is a summary by department of 2013-14 actual expenditures, the 2014-15 amounts available, the 2015-16 amounts budgeted and future year estimates for the General Fund and selected Special Funds.

|   | (Dollar Amounts in Thousands) |                      |                   |                      |                      |                      |                      |
|---|-------------------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2013-14<br>Actual             | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
| <b>Governor's Office</b>                  |                               |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 6,429                      | \$ 6,508             | \$ 6,498          | \$ 6,725             | \$ 6,893             | \$ 7,065             | \$ 7,242             |
| <b>Executive Offices</b>                  |                               |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 168,454                    | \$ 172,893           | \$ 183,398        | \$ 177,228           | \$ 180,421           | \$ 183,494           | \$ 186,747           |
| Motor License Fund.....                   | 2,229                         | 1,371                | 1,401             | 1,450                | 1,486                | 1,523                | 1,561                |
| Department Total.....                     | \$ 170,683                    | \$ 174,264           | \$ 184,799        | \$ 178,678           | \$ 181,907           | \$ 185,017           | \$ 188,308           |
| <b>Lieutenant Governor</b>                |                               |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 1,327                      | \$ 1,383             | \$ 1,629          | \$ 1,686             | \$ 1,728             | \$ 1,771             | \$ 1,816             |
| <b>Attorney General</b>                   |                               |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 87,290                     | \$ 92,289            | \$ 95,517         | \$ 98,811            | \$ 101,246           | \$ 103,741           | \$ 106,299           |
| <b>Auditor General</b>                    |                               |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 44,779                     | \$ 44,864            | \$ 49,080         | \$ 45,623            | \$ 46,763            | \$ 47,933            | \$ 49,132            |
| <b>Treasury</b>                           |                               |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 1,116,847                  | \$ 1,145,536         | \$ 1,218,228      | \$ 1,292,861         | \$ 1,372,329         | \$ 1,457,376         | \$ 1,504,279         |
| Motor License Fund.....                   | 30,057                        | 36,695               | 51,556            | 71,306               | 84,397               | 86,709               | 86,653               |
| Department Total.....                     | \$ 1,146,904                  | \$ 1,182,231         | \$ 1,269,784      | \$ 1,364,167         | \$ 1,456,726         | \$ 1,544,085         | \$ 1,590,932         |
| <b>Aging</b>                              |                               |                      |                   |                      |                      |                      |                      |
| Lottery Fund.....                         | \$ 438,263                    | \$ 487,321           | \$ 504,386        | \$ 532,174           | \$ 527,399           | \$ 522,630           | \$ 517,867           |
| <b>Agriculture</b>                        |                               |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 123,772                    | \$ 126,892           | \$ 129,472        | \$ 130,462           | \$ 131,194           | \$ 131,944           | \$ 132,713           |
| Motor License Fund.....                   | 4,328                         | 32,328               | 32,728            | 32,728               | 32,728               | 32,728               | 32,728               |
| Department Total.....                     | \$ 128,100                    | \$ 159,220           | \$ 162,200        | \$ 163,190           | \$ 163,922           | \$ 164,672           | \$ 165,441           |
| <b>Civil Service Commission</b>           |                               |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 1                          | \$ 1                 | \$ 1              | \$ 1                 | \$ 1                 | \$ 1                 | \$ 1                 |
| <b>Community and Economic Development</b> |                               |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 229,621                    | \$ 204,016           | \$ 282,434        | \$ 282,757           | \$ 283,603           | \$ 284,450           | \$ 285,323           |
| Motor License Fund.....                   | 1,073                         | 1,073                | 1,073             | 1,073                | 1,073                | 1,073                | 1,073                |
| Department Total.....                     | \$ 230,694                    | \$ 205,089           | \$ 283,507        | \$ 283,830           | \$ 284,676           | \$ 285,523           | \$ 286,396           |
| <b>Conservation and Natural Resources</b> |                               |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 27,114                     | \$ 14,527            | \$ 34,216         | \$ 35,304            | \$ 36,108            | \$ 36,932            | \$ 37,777            |
| Motor License Fund.....                   | 1,000                         | 7,000                | 7,000             | 7,000                | 7,000                | 7,000                | 7,000                |
| Department Total.....                     | \$ 28,114                     | \$ 21,527            | \$ 41,216         | \$ 42,304            | \$ 43,108            | \$ 43,932            | \$ 44,777            |
| <b>Corrections</b>                        |                               |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 1,997,676                  | \$ 2,116,548         | \$ 2,263,520      | \$ 2,363,442         | \$ 2,448,575         | \$ 2,510,395         | \$ 2,577,560         |
| <b>Drug and Alcohol Programs</b>          |                               |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 41,702                     | \$ 41,860            | \$ 47,351         | \$ 47,390            | \$ 47,419            | \$ 47,449            | \$ 47,479            |

# Overview and Summaries

## Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Education</b>                            |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 11,114,437     | \$ 11,563,865        | \$ 11,211,119     | \$ 11,945,305        | \$ 12,420,130        | \$ 12,894,384        | \$ 12,913,708        |
| Motor License Fund.....                     | 1,100             | 1,100                | 1,100             | 1,100                | 1,100                | 1,100                | 1,100                |
| Department Total.....                       | \$ 11,115,537     | \$ 11,564,965        | \$ 11,212,219     | \$ 11,946,405        | \$ 12,421,230        | \$ 12,895,484        | \$ 12,914,808        |
| <b>eHealth Partnership Authority</b>        |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 2,000          | \$ 1,850             | \$ 1,500          | \$ 1,500             | \$ 0                 | \$ 0                 | \$ 0                 |
| <b>Emergency Management Agency</b>          |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 22,960         | \$ 14,641            | \$ 12,671         | \$ 12,244            | \$ 12,546            | \$ 12,856            | \$ 13,173            |
| <b>Environmental Protection</b>             |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 127,931        | \$ 141,488           | \$ 149,375        | \$ 154,197           | \$ 157,762           | \$ 161,416           | \$ 165,163           |
| Motor License Fund.....                     | 4,000             | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| Department Total.....                       | \$ 131,931        | \$ 141,488           | \$ 149,375        | \$ 154,197           | \$ 157,762           | \$ 161,416           | \$ 165,163           |
| <b>Ethics Commission</b>                    |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 1,868          | \$ 2,090             | \$ 2,153          | \$ 2,228             | \$ 2,284             | \$ 2,341             | \$ 2,400             |
| <b>General Services</b>                     |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 115,229        | \$ 120,306           | \$ 126,599        | \$ 129,374           | \$ 131,455           | \$ 133,592           | \$ 135,787           |
| Motor License Fund.....                     | 10,292            | 10,299               | 10,320            | 10,320               | 10,320               | 10,320               | 10,320               |
| Department Total.....                       | \$ 125,521        | \$ 130,605           | \$ 136,919        | \$ 139,694           | \$ 141,775           | \$ 143,912           | \$ 146,107           |
| <b>Health</b>                               |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 189,698        | \$ 199,945           | \$ 204,221        | \$ 207,222           | \$ 209,443           | \$ 211,718           | \$ 214,050           |
| <b>Health Care Cost Containment Council</b> |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 2,683          | \$ 2,710             | \$ 2,710          | \$ 2,805             | \$ 2,875             | \$ 2,947             | \$ 3,021             |
| <b>Higher Education Assistance Agency</b>   |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 386,475        | \$ 391,475           | \$ 407,066        | \$ 407,066           | \$ 407,066           | \$ 407,066           | \$ 407,066           |
| <b>Historical and Museum Commission</b>     |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 19,293         | \$ 20,944            | \$ 21,569         | \$ 22,254            | \$ 22,760            | \$ 23,279            | \$ 23,811            |
| <b>Human Services</b>                       |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 11,045,132     | \$ 11,217,068        | \$ 11,907,895     | \$ 12,377,738        | \$ 13,094,047        | \$ 13,839,020        | \$ 14,648,628        |
| Lottery Fund.....                           | 330,081           | 501,558              | 419,649           | 419,649              | 419,649              | 419,649              | 419,649              |
| Department Total.....                       | \$ 11,375,213     | \$ 11,718,626        | \$ 12,327,544     | \$ 12,797,387        | \$ 13,513,696        | \$ 14,258,669        | \$ 15,068,277        |
| <b>Housing Finance Agency</b>               |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 0              | \$ 0                 | \$ 15,000         | \$ 15,000            | \$ 15,000            | \$ 15,000            | \$ 15,000            |
| <b>Insurance</b>                            |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 114,845        | \$ 117,585           | \$ 37,527         | \$ 23,450            | \$ 28,604            | \$ 34,401            | \$ 40,934            |
| <b>Labor and Industry</b>                   |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 70,940         | \$ 71,368            | \$ 85,872         | \$ 86,710            | \$ 87,330            | \$ 87,964            | \$ 88,616            |
| <b>Military and Veterans Affairs</b>        |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                           | \$ 117,911        | \$ 120,927           | \$ 132,934        | \$ 143,561           | \$ 150,304           | \$ 155,726           | \$ 160,835           |



# Overview and Summaries

## Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

|                                    | 2013-14<br>Actual    | 2014-15<br>Available | 2015-16<br>Budget    | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Probation and Parole</b>        |                      |                      |                      |                      |                      |                      |                      |
| General Fund.....                  | \$ 141,470           | \$ 156,328           | \$ 172,456           | \$ 181,914           | \$ 190,289           | \$ 199,068           | \$ 208,271           |
| <b>Revenue</b>                     |                      |                      |                      |                      |                      |                      |                      |
| General Fund.....                  | \$ 212,951           | \$ 177,379           | \$ 177,036           | \$ 187,000           | \$ 184,752           | \$ 187,742           | \$ 193,417           |
| Lottery Fund.....                  | 812,519              | 779,417              | 843,139              | 850,566              | 862,122              | 863,842              | 873,443              |
| Motor License Fund.....            | 27,078               | 33,645               | 36,076               | 35,813               | 37,551               | 37,711               | 38,195               |
| Department Total.....              | \$ 1,052,548         | \$ 990,441           | \$ 1,056,251         | \$ 1,073,379         | \$ 1,084,425         | \$ 1,089,295         | \$ 1,105,055         |
| <b>State</b>                       |                      |                      |                      |                      |                      |                      |                      |
| General Fund.....                  | \$ 10,928            | \$ 11,149            | \$ 12,003            | \$ 9,210             | \$ 10,532            | \$ 10,536            | \$ 10,743            |
| <b>State Police</b>                |                      |                      |                      |                      |                      |                      |                      |
| General Fund.....                  | \$ 207,655           | \$ 221,062           | \$ 240,574           | \$ 261,264           | \$ 280,844           | \$ 301,972           | \$ 324,774           |
| Motor License Fund.....            | 621,941              | 676,118              | 739,305              | 790,850              | 849,404              | 912,600              | 980,810              |
| Department Total.....              | \$ 829,596           | \$ 897,180           | \$ 979,879           | \$ 1,052,114         | \$ 1,130,248         | \$ 1,214,572         | \$ 1,305,584         |
| <b>Transportation</b>              |                      |                      |                      |                      |                      |                      |                      |
| General Fund.....                  | \$ 6,382             | \$ 6,013             | \$ 6,160             | \$ 6,215             | \$ 6,254             | \$ 6,295             | \$ 6,338             |
| Lottery Fund.....                  | 80,975               | 85,975               | 85,975               | 85,975               | 85,975               | 85,975               | 85,975               |
| Motor License Fund.....            | 1,791,056            | 1,815,096            | 1,857,547            | 1,807,676            | 1,846,025            | 1,793,873            | 1,761,534            |
| Department Total.....              | \$ 1,878,413         | \$ 1,907,084         | \$ 1,949,682         | \$ 1,899,866         | \$ 1,938,254         | \$ 1,886,143         | \$ 1,853,847         |
| <b>Legislature</b>                 |                      |                      |                      |                      |                      |                      |                      |
| General Fund.....                  | \$ 277,442           | \$ 228,906           | \$ 280,366           | \$ 280,366           | \$ 280,366           | \$ 280,366           | \$ 280,366           |
| <b>Judiciary</b>                   |                      |                      |                      |                      |                      |                      |                      |
| General Fund.....                  | \$ 317,432           | \$ 317,432           | \$ 317,432           | \$ 317,432           | \$ 317,432           | \$ 317,432           | \$ 317,432           |
| <b>Government Support Agencies</b> |                      |                      |                      |                      |                      |                      |                      |
| General Fund.....                  | \$ 44,369            | \$ 35,216            | \$ 48,769            | \$ 48,769            | \$ 48,769            | \$ 48,769            | \$ 48,769            |
| <b>COMMONWEALTH TOTALS:</b>        |                      |                      |                      |                      |                      |                      |                      |
| General                            | \$ 28,395,043        | \$ 29,107,064        | \$ 29,884,351        | \$ 31,305,114        | \$ 32,717,124        | \$ 34,146,441        | \$ 35,158,670        |
| Lottery                            | 1,661,838            | 1,854,271            | 1,853,149            | 1,888,364            | 1,895,145            | 1,892,096            | 1,896,934            |
| Motor License                      | 2,494,154            | 2,614,725            | 2,738,106            | 2,759,316            | 2,871,084            | 2,884,637            | 2,920,974            |
| <b>GRAND TOTAL</b> .....           | <u>\$ 32,551,035</u> | <u>\$ 33,576,060</u> | <u>\$ 34,475,606</u> | <u>\$ 35,952,794</u> | <u>\$ 37,483,353</u> | <u>\$ 38,923,174</u> | <u>\$ 39,976,578</u> |

## General and Special Funds

This table shows a summary by Commonwealth Programs of 2013-14 expenditures, the 2014-15 amounts available, the 2015-16 amounts budgeted and future year estimates for the General Fund and selected Special Funds.

### Seven Year Commonwealth Program Summary

| Commonwealth Program                    | (Dollar amounts in Thousands) |                      |                      |                      |                      |                      |                      |
|---|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2013-14<br>Actual             | 2014-15<br>Available | 2015-16<br>Budget    | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
| Direction and Supportive Services.....  | \$ 1,412,779                  | \$ 1,299,386         | \$ 1,450,437         | \$ 1,458,448         | \$ 1,473,011         | \$ 1,496,105         | \$ 1,518,790         |
| Protection of Persons and Property..... | 3,991,860                     | 4,248,130            | 4,434,983            | 4,617,646            | 4,806,195            | 4,977,189            | 5,163,857            |
| Education.....                          | 11,458,418                    | 11,913,532           | 11,577,205           | 12,312,261           | 12,788,021           | 13,263,258           | 13,283,616           |
| Health and Human Services.....          | 12,443,185                    | 12,848,463           | 13,501,446           | 14,013,922           | 14,734,741           | 15,471,649           | 16,282,126           |
| Economic Development.....               | 289,633                       | 264,255              | 372,703              | 373,706              | 375,266              | 376,862              | 378,522              |
| Transportation .....                    | 1,751,928                     | 1,770,296            | 1,801,581            | 1,744,766            | 1,781,414            | 1,727,938            | 1,692,227            |
| Recreation and Cultural Enrichment..... | 117,367                       | 113,061              | 135,133              | 137,006              | 138,390              | 139,809              | 141,263              |
| Debt Service.....                       | 1,085,865                     | 1,118,937            | 1,202,118            | 1,295,039            | 1,386,315            | 1,470,364            | 1,516,177            |
| GENERAL FUND AND SPECIAL                |                               |                      |                      |                      |                      |                      |                      |
| FUNDS TOTAL.....                        | <u>\$ 32,551,035</u>          | <u>\$ 33,576,060</u> | <u>\$ 34,475,606</u> | <u>\$ 35,952,794</u> | <u>\$ 37,483,353</u> | <u>\$ 38,923,174</u> | <u>\$ 39,976,578</u> |

## Distribution of the Commonwealth Dollar

### GENERAL FUND AND SPECIAL FUNDS

**2015-16 Fiscal Year**  
(Dollar Amounts in Thousands)



This presentation shows the amount and portion of the total General Fund and selected special funds allocated to major program areas.

## General Fund

This table shows a summary by Commonwealth Program of 2013-14 expenditures, the 2014-15 amounts available, the 2015-16 amounts budgeted and future year estimates.

### Seven Year Commonwealth Program Summary

|   | (Dollar amounts in Thousands) |                      |                      |                      |                      |                      |                      |
|---|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2013-14<br>Actual             | 2014-15<br>Available | 2015-16<br>Budget    | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
| <b>Commonwealth Program</b>             |                               |                      |                      |                      |                      |                      |                      |
| Direction and Supportive Services.....  | \$ 828,503                    | \$ 737,921           | \$ 821,798           | \$ 822,447           | \$ 822,267           | \$ 830,729           | \$ 842,077           |
| Protection of Persons and Property..... | 3,236,520                     | 3,404,304            | 3,516,402            | 3,640,576            | 3,768,870            | 3,875,344            | 3,990,430            |
| Education.....                          | 11,457,318                    | 11,912,432           | 11,576,105           | 12,311,161           | 12,786,921           | 13,262,158           | 13,282,516           |
| Health and Human Services.....          | 11,394,741                    | 11,578,984           | 12,292,211           | 12,774,899           | 13,499,593           | 14,251,670           | 15,068,110           |
| Economic Development.....               | 288,560                       | 263,182              | 371,630              | 372,633              | 374,193              | 375,789              | 377,449              |
| Transportation .....                    | 4,968                         | 4,605                | 4,607                | 4,607                | 4,607                | 4,607                | 4,607                |
| Recreation and Cultural Enrichment..... | 116,367                       | 106,061              | 128,133              | 130,006              | 131,390              | 132,809              | 134,263              |
| Debt Service.....                       | 1,068,066                     | 1,099,575            | 1,173,465            | 1,248,785            | 1,329,283            | 1,413,335            | 1,459,218            |
| <b>GENERAL FUND TOTAL.....</b>          | <b>\$ 28,395,043</b>          | <b>\$ 29,107,064</b> | <b>\$ 29,884,351</b> | <b>\$ 31,305,114</b> | <b>\$ 32,717,124</b> | <b>\$ 34,146,441</b> | <b>\$ 35,158,670</b> |

# GENERAL FUND

2015-16 Fiscal Year



## Income

(Dollar Amounts in Thousands)

|                        |                     |
|------------------------|---------------------|
| TOTAL INCOME .....     | \$31,387,500        |
| Refunds .....          | -1,383,100          |
| Beginning Balance..... | 8,975               |
| <b>TOTAL .....</b>     | <b>\$30,013,375</b> |

|                        |                    |
|------------------------|--------------------|
| <b>Personal Income</b> |                    |
| \$12,829,000 4.9%      |                    |
| <b>Consumption</b>     | \$11,396,000 36.2% |
| <b>Business</b>        | \$5,231,500 16.7%  |
| <b>Other Taxes</b>     | \$1,431,400 4.6%   |
| <b>Non-Tax Revenue</b> | \$499,600 1.6%     |

## Outgo

(Dollar Amounts in Thousands)

|                          |                      |
|--------------------------|----------------------|
| TOTAL OUTGO .....        | \$ 29,884,351        |
| Budget Stabilization     |                      |
| Reserve Fund .....       | 32,256               |
| Plus Ending Surplus .... | 96,768               |
| <b>TOTAL .....</b>       | <b>\$ 30,013,375</b> |



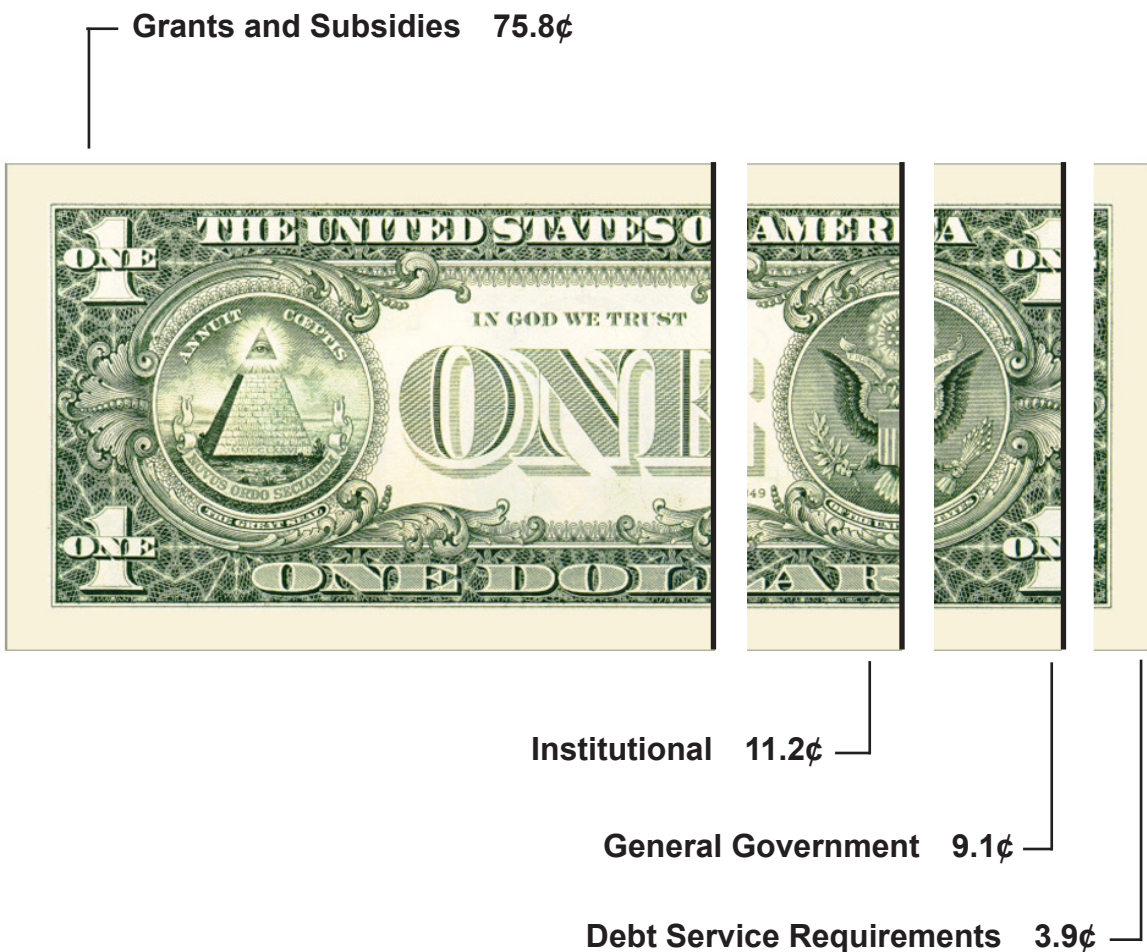
|   |                    |
|---|--------------------|
| <b>Health and Human Services</b>          | \$12,292,211 41.1% |
| <b>Education</b>                          | \$11,576,105 38.7% |
| <b>Protection of Persons and Property</b> | \$3,516,402 11.8%  |
| <b>Debt Service</b>                       | \$1,173,465 3.9%   |
| <b>Direction and Supportive Services</b>  | \$821,798 2.8%     |
| <b>Economic Development</b>               | \$371,630 1.2%     |
| <b>Other Programs</b>                     | \$132,740 0.4%     |

This presentation shows the amount and proportion for the major revenue sources and major program areas for the total General Fund.



# USE OF THE GENERAL FUND DOLLAR

2015-16 Fiscal Year



Over 75 cents of each General Fund dollar is returned to individuals, local governments, institutions, school districts, etc. in the form of grants and subsidies.



---

# FEDERAL BLOCK GRANTS

The federal government has two primary types of grants: categorical grants and block grants. Categorical grants are generally distributed for specific purposes. Block grants are distributed to state and local governments based on a distribution formula and are available for an activity that falls within the purposes of the federal authorizing legislation. Generally, block grants provide state and local governments with greater flexibility than categorical grants.

The commonwealth implemented eight block grants based on the Federal Omnibus Reconciliation Act of 1981. Since that time, block grants have been added and revised based on changes in federal law. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created two new block grants: Temporary Assistance to Needy Families and the Child Care and Development Fund, which replaced the Child Care Block Grant.

Two programs, Workforce Investment and Anti-Drug Abuse Programs, have also been included because the federal government provides flexibility on the activities eligible for funding.

Block grants such as Community Services, Workforce Investment and Justice Assistance Grants received additional dollars from the American Recovery and Reinvestment Act of 2009. These funds are noted on the individual block grant pages.

The tables within this section provide information on the estimated amount to be received from the federal government and an estimated distribution of the funds by program within the block grant. Generally, the amounts shown for administrative costs represent the amount allowable by the federal government. The 2014-15 estimated block grant amounts reflect the current estimate of amounts available and, therefore, may be different from amounts appropriated.

The recommended distribution by program for 2015-16 is a preliminary proposal. Opportunities for public review and comment may result in modifications to the proposed distribution.

---



# SUMMARY OF FEDERAL BLOCK GRANTS

This table shows a summary by federal block grant of 2013-14 expenditures, 2014-15 available and 2015-16 amounts budgeted as presented in the 2015-16 Governor's Executive Budget.

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual<br>Block | 2014-15<br>Available<br>Block | 2015-16<br>Recommended<br>Block |
|---|----------------------------|-------------------------------|---------------------------------|
| Anti-Drug Abuse.....                        | \$ 32,242                  | \$ 20,701                     | \$ 16,466                       |
| Child Care and Development Fund.....        | 348,581                    | 373,407                       | 399,076                         |
| Community Services.....                     | 31,007                     | 31,007                        | 36,607                          |
| Low-Income Home Energy Assistance.....      | 227,765                    | 385,000                       | 385,500                         |
| Maternal and Child Health Services.....     | 32,491                     | 32,507                        | 32,539                          |
| Mental Health Services.....                 | 18,234                     | 20,861                        | 18,519                          |
| Preventive Health and Health Services.....  | 5,198                      | 9,100                         | 11,236                          |
| Social Services.....                        | 95,985                     | 96,060                        | 96,060                          |
| Substance Abuse.....                        | 65,019                     | 64,785                        | 67,664                          |
| Temporary Assistance to Needy Families..... | 595,106                    | 609,863                       | 574,966                         |
| Workforce Investment.....                   | 240,900                    | 240,900                       | 240,000                         |
| TOTAL.....                                  | <u>\$ 1,692,528</u>        | <u>\$ 1,884,191</u>           | <u>\$ 1,878,633</u>             |

## Anti-Drug Abuse

The Justice Assistance Grant (JAG) program provides funds for state and local governments to implement a wide range of drug enforcement and correctional treatment projects as well as providing victim services and juvenile and criminal justice system improvement initiatives throughout the commonwealth.

The American Recovery and Reinvestment Act of 2009 (ARRA) made additional funds available as listed below.

| Department / Appropriation                              | (Dollar Amounts in Thousands) |                               |                                 |
|---|-------------------------------|-------------------------------|---------------------------------|
|   | 2013-14<br>Actual<br>Block    | 2014-15<br>Available<br>Block | 2015-16<br>Recommended<br>Block |
| <b>Executive Offices:</b>                               |                               |                               |                                 |
| <i>Juvenile Court Judges Commission</i>                 |                               |                               |                                 |
| JCMS Support and Deployment (EA).....                   | \$ 124 <sup>a</sup>           | \$ 0                          | \$ 0                            |
| <i>Commission on Crime and Delinquency</i>              |                               |                               |                                 |
| Justice Assistance Grants.....                          | \$ 20,000                     | \$ 18,000                     | \$ 15,000                       |
| ARRA — Justice Assistance Grants.....                   | 6,000                         | 0                             | 0                               |
| Justice Assistance Grants — Administration.....         | 1,700                         | 1,500                         | 1,300                           |
| ARRA — Justice Assistance Grants Administration.....    | 1,200                         | 0                             | 0                               |
| Subtotal — Commission on Crime and Delinquency.....     | <u>\$ 28,900</u>              | <u>\$ 19,500</u>              | <u>\$ 16,300</u>                |
| Subtotal — Executive Offices.....                       | <u>\$ 28,900</u>              | <u>\$ 19,500</u>              | <u>\$ 16,300</u>                |
| <b>Corrections:</b>                                     |                               |                               |                                 |
| JAG — Culinary Program (EA).....                        | \$ 74                         | \$ 40 <sup>a</sup>            | \$ 0                            |
| Changing Offender Behavior.....                         | 1,050                         | 500                           | 166                             |
| RSAT — State Prisoners (EA).....                        | 970 <sup>b</sup>              | 570 <sup>b</sup>              | 75 <sup>a</sup>                 |
| ARRA — Peer Support (EA).....                           | 247 <sup>c</sup>              | 0                             | 0                               |
| State Intermediate Punishment - HOPE Research (EA)..... | 185 <sup>a</sup>              | 131                           | 0                               |
| Subtotal.....   | <u>\$ 1,734</u>               | <u>\$ 911</u>                 | <u>\$ 166</u>                   |
| <b>Probation and Parole:</b>                            |                               |                               |                                 |
| Violence Prediction Model.....                          | 86                            | 86                            | 0                               |
| ARRA — Recidivism Reduction (EA).....                   | 63                            | 0                             | 0                               |
| Effective Practices in Community Supervision (EA).....  | 0                             | 204                           | 0                               |
| Subtotal.....   | <u>\$ 149</u>                 | <u>\$ 290</u>                 | <u>\$ 0</u>                     |
| <b>State Police:</b>                                    |                               |                               |                                 |
| ARRA — JAG Protection from Abuse Database(EA).....      | \$ 19                         | \$ 0                          | \$ 0                            |
| ARRA — JAG Instant Check System Rewrite (EA).....       | 682                           | 0                             | 0                               |
| ARRA — JAG Megan's Law Modernization (EA).....          | 758                           | 0                             | 0                               |
| Law Enforcement Projects (EA)                           | 2,350 <sup>a</sup>            | 1,186 <sup>a</sup>            | 455 <sup>a</sup>                |
| Subtotal.....   | <u>\$ 1,459</u>               | <u>\$ 0</u>                   | <u>\$ 0</u>                     |
| TOTAL.....  | <u>\$ 32,242</u>              | <u>\$ 20,701</u>              | <u>\$ 16,466</u>                |

<sup>a</sup> Subgrants not added to total to avoid double counting.

<sup>b</sup> In 2013-14, \$370,000 of the \$970,000 is a subgrant and in 2014-15, \$290,000 of the \$570,000 is a subgrant and not added to total to avoid double counting.

<sup>c</sup> In 2013-14, \$237,000 of the \$247,000 is a subgrant and not added to total to avoid double counting.

## Child Care and Development Fund

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created this block grant, which provides funds to states for an integrated child care program. This program allows states flexibility in developing programs to provide child care to children of low-income working parents and parents trying to become independent of public assistance, to provide consumer education information to parents, to promote parental choice and to implement state health, safety, licensing and registration standards. States are not required to match discretionary funds; however, there are some maintenance of effort and state matching requirements.

(Dollar Amounts in Thousands)

| Department / Appropriation               | 2013-14<br>Actual<br>Block | 2014-15<br>Available<br>Block | 2015-16<br>Recommended<br>Block |
|--|----------------------------|-------------------------------|---------------------------------|
| <b>Executive Offices:</b>                |                            |                               |                                 |
| <i>Inspector General - Welfare Fraud</i> |                            |                               |                                 |
| CCDFBG — Subsidized Day Care Fraud.....  | \$ 558                     | \$ 905                        | \$ 905                          |
| <b>Human Services:</b>                   |                            |                               |                                 |
| CCDFBG — Administration.....             | \$ 14,141                  | \$ 16,723                     | \$ 21,070                       |
| CCDFBG — Child Care Services.....        | 190,067                    | 210,889                       | 244,856                         |
| CCDFBG — School Age.....                 | 1,260                      | 1,260                         | 1,260                           |
| CCDFBG — Child Care Assistance.....      | 142,555                    | 143,630                       | 130,985                         |
| Subtotal.....                            | \$ 348,023                 | \$ 372,502                    | \$ 398,171                      |
| TOTAL.....                               | \$ 348,581                 | \$ 373,407                    | \$ 399,076                      |

## Community Services

This block grant provides funds for community-based programs that offer health, nutrition, housing and employment-related services to improve the standard of living for low-income persons. Programs consolidated into the block grant include Community Action, Senior Opportunities and Services, Community Food and Nutrition, Energy Conservation and Training, Evaluation and Technical Assistance.

Federal law requires that 90 percent of the funding be distributed to Community Action Agencies (CAAs). Five percent is allowed for administration and the remaining five percent is utilized for competitive projects. The 90 percent program monies are being granted to existing CAAs for operating costs and low-income energy assistance efforts, the Community Action Association of Pennsylvania and competitive grants are awarded in the areas of employment training, job preparedness, community conservation corps, community economic development, summer employment and youth programs, emergency assistance and homeless assistance.

The funds estimated for administration are based on the statutory limitation of five percent and will be utilized for program purposes if not needed for administration.

(Dollar Amounts in Thousands)

| Department / Appropriation                 | 2013-14<br>Actual<br>Block | 2014-15<br>Available<br>Block | 2015-16<br>Recommended<br>Block |
|--|----------------------------|-------------------------------|---------------------------------|
| <b>Community and Economic Development:</b> |                            |                               |                                 |
| CSBG — Administration.....                 | \$ 1,507                   | \$ 1,507                      | \$ 1,607                        |
| Community Services Block Grant.....        | 29,500                     | 29,500                        | 35,000                          |
| TOTAL.....                                 | \$ 31,007                  | \$ 31,007                     | \$ 36,607                       |

## Low-Income Home Energy Assistance

This block grant provides funds to assist eligible low-income individuals and families in meeting the cost of home energy through cash assistance and to alleviate crisis situations. The amounts below include weather-related contingency funding.

| (Dollar Amounts in Thousands)                      |                            |                               |                                 |
|--|----------------------------|-------------------------------|---------------------------------|
| Department / Appropriation                         | 2013-14<br>Actual<br>Block | 2014-15<br>Available<br>Block | 2015-16<br>Recommended<br>Block |
| <b>Community and Economic Development:</b>         |                            |                               |                                 |
| LIHEABG — Administration.....                      | \$ 1,000                   | \$ 1,000                      | \$ 1,500                        |
| LIHEABG — Weatherization Program.....              | 40,000                     | 40,000                        | 40,000                          |
| Subtotal.....                                      | \$ 41,000                  | \$ 41,000                     | \$ 41,500                       |
| <b>Human Services:</b>                             |                            |                               |                                 |
| LIHEABG — Administration.....                      | \$ 22,264                  | \$ 24,000                     | \$ 24,000                       |
| LIHEABG — Low-Income Families and Individuals..... | 164,501                    | 320,000                       | 320,000                         |
| Subtotal.....                                      | \$ 186,765                 | \$ 344,000                    | \$ 344,000                      |
| <b>TOTAL.....</b>                                  | <b>\$ 227,765</b>          | <b>\$ 385,000</b>             | <b>\$ 385,500</b>               |

## Maternal and Child Health Services

This block grant provides funds for planning, promoting and evaluating health care for pregnant women, mothers, infants and children with special health care needs. This is accomplished by providing health services for mothers and children who do not otherwise have access to adequate health care and nutritional resources. Administrative costs cannot exceed 10 percent. These personnel and operational costs are found in the Administration and Operation line item, which also contains some programmatic costs. These include outreach, promotional costs, laboratory supplies and help line services.

| (Dollar Amounts in Thousands)              |                            |                               |                                 |
|--|----------------------------|-------------------------------|---------------------------------|
| Department / Appropriation                 | 2013-14<br>Actual<br>Block | 2014-15<br>Available<br>Block | 2015-16<br>Recommended<br>Block |
| <b>Health:</b>                             |                            |                               |                                 |
| MCHSBG — Administration and Operation..... | \$ 16,157                  | \$ 15,472                     | \$ 14,404                       |
| MCHSBG — Program Services.....             | 16,334                     | 17,035                        | 18,135                          |
| <b>TOTAL.....</b>                          | <b>\$ 32,491</b>           | <b>\$ 32,507</b>              | <b>\$ 32,539</b>                |

## Mental Health Services

This block grant provides funds for the provision of services to adults with serious mental illness or children with serious emotional disturbance. Services may be provided by a variety of community-based programs including community mental health programs, psychosocial rehabilitation programs, mental health peer support programs and mental health primary consumer directed programs.

(Dollar Amounts in Thousands)

| Department / Appropriation                    | 2013-14<br>Actual<br>Block | 2014-15<br>Available<br>Block | 2015-16<br>Recommended<br>Block |
|---|----------------------------|-------------------------------|---------------------------------|
| <b>Human Services:</b>                        |                            |                               |                                 |
| MHSBG — Administration.....                   | \$ 276                     | \$ 461                        | \$ 519                          |
| MHSBG — Community Mental Health Services..... | 17,958                     | 20,400                        | 18,000                          |
| <b>TOTAL.....</b>                             | <b>\$ 18,234</b>           | <b>\$ 20,861</b>              | <b>\$ 18,519</b>                |

## Preventive Health and Health Services

This block grant provides funds for preventive health services. Programs include activities to affect improvements in health status through achievement of the National Year 2020 Health Objectives; programs for community and school-based fluoridation; feasibility studies and planning for emergency medical services systems and the establishment, expansion and improvement of such systems; services to victims of sex offenders; and related planning, administration and educational activities. Funding also works toward eliminating disparities between the health status of the general population and that of identifiable subpopulations including geographical, racial, ethnic, gender or other groups. Administration is limited to 10 percent.

(Dollar Amounts in Thousands)

| Department / Appropriation                 | 2013-14<br>Actual<br>Block | 2014-15<br>Available<br>Block | 2015-16<br>Recommended<br>Block |
|--|----------------------------|-------------------------------|---------------------------------|
| <b>Health:</b>                             |                            |                               |                                 |
| PHHSBG — Administration and Operation..... | \$ 2,178                   | \$ 1,941                      | \$ 4,456                        |
| PHHSBG — Block Program Services.....       | 3,020                      | 7,159                         | 6,780                           |
| <b>Subtotal.....</b>                       | <b>\$ 5,198</b>            | <b>\$ 9,100</b>               | <b>\$ 11,236</b>                |
| <b>Human Services:</b>                     |                            |                               |                                 |
| PHHSBG — Domestic Violence.....            | \$ 0                       | \$ 100 <sup>a</sup>           | \$ 100 <sup>a</sup>             |
| <b>TOTAL.....</b>                          | <b>\$ 5,198</b>            | <b>\$ 9,100</b>               | <b>\$ 11,236</b>                |

<sup>a</sup> Subgrant not added to total to avoid double counting.

## Social Services

Funds are provided to help individuals achieve or maintain self-sufficiency; to prevent, reduce or eliminate dependency; to prevent or remedy abuse and neglect of children and adults; and to prevent or reduce institutional care. Most services are delivered by local entities that receive grants or contract with the Department of Human Services. These federal allocations serve to augment state appropriations, thereby increasing the total level of services provided.

In addition to funds received directly through the Social Services Block Grant, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 authorized transfers from the Temporary Assistance to Needy Families Block Grant.

(Dollar Amounts in Thousands)

| Department / Appropriation                   | 2013-14<br>Actual<br>Block | 2014-15<br>Available<br>Block | 2015-16<br>Recommended<br>Block |
|--|----------------------------|-------------------------------|---------------------------------|
| <b>Human Services:</b>                       |                            |                               |                                 |
| SSBG — Administration.....                   | \$ 250                     | \$ 325                        | \$ 325                          |
| SSBG — County Assistance Offices.....        | 6,262                      | 6,262                         | 6,262                           |
| SSBG — Basic Institutional Programs.....     | 10,000                     | 10,000                        | 10,000                          |
| SSBG — Community Mental Health Services..... | 10,366                     | 10,366                        | 10,366                          |
| SSBG — Community ID Services.....            | 7,451                      | 7,451                         | 7,451                           |
| SSBG — Child Welfare.....                    | 12,021                     | 12,021                        | 12,021                          |
| SSBG — Child Care Services.....              | 30,977                     | 30,977                        | 30,977                          |
| SSBG — Domestic Violence Programs.....       | 5,705                      | 5,705                         | 5,705                           |
| SSBG — Rape Crisis.....                      | 1,721                      | 1,721                         | 1,721                           |
| SSBG — Family Planning.....                  | 2,000                      | 2,000                         | 2,000                           |
| SSBG — Legal Services.....                   | 5,049                      | 5,049                         | 5,049                           |
| SSBG — Homeless Services.....                | 4,183                      | 4,183                         | 4,183                           |
| TOTAL.....                                   | <u>\$ 95,985</u>           | <u>\$ 96,060</u>              | <u>\$ 96,060</u>                |

## Substance Abuse

This block grant provides funds to establish and maintain programs to combat alcohol and drug abuse. These programs include individual substance abuse services, community services, drug and alcohol formula grants and alcoholism treatment and rehabilitation services.

(Dollar Amounts in Thousands)

| Department / Appropriation               | 2013-14<br>Actual<br>Block | 2014-15<br>Available<br>Block | 2015-16<br>Recommended<br>Block |
|--|----------------------------|-------------------------------|---------------------------------|
| <b>Corrections:</b>                      |                            |                               |                                 |
| SABG — Drug and Alcohol Programs.....    | \$ 1,985                   | \$ 1,965 <sup>b</sup>         | \$ 1,965                        |
| <b>Drug and Alcohol Programs:</b>        |                            |                               |                                 |
| SABG — Administration and Operation..... | \$ 7,455                   | \$ 7,640                      | \$ 7,858                        |
| SABG — Drug and Alcohol Services.....    | 53,596                     | 53,197                        | 55,858                          |
| Subtotal.....                            | <u>\$ 61,051</u>           | <u>\$ 60,837</u>              | <u>\$ 63,716</u>                |
| <b>Health:</b>                           |                            |                               |                                 |
| SABG — DDAP Support Services (EA).....   | \$ 309 <sup>a</sup>        | \$ 446 <sup>a</sup>           | \$ 364 <sup>a</sup>             |
| <b>Human Services:</b>                   |                            |                               |                                 |
| SABG — Homeless Services.....            | \$ 1,983                   | \$ 1,983                      | \$ 1,983                        |
| TOTAL.....                               | <u>\$ 65,019</u>           | <u>\$ 64,785</u>              | <u>\$ 67,664</u>                |

<sup>a</sup> Subgrant not added to total to avoid double counting.

<sup>b</sup> Includes recommended supplemental appropriation of \$115,000.

## Temporary Assistance to Needy Families

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created a block grant that makes funds available to the states to operate the Temporary Assistance to Needy Families (TANF) program. Pennsylvania implemented the TANF program on March 3, 1997. Funds are available to provide temporary cash and other benefits to help needy families participating in activities designed to end dependence on government benefits and to provide services for dependent and abused children. In addition, funds may be used for services designed to prevent future dependency. This block grant requires a state maintenance of effort and establishes mandatory work participation rates. States are allowed to transfer up to a total of 30 percent of their TANF funds to the Child Care and Development Fund and Social Services Block Grants. No more than 10 percent may be transferred to the Social Services Block Grant. These transfers are included in the Child Care and Development Fund and the Social Services Block Grant.

(Dollar Amounts in Thousands)

| Department / Appropriation                  | 2013-14<br>Actual<br>Block | 2014-15<br>Available<br>Block | 2015-16<br>Recommended<br>Block |
|---|----------------------------|-------------------------------|---------------------------------|
| <b>Executive Offices:</b>                   |                            |                               |                                 |
| <i>Inspector General - Welfare Fraud</i>    |                            |                               |                                 |
| TANFBG — Program Accountability.....        | \$ 1,141                   | \$ 1,500                      | \$ 1,500                        |
| <b>Education:</b>                           |                            |                               |                                 |
| TANFBG — Teenage Parenting Ed. (EA).....    | \$ 11,094 <sup>a</sup>     | \$ 11,094 <sup>a</sup>        | \$ 11,094 <sup>a</sup>          |
| <b>Labor and Industry:</b>                  |                            |                               |                                 |
| TANFBG — Youth Employment and Training..... | \$ 15,000                  | \$ 15,000                     | \$ 15,000                       |
| <b>Human Services:</b>                      |                            |                               |                                 |
| TANFBG — Administration.....                | \$ 7,836                   | \$ 8,123                      | \$ 8,148                        |
| TANFBG — Information Systems.....           | 9,327                      | 9,327                         | 9,330                           |
| TANFBG — Statewide.....                     | 997                        | 1,072                         | 1,072                           |
| TANFBG — County Assistance Offices.....     | 48,534                     | 46,490                        | 52,596                          |
| TANFBG — New Directions.....                | 124,091                    | 121,893                       | 109,480                         |
| TANFBG — Cash Grants.....                   | 302,707                    | 319,393                       | 288,975                         |
| TANFBG — Alternatives to Abortion.....      | 1,000                      | 1,000                         | 1,000                           |
| TANFBG — Child Welfare.....                 | 58,508                     | 58,508                        | 58,508                          |
| TANFBG — Child Care Assistance.....         | 25,965                     | 27,557                        | 29,357                          |
| Subtotal.....                               | \$ 578,965                 | \$ 593,363                    | \$ 558,466                      |
| TOTAL.....                                  | \$ 595,106 <sup>b</sup>    | \$ 609,863 <sup>b</sup>       | \$ 574,966 <sup>b</sup>         |

<sup>a</sup> Subgrant not added to total to avoid double counting.

<sup>b</sup> Includes carryover funding.



## Workforce Investment

The Workforce Investment Act of 1998 authorized the Workforce Investment Block Grant. It has three main program components: adult, youth and dislocated workers. The adult program improves the quality of the workforce, reduces welfare dependency and enhances the productivity and competitiveness of the nation's economy by providing workforce investment activities that increase the employment, retention and earnings of participants, and increase occupational skill attainment by the participants. The youth program assists low-income youth between the ages of 14 and 21 to acquire the educational and occupational skills, training and support needed to achieve academic and employment success and transition to careers and productive adulthood. The dislocated worker program shares the same purpose of the adult program with emphasis on reemployment of these workers.

The commonwealth distributes funds by formula to 23 local agencies called local workforce investment areas for the attainment of agreed-upon performance goals.

| Department / Appropriation                     | (Dollar Amounts in Thousands) |                               |                                 |
|--|-------------------------------|-------------------------------|---------------------------------|
|  | 2013-14<br>Actual<br>Block    | 2014-15<br>Available<br>Block | 2015-16<br>Recommended<br>Block |
| <b>Labor and Industry:</b>                     |                               |                               |                                 |
| Workforce Investment Act — Administration..... | \$ 11,000                     | \$ 11,000                     | \$ 11,000                       |
| WIA — Adult Employment & Training.....         | 50,000                        | 50,000                        | 50,000                          |
| WIA — Youth Employment & Training.....         | 52,000                        | 52,000                        | 52,000                          |
| WIA — Statewide Activities.....                | 18,000                        | 18,000                        | 18,000                          |
| WIA — Dislocated Workers.....                  | 109,000                       | 109,000                       | 109,000                         |
| WIA — Veterans Employment and Training.....    | 900                           | 900                           | 0                               |
| TOTAL.....                                     | <u>\$ 240,900</u>             | <u>\$ 240,900</u>             | <u>\$ 240,000</u>               |

– THIS PAGE INTENTIONALLY LEFT BLANK –

## Public Information and Communications

The Commonwealth spends funds on activities to provide government information to the news media and the general public and for other essential communications efforts. Funds are budgeted in 30 agencies to provide public notification and information to the Commonwealth's public, news media, businesses, legislators and citizens regarding the bidding of contracts, issuance of rules and regulations, announcement of public hearings and the availability of services and financial aid. The amounts that are detailed below exclude those items that are strictly educational and materials that are offered for public sale such as the "Game News" and "Pennsylvania Angler and Boater".

|   | <u>(Dollar Amounts in Thousands)</u> |                  |
|---|--------------------------------------|------------------|
|   | <u>2014-15</u>                       | <u>2015-16</u>   |
|   | <u>Estimate</u>                      | <u>Estimate</u>  |
| Governor's Office.....                  | \$ 819                               | \$ 819           |
| Executive Offices.....                  | 124                                  | 59               |
| Lt. Governor's Office.....              | 129                                  | 132              |
| Aging.....                              | 342                                  | 366              |
| Agriculture.....                        | 315                                  | 334              |
| Banking and Securities.....             | 528                                  | 549              |
| Civil Service Commission.....           | 62                                   | 63               |
| Community and Economic Development..... | 341                                  | 357              |
| Conservation and Natural Resources..... | 359                                  | 378              |
| Corrections.....                        | 229                                  | 247              |
| Probation and Parole Board.....         | 301                                  | 301              |
| Education.....                          | 435                                  | 429              |
| Emergency Management Agency.....        | 235                                  | 254              |
| Environmental Protection.....           | 2,143                                | 2,205            |
| Fish and Boat Commission.....           | 262                                  | 262              |
| Game Commission.....                    | 448                                  | 457              |
| General Services.....                   | 124                                  | 131              |
| Health.....                             | 613                                  | 654              |
| Historical and Museum Commission.....   | 128                                  | 131              |
| Human Services.....                     | 674                                  | 787              |
| Insurance.....                          | 366                                  | 392              |
| Labor and Industry.....                 | 566                                  | 630              |
| Liquor Control Board.....               | 324                                  | 31               |
| Military and Veterans Affairs.....      | 238                                  | 314              |
| Milk Marketing Board.....               | 10                                   | 8                |
| Public Utility Commission.....          | 308                                  | 324              |
| State.....                              | 1,709                                | 3,129            |
| State Police.....                       | 408                                  | 427              |
| Transportation.....                     | 4,733                                | 4,810            |
| <b>TOTAL</b>                            | <b>\$ 17,835</b>                     | <b>\$ 19,594</b> |

---- *Lottery sales promotion* - \$44 million will be spent on advertising campaigns to promote lottery sales and to disseminate information on the various lottery programs including property tax and rent assistance for older Pennsylvanians during 2015-16. These expenditures are expected to generate approximately \$4.255 billion in lottery revenues during 2015-16.

---- *Economic development* - A total of \$4.3 million is budgeted in the General Fund to promote tourism and economic development. This will contribute to an estimated \$41.2 billion in 2015-16 business and leisure travel revenues to Pennsylvania and supports the State's aggressive effort to preserve and create jobs.

– THIS PAGE INTENTIONALLY LEFT BLANK –



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *PROGRAM BUDGET SUMMARY*

This section summarizes the budget by major revenue source and major program area of expenditure. This summary includes programs funded from the General Fund, the eleven budgeted special revenue funds, federal funds, and other revenues including augmentations, restricted receipts and revenues, and other special revenue funds.

Detailed supporting information is provided for each major program area of expenditure by component categories and subcategories (subdivisions of activities) which contribute to the commonwealth's total effort in that program. Detailed information on individual revenue sources may be found in the appropriate fund presentation in the Summary by Fund section of this document.

## Guide to the “*Summary of Revenues and Expenditures for the Operating Program*” Statement

The Summary of Revenues and Expenditures for the Operating Program comprehensive statement shown on page B3 is an “all funds” seven-year summary of revenues and expenditures for the commonwealth’s operating program. This guide is intended to assist readers with interpreting and understanding the revenue and expenditure items presented on the comprehensive statement.

### Beginning and Ending Balances

Beginning and ending balances are included only for state General Fund and state Special Funds as Federal Funds and Other Funds revenues and expenditures are considered to be self-balancing. The General Fund and Special Funds beginning and ending balances are based on their respective financial statements found in section A2.

### Revenues

All General Fund, Special Funds, Federal Funds and Other Funds revenues contributing to the commonwealth’s operating program are shown on the statement.

**General Fund** – The General Fund is the commonwealth’s largest operating fund. It receives all tax revenue, non-tax revenue and federal grants and entitlements not specified by law to be deposited elsewhere. Tax revenue comprises 98 percent of annual General Fund revenue. The largest sources of non-tax revenue are profit transfers from the Pennsylvania Liquor Control Board, the escheats or “unclaimed property” program and licenses and fees charged by state agencies. General Fund revenue categories shown on the statement include Corporation Taxes, Personal Income Tax, Sales and Use Tax, and All Other Revenues/Taxes. A Less Refunds category is shown as a negative revenue adjustment to account for various tax refunds. Additional information on General Fund revenue sources can be found in section C1.

**Special Funds** – There are two Special Funds contributing revenue to the commonwealth operating program. Additional information on Special Fund revenue sources can be found in section C.

**Federal Funds** – All monies received from the federal government are deposited into the State Treasury and must be appropriated. The Department of Human Services receives the most federal funds. Other agencies receiving significant federal funds include the departments of Education, Aging, and Transportation. Additional information on federal funds budgeted by agency can be found in section C for federal funds related to General Fund budgets and in Section E Department Presentations in each agency’s Summary by Fund and Appropriation statement.

**Other Funds** – There are more than 150 Other Funds contributing revenue to the commonwealth’s operating program. The State Stores Fund, the Public Transportation Trust Fund and the Property Tax Relief Fund contribute significant revenues to the Other Funds revenue total. See Section H: Other Special Funds for information and financial data on these funds. Additional information on Other Funds can be found in Section E: Department Presentations on each agency’s Summary by Fund and Appropriation statement.

### Program Expenditures

Program expenditures are categorized by the eight Commonwealth Programs beginning with Direction and Supportive Services and ending with Debt Service. These programs include expenditures from all General Fund, Special Funds, Federal Funds and Other Funds contributing to total operating program expenditures as shown on pages B4 and B5. More detailed expenditure breakdowns by program category and subcategory are shown on pages B6 through B14.

Total operating program expenditures are adjusted to include expenditure reductions from General Fund or Special Fund lapses of unspent prior-year funds. Other adjustments, such as fund transfers to the operating program (resulting in expenditure increases) or fund transfers from the operating program (resulting in expenditure decreases) shown on the statement will impact total program expenditures and ending balances.

## SUMMARY OF REVENUES AND EXPENDITURES FOR THE OPERATING PROGRAM

The following table is a seven year summary of the revenues and expenditures by Commonwealth Program for the operating budget. Balances are included only for State funds - General Fund and Special Funds - as Federal Funds and Other Funds revenues and expenditures are considered to be self-balancing.

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual    | 2014-15<br>Available | 2015-16<br>Budget    | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>BEGINNING BALANCES</b>                             |                      |                      |                      |                      |                      |                      |                      |
| General Fund .....                                    | \$ 540,918           | \$ 80,631            | \$ 8,975             | \$ 96,768            | \$ 44,816            | \$ 639,894           | \$ 925,990           |
| Adjustment to Beginning Balance.....                  | 6,000                | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| Adjusted Beginning Balance.....                       | <u>\$ 546,918</u>    | <u>\$ 80,631</u>     | <u>\$ 8,975</u>      | <u>\$ 96,768</u>     | <u>\$ 44,816</u>     | <u>\$ 639,894</u>    | <u>\$ 925,990</u>    |
| Special Funds .....                                   | <u>\$ 343,760</u>    | <u>\$ 381,969</u>    | <u>\$ 192,912</u>    | <u>\$ 25,600</u>     | <u>\$ -57,468</u>    | <u>\$ -120,986</u>   | <u>\$ -140,548</u>   |
| <b>REVENUES</b>                                       |                      |                      |                      |                      |                      |                      |                      |
| General Fund:   |                      |                      |                      |                      |                      |                      |                      |
| Corporation Taxes.....                                | \$ 4,898,382         | \$ 5,022,200         | \$ 5,231,500         | \$ 5,524,900         | \$ 5,180,900         | \$ 5,117,400         | \$ 5,238,800         |
| Personal Income Tax.....                              | 11,437,304           | 11,950,600           | 12,829,000           | 11,356,400           | 13,165,700           | 14,061,700           | 14,963,800           |
| Sales and Use Tax.....                                | 9,129,621            | 9,573,900            | 9,710,800            | 11,956,600           | 12,829,600           | 13,267,500           | 13,718,600           |
| All Other Revenues/Taxes.....                         | 3,141,845            | 3,629,800            | 3,616,200            | 3,942,600            | 3,923,700            | 3,918,700            | 3,972,400            |
| Less Refunds.....                                     | -1,105,000           | -1,287,000           | -1,383,100           | -1,512,400           | -1,574,400           | -1,624,100           | -1,672,300           |
| Total General Fund.....                               | <u>\$ 27,502,152</u> | <u>\$ 28,889,500</u> | <u>\$ 30,004,400</u> | <u>\$ 31,268,100</u> | <u>\$ 33,525,500</u> | <u>\$ 34,741,200</u> | <u>\$ 36,221,300</u> |
| Special Funds.....                                    | 4,120,181            | 4,274,939            | 4,423,943            | 4,564,613            | 4,702,711            | 4,757,172            | 4,829,095            |
| Federal Funds.....                                    | 22,177,599           | 24,870,187           | 27,896,400           | 28,466,261           | 29,087,291           | 29,886,699           | 30,636,492           |
| Other Funds.....                                      | 11,892,011           | 13,762,024           | 16,241,630           | 20,204,308           | 20,420,763           | 20,618,173           | 20,914,193           |
| Total Revenues<br>and Balances.....                   | <u>\$ 66,582,621</u> | <u>\$ 72,259,250</u> | <u>\$ 78,768,260</u> | <u>\$ 84,625,650</u> | <u>\$ 87,723,613</u> | <u>\$ 90,522,152</u> | <u>\$ 93,386,522</u> |
| <b>PROGRAM EXPENDITURES</b>                           |                      |                      |                      |                      |                      |                      |                      |
| Direction and Supportive                              |                      |                      |                      |                      |                      |                      |                      |
| Services.....   | \$ 1,792,061         | \$ 1,692,409         | \$ 1,827,874         | \$ 1,843,108         | \$ 1,850,909         | \$ 1,876,862         | \$ 1,902,889         |
| Protection of Persons and                             |                      |                      |                      |                      |                      |                      |                      |
| Property.....   | 8,855,039            | 9,107,243            | 9,575,061            | 9,748,038            | 10,055,524           | 10,355,478           | 10,683,918           |
| Education.....  | 14,569,465           | 15,415,060           | 16,633,950           | 21,108,357           | 21,698,842           | 22,283,359           | 22,439,632           |
| Health and Human Services.....                        | 31,313,528           | 34,846,685           | 38,722,878           | 39,973,104           | 41,178,799           | 42,630,453           | 44,140,867           |
| Economic Development.....                             | 2,152,218            | 2,164,729            | 2,268,015            | 2,163,328            | 2,159,012            | 2,160,608            | 2,162,268            |
| Transportation.....                                   | 6,146,485            | 7,118,833            | 7,647,160            | 7,750,911            | 7,923,822            | 7,911,327            | 7,925,434            |
| Recreation and Cultural Enrichment.....               | 618,495              | 656,516              | 651,045              | 656,812              | 658,566              | 660,345              | 662,776              |
| Debt Service.....                                     | 1,173,354            | 1,207,623            | 1,287,653            | 1,379,705            | 1,465,933            | 1,549,614            | 1,609,479            |
| Less General Fund Lapses.....                         | -426,604             | -149,727             | 0                    | 0                    | 0                    | 0                    | 0                    |
| Less Special Fund Lapses.....                         | -74,020              | -5,000               | 0                    | 0                    | 0                    | 0                    | 0                    |
| Total Operating Expenditures.....                     | <u>\$ 66,120,021</u> | <u>\$ 72,054,371</u> | <u>\$ 78,613,636</u> | <u>\$ 84,623,363</u> | <u>\$ 86,991,407</u> | <u>\$ 89,428,046</u> | <u>\$ 91,527,263</u> |
| Transfer to Budget Stabilization<br>Reserve Fund..... | <u>0</u>             | <u>-2,992</u>        | <u>-32,256</u>       | <u>-14,939</u>       | <u>-213,298</u>      | <u>-308,663</u>      | <u>-497,155</u>      |
| <b>ENDING BALANCES</b>                                |                      |                      |                      |                      |                      |                      |                      |
| General Fund.....                                     | <u>\$ 80,631</u>     | <u>\$ 8,975</u>      | <u>\$ 96,768</u>     | <u>\$ 44,816</u>     | <u>\$ 639,894</u>    | <u>\$ 925,990</u>    | <u>\$ 1,491,466</u>  |
| Special Funds .....                                   | <u>\$ 381,969</u>    | <u>\$ 192,912</u>    | <u>\$ 25,600</u>     | <u>\$ -57,468</u>    | <u>\$ -120,986</u>   | <u>\$ -140,548</u>   | <u>\$ -129,361</u>   |



# Program Budget Summary

## Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 2013-14 actual expenditures, 2014-15 amounts available, 2015-16 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 2015-16 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Direction and Supportive Services</b>  |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 828,503        | \$ 737,921           | \$ 821,798        | \$ 822,447           | \$ 822,267           | \$ 830,729           | \$ 842,077           |
| Special Funds.....                        | 584,276           | 561,465              | 628,639           | 636,001              | 650,744              | 665,376              | 676,713              |
| Federal Funds.....                        | 35,086            | 19,266               | 15,381            | 19,009               | 15,135               | 15,135               | 15,135               |
| Other Funds.....                          | 344,196           | 372,930              | 362,056           | 365,651              | 362,763              | 365,622              | 368,964              |
| Total Operating.....                      | \$ 1,792,061      | \$ 1,691,582         | \$ 1,827,874      | \$ 1,843,108         | \$ 1,850,909         | \$ 1,876,862         | \$ 1,902,889         |
| <b>Protection of Persons and Property</b> |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 3,236,520      | \$ 3,404,304         | \$ 3,516,402      | \$ 3,640,576         | \$ 3,768,870         | \$ 3,875,344         | \$ 3,990,430         |
| Special Funds.....                        | 755,340           | 843,826              | 918,581           | 977,070              | 1,037,325            | 1,101,845            | 1,173,427            |
| Federal Funds.....                        | 1,230,372         | 1,036,773            | 1,086,837         | 1,143,737            | 1,175,294            | 1,217,294            | 1,267,265            |
| Other Funds.....                          | 3,632,807         | 3,822,340            | 4,053,241         | 3,986,655            | 4,074,035            | 4,160,995            | 4,252,796            |
| Total Operating.....                      | \$ 8,855,039      | \$ 9,107,243         | \$ 9,575,061      | \$ 9,748,038         | \$ 10,055,524        | \$ 10,355,478        | \$ 10,683,918        |
| <b>Education</b>                          |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 11,457,318     | \$ 11,912,432        | \$ 11,576,105     | \$ 12,311,161        | \$ 12,786,921        | \$ 13,262,158        | \$ 13,282,516        |
| Special Funds.....                        | 1,100             | 1,100                | 1,100             | 1,100                | 1,100                | 1,100                | 1,100                |
| Federal Funds.....                        | 2,317,709         | 2,346,311            | 2,350,230         | 2,336,171            | 2,334,471            | 2,334,471            | 2,334,471            |
| Other Funds.....                          | 793,338           | 1,155,217            | 2,706,515         | 6,459,925            | 6,576,350            | 6,685,630            | 6,821,545            |
| Total Operating.....                      | \$ 14,569,465     | \$ 15,415,060        | \$ 16,633,950     | \$ 21,108,357        | \$ 21,698,842        | \$ 22,283,359        | \$ 22,439,632        |
| <b>Health and Human Services</b>          |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 11,394,741     | \$ 11,578,984        | \$ 12,292,211     | \$ 12,774,899        | \$ 13,499,593        | \$ 14,251,670        | \$ 15,068,110        |
| Special Funds.....                        | 1,048,444         | 1,269,479            | 1,209,235         | 1,239,023            | 1,235,148            | 1,219,979            | 1,214,016            |
| Federal Funds.....                        | 15,944,135        | 18,759,213           | 21,875,153        | 22,398,545           | 22,995,092           | 23,752,500           | 24,452,322           |
| Other Funds.....                          | 2,926,208         | 3,239,009            | 3,346,279         | 3,560,637            | 3,448,966            | 3,406,304            | 3,406,419            |
| Total Operating.....                      | \$ 31,313,528     | \$ 34,846,685        | \$ 38,722,878     | \$ 39,973,104        | \$ 41,178,799        | \$ 42,630,453        | \$ 44,140,867        |
| <b>Economic Development</b>               |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 288,560        | \$ 263,182           | \$ 371,630        | \$ 372,633           | \$ 374,193           | \$ 375,789           | \$ 377,449           |
| Special Funds.....                        | 1,073             | 1,073                | 1,073             | 1,073                | 1,073                | 1,073                | 1,073                |
| Federal Funds.....                        | 743,692           | 714,898              | 681,209           | 681,209              | 681,209              | 681,209              | 681,209              |
| Other Funds.....                          | 1,118,893         | 1,185,576            | 1,214,103         | 1,108,413            | 1,102,537            | 1,102,537            | 1,102,537            |
| Total Operating.....                      | \$ 2,152,218      | \$ 2,164,729         | \$ 2,268,015      | \$ 2,163,328         | \$ 2,159,012         | \$ 2,160,608         | \$ 2,162,268         |

# Program Budget Summary

## Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 2013-14 actual expenditures, 2014-15 amounts available, 2015-16 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 2015-16 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Transportation</b>                     |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 4,968          | \$ 4,605             | \$ 4,607          | \$ 4,607             | \$ 4,607             | \$ 4,607             | \$ 4,607             |
| Special Funds.....                        | 1,746,960         | 1,765,691            | 1,796,974         | 1,740,159            | 1,776,807            | 1,723,331            | 1,687,620            |
| Federal Funds.....                        | 1,850,413         | 1,935,110            | 1,828,534         | 1,828,534            | 1,828,534            | 1,828,534            | 1,828,534            |
| Other Funds.....                          | 2,544,144         | 3,413,427            | 4,017,045         | 4,177,611            | 4,313,874            | 4,354,855            | 4,404,673            |
| Total Operating.....                      | \$ 6,146,485      | \$ 7,118,833         | \$ 7,647,160      | \$ 7,750,911         | \$ 7,923,822         | \$ 7,911,327         | \$ 7,925,434         |
| <b>Recreation and Cultural Enrichment</b> |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 116,367        | \$ 106,061           | \$ 128,133        | \$ 130,006           | \$ 131,390           | \$ 132,809           | \$ 134,263           |
| Special Funds.....                        | 1,000             | 7,000                | 7,000             | 7,000                | 7,000                | 7,000                | 7,000                |
| Federal Funds.....                        | 56,192            | 58,616               | 59,056            | 59,056               | 57,556               | 57,556               | 57,556               |
| Other Funds.....                          | 444,936           | 484,839              | 456,856           | 460,750              | 462,620              | 462,980              | 463,957              |
| Total Operating.....                      | \$ 618,495        | \$ 656,516           | \$ 651,045        | \$ 656,812           | \$ 658,566           | \$ 660,345           | \$ 662,776           |
| <b>Debt Service</b>                       |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 1,068,066      | \$ 1,099,575         | \$ 1,173,465      | \$ 1,248,785         | \$ 1,329,283         | \$ 1,413,335         | \$ 1,459,218         |
| Special Funds.....                        | 17,799            | 19,362               | 28,653            | 46,254               | 57,032               | 57,029               | 56,959               |
| Federal Funds.....                        | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| Other Funds.....                          | 87,489            | 88,686               | 85,535            | 84,666               | 79,618               | 79,250               | 93,302               |
| Total Operating.....                      | \$ 1,173,354      | \$ 1,207,623         | \$ 1,287,653      | \$ 1,379,705         | \$ 1,465,933         | \$ 1,549,614         | \$ 1,609,479         |
| Capital Bond Authorizations...            | \$ 0              | \$ 0                 | \$ 1,225,641      | \$ 1,288,790         | \$ 1,172,559         | \$ 1,376,277         | \$ 1,211,441         |
| Program Total.....                        | \$ 1,173,354      | \$ 1,207,623         | \$ 2,513,294      | \$ 2,668,495         | \$ 2,638,492         | \$ 2,925,891         | \$ 2,820,920         |
| <b>COMMONWEALTH TOTALS</b>                |                   |                      |                   |                      |                      |                      |                      |
| General Fund.....                         | \$ 28,395,043     | \$ 29,107,064        | \$ 29,884,351     | \$ 31,305,114        | \$ 32,717,124        | \$ 34,146,441        | \$ 35,158,670        |
| Special Funds.....                        | 4,155,992         | 4,468,996            | 4,591,255         | 4,647,680            | 4,766,229            | 4,776,733            | 4,817,908            |
| Federal Funds.....                        | 22,177,599        | 24,870,187           | 27,896,400        | 28,466,261           | 29,087,291           | 29,886,699           | 30,636,492           |
| Other Funds.....                          | 11,892,011        | 13,762,024           | 16,241,630        | 20,204,308           | 20,420,763           | 20,618,173           | 20,914,193           |
| Total Operating.....                      | \$ 66,620,645     | \$ 72,208,271        | \$ 78,613,636     | \$ 84,623,363        | \$ 86,991,407        | \$ 89,428,046        | \$ 91,527,263        |
| Capital Bond Authorizations...            | \$ 0              | \$ 0                 | \$ 1,225,641      | \$ 1,288,790         | \$ 1,172,559         | \$ 1,376,277         | \$ 1,211,441         |
| Program Total.....                        | \$ 66,620,645     | \$ 72,208,271        | \$ 79,839,277     | \$ 85,912,153        | \$ 88,163,966        | \$ 90,804,323        | \$ 92,738,704        |

# Program Budget Summary

## Direction and Supportive Services

The goal of this commonwealth program is to provide an efficient and effective administrative support system through which the goals and objectives of commonwealth programs can be attained. This commonwealth program supports the administration's goals to streamline state government and achieve efficiencies. The Government that Works theme in the Overview and Summaries section highlights the administration's priorities in this program area.

Centralized functions affecting all agencies comprise this program. Administrative costs specifically related to particular programs usually appear in a program subcategory to which they relate.

The agencies in this program include the Governor's Office, Executive Offices, Lieutenant Governor, Auditor General, Treasury, Civil Service Commission, departments of General Services and Revenue, Ethics Commission, Health Care Cost Containment Council, eHealth Partnership Authority, the State Employees' Retirement System, Government Support Agencies and the Legislature.

## Contribution by Category and Subcategory

### General Fund and Special Funds

(Dollar Amounts in Thousands)

|   | 2013-14             | 2014-15             | 2015-16             | 2016-17             | 2017-18             | 2018-19             | 2019-20          |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------------|
|   | Actual              | Available           | Budget              | Estimated           | Estimated           | Estimated           | Estimated        |
| <b>Administrative and Support Services.....</b> \$            | 161,423 \$          | 153,242 \$          | 177,731 \$          | 171,453 \$          | 173,066 \$          | 176,057 \$          | 179,228          |
| Executive Direction.....                                      | 107,300             | 108,145             | 119,368             | 112,351             | 115,243             | 118,008             | 120,946          |
| Personnel Selection.....                                      | 1                   | 1                   | 1                   | 1                   | 1                   | 1                   | 1                |
| Ethics Commission.....  | 1,868               | 2,090               | 2,153               | 2,228               | 2,284               | 2,341               | 2,400            |
| eHealth Partnership Authority.....                            | 2,000               | 1,850               | 1,500               | 1,500               | 0                   | 0                   | 0                |
| Legal Services.....   | 3,202               | 3,230               | 3,230               | 3,799               | 3,894               | 3,991               | 4,091            |
| Health Care Reporting.....                                    | 2,683               | 2,710               | 2,710               | 2,805               | 2,875               | 2,947               | 3,021            |
| Government Support Agencies.....                              | 44,369              | 35,216              | 48,769              | 48,769              | 48,769              | 48,769              | 48,769           |
| <b>Fiscal Management.....</b> \$                              | 847,206 \$          | 785,597 \$          | 854,396 \$          | 865,910 \$          | 876,779 \$          | 894,745 \$          | 912,064          |
| Revenue Collection and Administration.....                    | 742,575             | 678,475             | 738,675             | 752,184             | 760,630             | 774,116             | 789,202          |
| Disbursement.....   | 59,852              | 62,258              | 66,641              | 68,103              | 69,386              | 72,696              | 73,730           |
| Auditing.....   | 44,779              | 44,864              | 49,080              | 45,623              | 46,763              | 47,933              | 49,132           |
| <b>Physical Facilities and Commodities Management.....</b> \$ | 125,521 \$          | 130,605 \$          | 136,919 \$          | 139,694 \$          | 141,775 \$          | 143,912 \$          | 146,107          |
| Facility, Property and Commodity Management.....              | 125,521             | 130,605             | 136,919             | 139,694             | 141,775             | 143,912             | 146,107          |
| <b>Legislative Processes.....</b> \$                          | 277,442 \$          | 228,906 \$          | 280,366 \$          | 280,366 \$          | 280,366 \$          | 280,366 \$          | 280,366          |
| Legislature.....  | 277,442             | 228,906             | 280,366             | 280,366             | 280,366             | 280,366             | 280,366          |
| <b>Interstate Relations.....</b> \$                           | 1,187 \$            | 1,036 \$            | 1,025 \$            | 1,025 \$            | 1,025 \$            | 1,025 \$            | 1,025            |
| Interstate Relations.....                                     | 1,187               | 1,036               | 1,025               | 1,025               | 1,025               | 1,025               | 1,025            |
| <b>PROGRAM TOTAL.....</b> \$                                  | <u>1,412,779 \$</u> | <u>1,299,386 \$</u> | <u>1,450,437 \$</u> | <u>1,458,448 \$</u> | <u>1,473,011 \$</u> | <u>1,496,105 \$</u> | <u>1,518,790</u> |

## Protection of Persons and Property

The goal of this commonwealth program is to provide an environment and a social system in which the lives and property of individuals and organizations are protected from natural and man-made disasters and from illegal and unfair actions. This commonwealth program supports the administration's goal to protect the public health and safety of Pennsylvania's citizens.

This program addresses the substantive areas of consumer and environmental protection, certain regulatory activities, the criminal justice system and mitigation of the effects of disasters. Within these broad areas, the State Police, Department of Banking and Securities, Attorney General, Department of Corrections, Public Utility Commission, Liquor Control Board, Pennsylvania Emergency Management Agency, Board of Probation and Parole, the Judiciary, Milk Marketing Board, Department of State and the Insurance Department deal almost entirely with protection of persons and property. Several agencies such as the Executive Offices and the departments of Environmental Protection, Agriculture, Labor and Industry, Military and Veterans Affairs and Transportation are more diversified and some of their activities are included in this program as well as in other commonwealth programs.

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Administration and Support.....</b> \$            | 40,620            | \$ 44,978            | \$ 43,143         | \$ 43,836            | \$ 44,349            | \$ 44,874            | \$ 45,413            |
| Criminal and Juvenile Justice Planning.....                  | 28,099            | 30,291               | 27,346            | 27,486               | 27,590               | 27,696               | 27,805               |
| Environmental Support Services.....                          | 12,521            | 14,687               | 15,797            | 16,350               | 16,759               | 17,178               | 17,608               |
| <b>Public Protection and Law Enforcement.....</b> \$         | 1,043,371         | \$ 1,126,257         | \$ 1,223,497      | \$ 1,306,025         | \$ 1,388,334         | \$ 1,476,518         | \$ 1,573,503         |
| State Police.....  | 829,596           | 897,180              | 979,879           | 1,052,114            | 1,130,248            | 1,214,572            | 1,305,584            |
| Attorney General.....  | 87,290            | 92,289               | 95,517            | 98,811               | 101,246              | 103,741              | 106,299              |
| Driver and Vehicle Services.....                             | 126,485           | 136,788              | 148,101           | 155,100              | 156,840              | 158,205              | 161,620              |
| <b>Control and Reduction of Crime.....</b> \$                | 2,139,146         | \$ 2,272,876         | \$ 2,435,976      | \$ 2,545,356         | \$ 2,638,864         | \$ 2,709,463         | \$ 2,785,831         |
| Institutionalization of Offenders.....                       | 1,997,676         | 2,116,548            | 2,263,520         | 2,363,442            | 2,448,575            | 2,510,395            | 2,577,560            |
| Reintegration of Adult Offenders.....                        | 141,470           | 156,328              | 172,456           | 181,914              | 190,289              | 199,068              | 208,271              |
| <b>Juvenile Crime Prevention.....</b> \$                     | 21,578            | \$ 21,745            | \$ 21,906         | \$ 22,010            | \$ 22,087            | \$ 22,166            | \$ 22,247            |
| Reintegration of Juvenile Delinquents.....                   | 21,578            | 21,745               | 21,906            | 22,010               | 22,087               | 22,166               | 22,247               |
| <b>Adjudication of Defendants.....</b> \$                    | 317,432           | \$ 317,432           | \$ 317,432        | \$ 317,432           | \$ 317,432           | \$ 317,432           | \$ 317,432           |
| State Judicial System.....                                   | 317,432           | 317,432              | 317,432           | 317,432              | 317,432              | 317,432              | 317,432              |
| <b>Public Order and Community Safety.....</b> \$             | 41,752            | \$ 34,254            | \$ 34,323         | \$ 34,644            | \$ 35,499            | \$ 36,376            | \$ 37,275            |
| Emergency Management.....                                    | 20,768            | 12,444               | 10,400            | 9,899                | 10,146               | 10,400               | 10,660               |
| State Military Readiness.....                                | 20,984            | 21,810               | 23,923            | 24,745               | 25,353               | 25,976               | 26,615               |
| <b>Protection From Natural Hazards and Disasters.....</b> \$ | 119,410           | \$ 126,801           | \$ 133,578        | \$ 137,847           | \$ 141,003           | \$ 144,238           | \$ 147,555           |
| Environmental Protection and Management.....                 | 119,410           | 126,801              | 133,578           | 137,847              | 141,003              | 144,238              | 147,555              |
| <b>Consumer Protection.....</b> \$                           | 234,356           | \$ 268,437           | \$ 189,313        | \$ 173,433           | \$ 180,641           | \$ 187,192           | \$ 194,701           |
| Consumer Protection.....                                     | 10,928            | 11,149               | 12,003            | 9,210                | 10,532               | 10,536               | 10,743               |
| Insurance Industry Regulation.....                           | 114,845           | 117,585              | 37,527            | 23,450               | 28,604               | 34,401               | 40,934               |

# Program Budget Summary

## Protection of Persons and Property (continued)

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Consumer Protection (Continued)</b>                              |                     |                      |                     |                      |                      |                      |                      |
| Protection and Development of Agricultural Industries.....          | 108,583             | 139,703              | 139,783             | 140,773              | 141,505              | 142,255              | 143,024              |
| <b>Community and Occupational Safety and Stability..... \$</b>      | <b>24,973 \$</b>    | <b>26,094 \$</b>     | <b>26,227 \$</b>    | <b>27,139 \$</b>     | <b>27,814 \$</b>     | <b>28,504 \$</b>     | <b>29,213</b>        |
| Community and Occupational Safety and Stability.....                | 22,781              | 23,897               | 23,956              | 24,794               | 25,414               | 26,048               | 26,700               |
| Fire Prevention and Safety.....                                     | 2,192               | 2,197                | 2,271               | 2,345                | 2,400                | 2,456                | 2,513                |
| <b>Prevention &amp; Elimination of Discriminatory Practices. \$</b> | <b>9,222 \$</b>     | <b>9,256 \$</b>      | <b>9,588 \$</b>     | <b>9,924 \$</b>      | <b>10,172 \$</b>     | <b>10,426 \$</b>     | <b>10,687</b>        |
| Prevention & Elimination of Discriminatory Practices.....           | 9,222               | 9,256                | 9,588               | 9,924                | 10,172               | 10,426               | 10,687               |
| <b>PROGRAM TOTAL.....</b>   | <b>\$ 3,991,860</b> | <b>\$ 4,248,130</b>  | <b>\$ 4,434,983</b> | <b>\$ 4,617,646</b>  | <b>\$ 4,806,195</b>  | <b>\$ 4,977,189</b>  | <b>\$ 5,163,857</b>  |

## Education

The goal of this commonwealth program is to provide a system of learning experiences and opportunities that will permit each individual to achieve his or her full potential intellectual development through high-quality basic education and special education programs, and through high-quality career and technical education and higher education. This commonwealth program supports the administration's goals to support an agenda for excellence, a world-class education that enables all Pennsylvania children to achieve their full potential, and to expand educational opportunities and alternative pathways to teaching and leadership. The Schools that Teach and the Jobs that Pay themes in the Overview and Summaries section highlight the administration's priorities in advancing the commonwealth's educational system.

This commonwealth program is financed primarily through the Department of Education. Other agencies providing support are the departments of Human Services, Revenue and Labor and Industry, and the Higher Education Assistance Agency and the Tax Equalization Board.

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget    | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Educational Support Services</b> ..... \$ | 27,789            | \$ 27,534            | \$ 27,605            | \$ 28,431            | \$ 29,042            | \$ 29,668            | \$ 30,310            |
| Education Support Services.....              | 27,789            | 27,534               | 27,605               | 28,431               | 29,042               | 29,668               | 30,310               |
| <b>Basic Education</b> ..... \$              | 9,837,468         | \$ 10,279,137        | \$ 9,783,739         | \$ 10,368,835        | \$ 10,843,984        | \$ 11,318,595        | \$ 11,338,311        |
| PreK-12 Education.....                       | 9,820,140         | 10,260,943           | 9,764,959            | 10,349,116           | 10,823,279           | 11,296,855           | 11,315,484           |
| Public Utility Realty Payments.....          | 17,328            | 18,194               | 18,780               | 19,719               | 20,705               | 21,740               | 22,827               |
| <b>Higher Education</b> ..... \$             | 1,593,161         | \$ 1,606,861         | \$ 1,765,861         | \$ 1,914,995         | \$ 1,914,995         | \$ 1,914,995         | \$ 1,914,995         |
| Higher Education.....                        | 1,206,686         | 1,215,386            | 1,358,795            | 1,507,929            | 1,507,929            | 1,507,929            | 1,507,929            |
| Financial Assistance to Students.....        | 362,086           | 367,086              | 377,677              | 377,677              | 377,677              | 377,677              | 377,677              |
| Financial Assistance to Institutions.....    | 24,389            | 24,389               | 29,389               | 29,389               | 29,389               | 29,389               | 29,389               |
| <b>PROGRAM TOTAL</b> ..... \$                | <b>11,458,418</b> | <b>\$ 11,913,532</b> | <b>\$ 11,577,205</b> | <b>\$ 12,312,261</b> | <b>\$ 12,788,021</b> | <b>\$ 13,263,258</b> | <b>\$ 13,283,616</b> |

## Health and Human Services

The goals of this commonwealth program are to ensure access to quality medical care for all citizens, support people seeking self-sufficiency, provide military readiness and assistance to veterans and maximize opportunities for individuals and families to participate in society. The Government that Works theme in the Overview and Summaries section highlights the administration's priorities to maintain essential health and human services.

This program addresses the following substantive areas: research; prevention and treatment of physical, mental health and intellectual disabilities; maternal and child health care; financial assistance for older Pennsylvanians, medically needy individuals and families in transition; and other programs to address the various issues individuals encounter in a complex society.

These activities are primarily the responsibility of the departments of Aging, Health, Human Services and Drug and Alcohol Programs with contributions by the departments of Agriculture, Labor and Industry, Military and Veterans Affairs and Revenue.

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget    | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Human Services Support.....</b> \$                   | 123,252           | \$ 151,354           | \$ 158,264           | \$ 163,804           | \$ 167,900           | \$ 172,098           | \$ 176,400           |
| Human Services Support.....                             | 123,252           | 151,354              | 158,264              | 163,804              | 167,900              | 172,098              | 176,400              |
| <b>Social Development of Individuals.....</b> \$        | 1,623,527         | \$ 1,656,397         | \$ 1,705,423         | \$ 1,710,432         | \$ 1,714,826         | \$ 1,716,613         | \$ 1,718,445         |
| Human Services.....                                     | 1,168,178         | 1,204,887            | 1,253,913            | 1,258,922            | 1,263,316            | 1,265,103            | 1,266,935            |
| Child Development.....                                  | 455,349           | 451,510              | 451,510              | 451,510              | 451,510              | 451,510              | 451,510              |
| <b>Support of Older Pennsylvanians.....</b> \$          | 718,363           | \$ 767,921           | \$ 789,586           | \$ 819,374           | \$ 815,499           | \$ 800,330           | \$ 794,367           |
| Community Services for Older Pennsylvanians.....        | 308,263           | 332,321              | 344,386              | 347,174              | 347,399              | 347,630              | 347,867              |
| Homeowners and Renters Assistance.....                  | 280,100           | 280,600              | 285,200              | 287,200              | 288,100              | 277,700              | 276,500              |
| Pharmaceutical Assistance.....                          | 130,000           | 155,000              | 160,000              | 185,000              | 180,000              | 175,000              | 170,000              |
| <b>Income Maintenance.....</b> \$                       | 540,330           | \$ 585,449           | \$ 618,019           | \$ 633,101           | \$ 645,901           | \$ 657,469           | \$ 668,815           |
| Income Maintenance.....                                 | 519,554           | 567,288              | 600,043              | 614,555              | 625,284              | 636,279              | 647,550              |
| Workers Compensation and Assistance.....                | 1,765             | 1,477                | 1,316                | 1,316                | 1,316                | 1,316                | 1,316                |
| Military Compensation and Assistance.....               | 19,011            | 16,684               | 16,660               | 17,230               | 19,301               | 19,874               | 19,949               |
| <b>Physical Health Treatment.....</b> \$                | 7,251,505         | \$ 7,383,282         | \$ 7,713,332         | \$ 8,040,097         | \$ 8,585,133         | \$ 9,175,698         | \$ 9,819,995         |
| Medical Assistance.....                                 | 5,111,069         | 5,108,576            | 5,195,441            | 5,451,711            | 5,929,447            | 6,449,573            | 7,020,114            |
| Long-Term Living.....                                   | 1,811,603         | 1,930,951            | 2,151,551            | 2,209,771            | 2,270,757            | 2,334,665            | 2,401,664            |
| Health Treatment Services.....                          | 13,057            | 13,659               | 12,150               | 12,150               | 12,150               | 12,150               | 12,150               |
| Health Support Services.....                            | 42,403            | 44,461               | 50,113               | 51,866               | 53,164               | 54,494               | 55,856               |
| Health Research.....                                    | 11,687            | 12,570               | 7,129                | 7,363                | 7,536                | 7,713                | 7,895                |
| Emergency Food Assistance.....                          | 19,517            | 19,517               | 22,417               | 22,417               | 22,417               | 22,417               | 22,417               |
| Prevention and Treatment of Drug and Alcohol Abuse..... | 41,702            | 41,860               | 47,351               | 47,390               | 47,419               | 47,449               | 47,479               |
| Preventive Health.....                                  | 122,551           | 129,255              | 134,829              | 135,843              | 136,593              | 137,361              | 138,149              |
| Veterans Homes.....                                     | 77,916            | 82,433               | 92,351               | 101,586              | 105,650              | 109,876              | 114,271              |
| <b>Mental Health.....</b> \$                            | 725,328           | \$ 774,701           | \$ 834,526           | \$ 882,005           | \$ 922,758           | \$ 944,567           | \$ 966,921           |
| Mental Health.....                                      | 725,328           | 774,701              | 834,526              | 882,005              | 922,758              | 944,567              | 966,921              |
| <b>Intellectual Disabilities.....</b> \$                | 1,460,880         | \$ 1,529,359         | \$ 1,682,296         | \$ 1,765,109         | \$ 1,882,724         | \$ 2,004,874         | \$ 2,137,183         |
| Intellectual Disabilities.....                          | 1,460,880         | 1,529,359            | 1,682,296            | 1,765,109            | 1,882,724            | 2,004,874            | 2,137,183            |
| <b>PROGRAM TOTAL.....</b> \$                            | <b>12,443,185</b> | <b>\$ 12,848,463</b> | <b>\$ 13,501,446</b> | <b>\$ 14,013,922</b> | <b>\$ 14,734,741</b> | <b>\$ 15,471,649</b> | <b>\$ 16,282,126</b> |



## Economic Development

The goal of this commonwealth program is to invest public resources to create jobs for Pennsylvanians. To do so, this program offers a variety of grants, loans and loan guarantees designed to stimulate economic investment, growth and expanded employment. This commonwealth program supports the administration's goal to create and maintain a business climate in which good, family-sustaining jobs can grow and communities can prosper. The Jobs that Pay theme in the Overview and Summaries section highlights the administration's efforts to stimulate Pennsylvania's economy.

This program works in tandem with numerous state authorities and agencies to aggregate and strategically invest resources to expand and retain Pennsylvania-based firms and attract new companies to the commonwealth that will offer Pennsylvania's communities stability, vitality and job opportunities. This program leverages workforce and community development resources that together with business investment enable Pennsylvania to compete on behalf of and for its business partners.

The total efforts of the Department of Community and Economic Development, the Pennsylvania Economic Development Financing Authority and the Infrastructure Investment Authority (PENNVEST) are devoted to this program. The Executive Offices, Auditor General, Housing Finance Agency, and the departments of Education, Labor and Industry and Revenue also contribute to this program.

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Economic Development and Job Creation.....</b> \$ | 168,549 \$        | 157,351 \$           | 225,009 \$        | 225,093 \$           | 225,762 \$           | 226,428 \$           | 227,115              |
| PA Job Creation, Business Growth and Attraction..... | 168,549           | 157,351              | 225,009           | 225,093              | 225,762              | 226,428              | 227,115              |
| <b>Global Economic Development.....</b> \$           | 7,223 \$          | 5,824 \$             | 6,834 \$          | 7,073 \$             | 7,250 \$             | 7,431 \$             | 7,617                |
| PA Worldwide.....                                    | 7,223             | 5,824                | 6,834             | 7,073                | 7,250                | 7,431                | 7,617                |
| <b>Innovative Economic Development.....</b> \$       | 24,962 \$         | 20,100 \$            | 18,500 \$         | 18,500 \$            | 18,500 \$            | 18,500 \$            | 18,500               |
| PA Innovation Economy.....                           | 24,962            | 20,100               | 18,500            | 18,500               | 18,500               | 18,500               | 18,500               |
| <b>Workforce Investment.....</b> \$                  | 46,394 \$         | 45,994 \$            | 60,600 \$         | 60,600 \$            | 60,600 \$            | 60,600 \$            | 60,600               |
| Workforce Development.....                           | 2,813             | 2,413                | 11,613            | 11,613               | 11,613               | 11,613               | 11,613               |
| Vocational Rehabilitation.....                       | 43,581            | 43,581               | 48,987            | 48,987               | 48,987               | 48,987               | 48,987               |
| <b>Commonwealth Economic Assets.....</b> \$          | 7,785 \$          | 7,814 \$             | 4,264 \$          | 4,264 \$             | 4,264 \$             | 4,264 \$             | 4,264                |
| PA Assets.....                                       | 7,785             | 7,814                | 4,264             | 4,264                | 4,264                | 4,264                | 4,264                |
| <b>Community Development.....</b> \$                 | 34,720 \$         | 27,172 \$            | 57,496 \$         | 58,176 \$            | 58,890 \$            | 59,639 \$            | 60,426               |
| PA Core Communities.....                             | 22,175            | 14,000               | 28,900            | 28,900               | 28,900               | 28,900               | 28,900               |
| Community Development and Conservation.....          | 0                 | 0                    | 15,000            | 15,000               | 15,000               | 15,000               | 15,000               |
| Public Utility Realty Payments.....                  | 12,545            | 13,172               | 13,596            | 14,276               | 14,990               | 15,739               | 16,526               |
| <b>PROGRAM TOTAL.....</b> \$                         | <b>289,633 \$</b> | <b>264,255 \$</b>    | <b>372,703 \$</b> | <b>373,706 \$</b>    | <b>375,266 \$</b>    | <b>376,862 \$</b>    | <b>378,522</b>       |

## Transportation

The goal of this commonwealth program is to provide a system for the fast, convenient, efficient and safe movement of individuals and goods within the commonwealth that is interfaced with a national and international system of transportation. This commonwealth program supports the administration's goal to create and maintain a business climate in which good, family-sustaining jobs can grow and communities can prosper. The Jobs that Pay theme in the Overview and Summaries section highlights the administration's priorities in this program area.

Transportation systems are developed to serve the needs of citizens, commerce and industry and are financed through the Department of Transportation.

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

|   | 2013-14             | 2014-15             | 2015-16             | 2016-17             | 2017-18             | 2018-19             | 2019-20             |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | Actual              | Available           | Budget              | Estimated           | Estimated           | Estimated           | Estimated           |
| <b>Transportation Systems and Services.....</b> | <b>\$ 1,751,928</b> | <b>\$ 1,770,296</b> | <b>\$ 1,801,581</b> | <b>\$ 1,744,766</b> | <b>\$ 1,781,414</b> | <b>\$ 1,727,938</b> | <b>\$ 1,692,227</b> |
| Transportation Support Services.....            | 54,064              | 57,619              | 57,756              | 59,690              | 61,120              | 62,585              | 64,087              |
| Highways and Bridges.....                       | 1,374,829           | 1,364,906           | 1,352,700           | 1,268,830           | 1,294,925           | 1,227,023           | 1,192,124           |
| Local Highway and Bridge Assistance.....        | 237,092             | 257,191             | 300,543             | 325,664             | 334,787             | 347,748             | 345,434             |
| Multimodal Transportation.....                  | 85,943              | 90,580              | 90,582              | 90,582              | 90,582              | 90,582              | 90,582              |
| <b>PROGRAM TOTAL.....</b>                       | <b>\$ 1,751,928</b> | <b>\$ 1,770,296</b> | <b>\$ 1,801,581</b> | <b>\$ 1,744,766</b> | <b>\$ 1,781,414</b> | <b>\$ 1,727,938</b> | <b>\$ 1,692,227</b> |

## Recreation and Cultural Enrichment

The goal of this commonwealth program is to improve the quality of life in Pennsylvania's urban, suburban and rural communities. This program focuses resources on our recreational and cultural amenities ensuring that Pennsylvanians can fully enjoy the natural beauty of the commonwealth. This program also ensures that residents and visitors can explore the diversity of cultural traditions, the creativity of our artistic community and the bountiful history of our state and its prominence in forming the heritage of our nation.

In working toward these broad commonwealth program goals, the Department of Conservation and Natural Resources undertakes a wide variety of activities in the development and provision of outdoor recreational opportunities. The Department of Education conducts a program to develop a system of local, county and regional public libraries, including the operation of the State Library at Harrisburg, and provides recreational opportunities through local school districts. The Historical and Museum Commission provides state and local museum assistance.

In addition, the Fish and Boat Commission, Game Commission and Council on the Arts contribute to this commonwealth program.

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Recreation.....</b>                    | <b>\$ 28,114</b>  | <b>\$ 21,527</b>     | <b>\$ 41,216</b>  | <b>\$ 42,304</b>     | <b>\$ 43,108</b>     | <b>\$ 43,932</b>     | <b>\$ 44,777</b>     |
| Parks and Forests Management.....         | 28,114            | 21,527               | 41,216            | 42,304               | 43,108               | 43,932               | 44,777               |
| <b>Cultural Enrichment.....</b>           | <b>\$ 89,253</b>  | <b>\$ 91,534</b>     | <b>\$ 93,917</b>  | <b>\$ 94,702</b>     | <b>\$ 95,282</b>     | <b>\$ 95,877</b>     | <b>\$ 96,486</b>     |
| State Historical Preservation.....        | 17,293            | 18,944               | 19,569            | 20,254               | 20,760               | 21,279               | 21,811               |
| Local Museum Assistance.....              | 2,000             | 2,000                | 2,000             | 2,000                | 2,000                | 2,000                | 2,000                |
| Development of Artists and Audiences..... | 9,038             | 9,488                | 11,488            | 11,519               | 11,542               | 11,566               | 11,590               |
| State Library Services.....               | 60,922            | 61,102               | 60,860            | 60,929               | 60,980               | 61,032               | 61,085               |
| <b>PROGRAM TOTAL.....</b>                 | <b>\$ 117,367</b> | <b>\$ 113,061</b>    | <b>\$ 135,133</b> | <b>\$ 137,006</b>    | <b>\$ 138,390</b>    | <b>\$ 139,809</b>    | <b>\$ 141,263</b>    |

# Program Budget Summary

## Debt Service

The goal of this commonwealth program is to provide sufficient financial resources necessary to meet the timely payment of commonwealth debt obligations. Debt financing is used by the commonwealth to finance its capital programs and voter-approved bond referenda and to fund certain disaster relief programs. Most long-term financing of the commonwealth is provided by the issuance of general obligation debt. Debt financing is utilized by all other commonwealth programs to support the goals of each of the commonwealth's program categories.

The Treasury Department participates in this program.

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

|                           | 2013-14             | 2014-15             | 2015-16             | 2016-17             | 2017-18             | 2018-19             | 2019-20             |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                           | Actual              | Available           | Budget              | Estimated           | Estimated           | Estimated           | Estimated           |
| <b>Debt Service.....</b>  | <b>\$ 1,085,865</b> | <b>\$ 1,118,937</b> | <b>\$ 1,202,118</b> | <b>\$ 1,295,039</b> | <b>\$ 1,386,315</b> | <b>\$ 1,470,364</b> | <b>\$ 1,516,177</b> |
| Debt Service.....         | 1,085,865           | 1,118,937           | 1,202,118           | 1,295,039           | 1,386,315           | 1,470,364           | 1,516,177           |
| <b>PROGRAM TOTAL.....</b> | <b>\$ 1,085,865</b> | <b>\$ 1,118,937</b> | <b>\$ 1,202,118</b> | <b>\$ 1,295,039</b> | <b>\$ 1,386,315</b> | <b>\$ 1,470,364</b> | <b>\$ 1,516,177</b> |



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *SUMMARY*

# *BY*

# *FUND*

Please refer to the Other Special Funds section of the budget to review financial data for the Banking Fund, Boat Fund, Farm Products Show Fund, Fish Fund, Game Fund and the Racing Fund.

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# GENERAL FUND

The General Fund is the major operating fund of the commonwealth. It receives all tax receipts and other types of revenue not specified by law to be placed in special funds. Except for certain restricted receipts, the income of the General Fund is appropriated in specific amounts for the ordinary programs of government.

Pennsylvania's major sources of General Fund revenues are corporation taxes, consumption taxes, the Personal Income Tax and nontax revenues.



– THIS PAGE INTENTIONALLY LEFT BLANK –

## FINANCIAL STATEMENT

The following financial statement and accompanying notes are a summary of the General Fund revenues and expenditures for the 2013-14 actual year, 2014-15 available year and 2015-16 budget year. The financial statement excludes augmentations and Federal funds that are detailed in subsequent tables.

|   | (Dollar Amounts in Thousands) |                      |                      |
|---|-------------------------------|----------------------|----------------------|
|   | 2013-14<br>Actual             | 2014-15<br>Available | 2015-16<br>Estimated |
| <b>Beginning Balance.....</b>                                       | \$ 540,918                    | \$ 80,631            | \$ 8,975             |
| Adjustment to Beginning Balance.....                                | 6,000                         | 0                    | 0                    |
| Adjusted Beginning Balance.....                                     | \$ 546,918                    | \$ 80,631            | \$ 8,975             |
| <b>Revenue:</b>   |                               |                      |                      |
| Revenue Receipts.....   | \$ 28,607,152                 | \$ 30,176,500        | \$ 30,624,800        |
| Proposed Revenue Changes.....                                       | 0                             | 0                    | 4,662,700            |
| Transfer to School Employees' Retirement<br>Restricted Account..... | 0                             | 0                    | -1,750,000           |
| Transfer to Property Tax/Rent Relief Account.....                   | 0                             | 0                    | -2,140,000           |
| Severance Tax Transfers.....  | 0                             | 0                    | -10,000              |
| Less Refunds.....   | -1,105,000                    | -1,287,000           | -1,383,100           |
| Total Revenue.....  | \$ 27,502,152                 | \$ 28,889,500        | \$ 30,004,400        |
| Prior Year Lapses.....  | 426,604                       | 89,727               | 0                    |
| Funds Available.....  | \$ 28,475,674                 | \$ 29,059,858        | \$ 30,013,375        |
| <b>Expenditures:</b>  |                               |                      |                      |
| Appropriations.....   | \$ 28,395,043                 | \$ 29,026,601        | \$ 29,884,351        |
| Supplemental Appropriations.....                                    | 0                             | 81,290               | 0                    |
| Less Current Year Lapses.....                                       | 0                             | -60,000              | 0                    |
| Total State Expenditures.....                                       | \$ 28,395,043                 | \$ 29,047,891        | \$ 29,884,351        |
| Preliminary Balance.....  | \$ 80,631                     | \$ 11,967            | \$ 129,024           |
| Less Transfer to Budget Stabilization<br>Reserve Fund.....          | 0 <sup>a</sup>                | -2,992 <sup>b</sup>  | -32,256 <sup>b</sup> |
| <b>Ending Balance.....</b>  | <u>\$ 80,631</u>              | <u>\$ 8,975</u>      | <u>\$ 96,768</u>     |

<sup>a</sup> Act 126 of 2014 suspended the 25% transfer to the Budget Stabilization Reserve Fund for 2013-14.

<sup>b</sup> This budget proposes the reinstatement of the 25% transfer to the Budget Stabilization Reserve Fund for 2014-15 and for 2015-16.

# NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

## PROPOSED TAX AND REVENUE MODIFICATIONS

|   | 2015-16<br>Estimated |
|---|----------------------|
| <b>Tax Revenue:</b>   |                      |
| <b>Corporate Net Income Tax (CNIT)</b> .....  | \$ -249,300          |
| Effective January 1, 2016, the CNIT rate is proposed to be reduced from 9.99% to 5.99% accompanied by Mandatory Combined Reporting and a reduction in the Net Operating Loss carry-forward limit from the greater of \$5 million or 30% of current year income to the greater of \$3 million or 12.5% of current year income. The CNIT rate is proposed to be reduced to 5.49% in tax year 2017 and 4.99% in tax year 2018. |                      |
| <b>Severance Tax</b> .....  | \$ 165,700           |
| Effective January 1, 2016, a severance tax of 5% plus 4.7 cents per thousand cubic feet of volume (mcf) is proposed on natural gas extraction.  |                      |
| <b>Personal Income Tax (PIT)</b> .....  | \$ 2,376,700         |
| Effective July 1, 2015, the PIT rate of 3.07% is proposed to be increased to 3.7%.  |                      |
| <b>Personal Income Tax (PIT) Expand Tax Forgiveness</b> .....   | \$ -90,200           |
| Effective July 1, 2015, a claimant's eligibility income limit to qualify for 100% tax forgiveness under the special tax provisions for poverty is proposed to be increased from \$6,500 to \$8,700. A qualifying family of four with two claimants and two dependents will owe no tax on taxable income up to \$36,400.   |                      |
| <b>Personal Income Tax (PIT)</b> .....  | \$ 15,700            |
| Effective July 1, 2015, Pennsylvania lottery winnings are proposed to be taxed at a rate of 3.7%.   |                      |
| <b>Sales and Use Tax (SUT)</b> .....  | \$ 1,554,300         |
| Effective January 1, 2016, the SUT rate is proposed to be increased from 6.0% to 6.6% and the base expanded to include services and some products currently exempted.   |                      |
| <b>Bank Shares Tax</b> .....  | \$ 339,200           |
| The Bank Shares Tax rate is proposed to be increased from 0.89% to 1.25% effective beginning tax year 2014, and the tax base is proposed to be clarified, to achieve the revenue neutrality intended with the enactment of Act 52 of 2013.  |                      |
| <b>Cigarette Tax</b> .....  | \$ 358,400           |
| Effective October 1, 2015, an increase in the Cigarette Tax rate equivalent to \$0.05 per cigarette (\$1.00 per pack of 20 cigarettes) is proposed.   |                      |
| <b>Other Tobacco Products</b> .....   | \$ 84,100            |
| Effective October 1, 2015, a 40% tax on the wholesale price of other tobacco products is proposed, including smokeless tobacco, large cigars, loose tobacco, and e-cigarettes.  |                      |
| <b>Tax Credits</b> .....  | \$ -5,000            |
| The existing Promoting Employment Across Pennsylvania tax credit is proposed to be eliminated.  |                      |
| A tax credit for qualifying manufacturing investments up to 5% of new taxable payroll above \$1 million over a four-quarter period may be used as a credit against certain state taxes. The total annual credits will be capped at \$5 million.....   | \$ 5,000             |
| <b>TOTAL PROPOSED TAX AND REVENUE MODIFICATIONS*</b> .....  | <u>\$ 4,554,600</u>  |

\*Tax revenue estimates are net of refunds of \$108.1 million.

This budget proposes the following transfers in 2015-16:

|  |               |
|--|---------------|
| <b>Transfer to School Employees' Retirement Restricted Account</b> .....   | \$ -1,750,000 |
| A transfer of funds from the Sales and Use Tax to a restricted account for the commonwealth's employer contribution to PSERS is proposed.  |               |
| <b>Transfer to Property Tax/Rent Relief Account</b> .....  | \$ -2,140,000 |
| A transfer of funds from the Personal Income Tax to a restricted account to be deposited in the Property Tax Relief Fund to provide property tax and rent relief is proposed.  |               |
| <b>Severance Tax Transfers</b> .....   | \$ -10,000    |
| A transfer of funds from the Severance Tax to the Well Plugging Account (\$5 million) and the Department of Environmental Protection's Environmental Protection Operations (\$5 million) as an augmentation to support additional enforcement is proposed. |               |

## NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

## SUPPLEMENTAL APPROPRIATIONS

|  | 2014-15<br>Available     |
|--|--------------------------|
| <b>STATE SUPPLEMENTALS</b>                                 |                          |
| <b>Auditor General</b>                                     |                          |
| Security and Other Expenses - Outgoing Governor.....       | \$ 85                    |
| <b>Corrections</b>   |                          |
| State Correctional Institutions.....                       | \$ 56,000                |
| <b>Education</b>   |                          |
| School Employees' Social Security.....                     | \$ 15,000                |
| <b>Health</b>  |                          |
| Renal Dialysis.....  | \$ 500                   |
| <b>Human Services</b>                                      |                          |
| Supplemental Grants - Aged, Blind and Disabled.....        | \$ -6,754                |
| Payment to Federal Government - Medicare Drug Program..... | 4,115                    |
| Medical Assistance - Outpatient.....                       | 25,588                   |
| Medical Assistance - Inpatient.....                        | -36,940                  |
| Medical Assistance - Capitation.....                       | -198,884                 |
| Long-Term Care.....  | 71,662                   |
| Home and Community-Based Services.....                     | 24,991                   |
| Long-Term Care Managed Care.....                           | 8,168                    |
| Medical Assistance - Transportation.....                   | -4,038                   |
| Special Pharmaceutical Services.....                       | -329                     |
| Intellectual Disabilities - Community Waiver Program.....  | 8,274                    |
| Services to Persons with Disabilities.....                 | 12,420                   |
| Attendant Care.....  | 10,147                   |
| Medical Assistance - Workers with Disabilities.....        | 90,242                   |
| <b>Human Services Total</b> .....                          | <u>\$ 8,662</u>          |
| <b>Military and Veterans Affairs</b>                       |                          |
| Amputee and Paralyzed Veterans Pension.....                | \$ 1,043                 |
| <b>TOTAL STATE SUPPLEMENTALS</b> .....                     | <u><b>\$ 81,290</b></u>  |
| <b>FEDERAL SUPPLEMENTALS</b>                               |                          |
| <b>Executive Offices</b>                                   |                          |
| Information Sharing Initiative.....                        | \$ 246                   |
| <b>Human Services</b>                                      |                          |
| Early Head Start Expansion Program.....                    | \$ 5,562                 |
| ARRA - Health Information Technology.....                  | 9,200                    |
| Medical Assistance - Inpatient.....                        | 55,186                   |
| Medical Assistance - Long-Term Care.....                   | 29,120                   |
| Medical Assistance - Home & Community-Based Services.....  | 25,612                   |
| Medical Assistance - Critical Access Hospitals.....        | 269                      |
| Child Welfare - Title IV-E.....                            | 2,000                    |
| Child Welfare Training and Certification.....              | 1,200                    |
| Family Violence Prevention Services.....                   | 81                       |
| Medical Assistance - Attendant Care.....                   | 11,742                   |
| Medical Assistance - Workers with Disabilities.....        | 97,005                   |
| <b>Human Services Total</b> .....                          | <u>\$ 236,977</u>        |
| <b>TOTAL FEDERAL SUPPLEMENTALS</b> .....                   | <u><b>\$ 237,223</b></u> |
| <b>TOTAL SUPPLEMENTALS</b> .....                           | <u><b>\$ 318,513</b></u> |

## STATE FUNDS BY DEPARTMENT

The following is a summary, by department, of 2013-14 actual expenditures, the 2014-15 amounts available and the 2015-16 amounts budgeted as presented in the General Fund Budget.

|   | (Dollar Amounts in Thousands) |                      |                      |
|---|-------------------------------|----------------------|----------------------|
|   | 2013-14<br>Actual             | 2014-15<br>Available | 2015-16<br>Budget    |
| Governor's Office.....                    | \$ 6,429                      | \$ 6,508             | \$ 6,498             |
| Executive Offices.....                    | 168,454                       | 172,893              | 183,398              |
| Lieutenant Governor's Office.....         | 1,327                         | 1,383                | 1,629                |
| Attorney General.....                     | 87,290                        | 92,289               | 95,517               |
| Auditor General.....                      | 44,779                        | 44,864               | 49,080               |
| Treasury.....                             | 1,116,847                     | 1,145,536            | 1,218,228            |
| Agriculture.....                          | 123,772                       | 126,892              | 129,472              |
| Civil Service Commission.....             | 1                             | 1                    | 1                    |
| Community and Economic Development .....  | 229,621                       | 204,016              | 282,434              |
| Conservation and Natural Resources.....   | 27,114                        | 14,527               | 34,216               |
| Corrections.....                          | 1,997,676                     | 2,116,548            | 2,263,520            |
| Drug and Alcohol Programs.....            | 41,702                        | 41,860               | 47,351               |
| Education*.....                           | 11,114,437                    | 11,563,865           | 11,211,119           |
| eHealth Partnership Authority.....        | 2,000                         | 1,850                | 1,500                |
| Emergency Management Agency.....          | 22,960                        | 14,641               | 12,671               |
| Environmental Protection**.....           | 127,931                       | 141,488              | 149,375              |
| Ethics Commission.....                    | 1,868                         | 2,090                | 2,153                |
| General Services.....                     | 115,229                       | 120,306              | 126,599              |
| Health.....                               | 189,698                       | 199,945              | 204,221              |
| Health Care Cost Containment Council..... | 2,683                         | 2,710                | 2,710                |
| Higher Education Assistance Agency.....   | 386,475                       | 391,475              | 407,066              |
| Historical and Museum Commission.....     | 19,293                        | 20,944               | 21,569               |
| Housing Finance Agency.....               | -                             | -                    | 15,000               |
| Human Services.....                       | 11,045,132                    | 11,217,068           | 11,907,895           |
| Insurance.....                            | 114,845                       | 117,585              | 37,527               |
| Labor and Industry.....                   | 70,940                        | 71,368               | 85,872               |
| Military and Veterans Affairs.....        | 117,911                       | 120,927              | 132,934              |
| Probation and Parole Board.....           | 141,470                       | 156,328              | 172,456              |
| Revenue***.....                           | 212,951                       | 177,379              | 177,036              |
| State.....                                | 10,928                        | 11,149               | 12,003               |
| State Police.....                         | 207,655                       | 221,062              | 240,574              |
| Transportation.....                       | 6,382                         | 6,013                | 6,160                |
| Legislature.....                          | 277,442                       | 228,906              | 280,366              |
| Judiciary.....                            | 317,432                       | 317,432              | 317,432              |
| Government Support Agencies.....          | 44,369                        | 35,216               | 48,769               |
| GRAND TOTAL****.....                      | <u>\$ 28,395,043</u>          | <u>\$ 29,107,064</u> | <u>\$ 29,884,351</u> |

\* Includes State System of Higher Education and Thaddeus Stevens College of Technology.

\*\* Includes Environmental Hearing Board.

\*\*\* Excludes refunds.

\*\*\*\* Available year amounts exclude current year lapses.

## FEDERAL FUNDS BY DEPARTMENT

The following is a summary of Federal funds, by department, of 2013-14 actual expenditures, the 2014-15 amounts available and the 2015-16 amounts budgeted as presented in the General Fund Budget.

|   |               | (Dollar Amounts in Thousands) |            |               |
|---|---------------|-------------------------------|------------|---------------|
|   | 2013-14       |                               | 2014-15    | 2015-16       |
|   | Actual        |                               | Available  | Budget        |
| Executive Offices.....                    | \$ 119,766    | \$                            | 94,340     | \$ 103,553    |
| Attorney General.....                     | 17,781        |                               | 18,225     | 20,686        |
| Agriculture.....                          | 40,110        |                               | 40,110     | 41,610        |
| Community and Economic Development.....   | 196,289       |                               | 204,234    | 214,169       |
| Conservation and Natural Resources.....   | 42,598        |                               | 40,753     | 40,753        |
| Corrections.....                          | 6,736         |                               | 5,306      | 5,258         |
| Drug and Alcohol Programs.....            | 68,996        |                               | 77,513     | 78,069        |
| Education.....                            | 2,326,385     |                               | 2,354,811  | 2,358,730     |
| eHealth Partnership Authority.....        | 21            |                               | -          | -             |
| Emergency Management Agency.....          | 333,866       |                               | 221,681    | 190,942       |
| Environmental Protection*.....            | 188,909       |                               | 193,145    | 193,075       |
| Health.....                               | 509,171       |                               | 617,850    | 570,597       |
| Health Care Cost Containment Council..... | 21            |                               | -          | -             |
| Historical and Museum Commission.....     | 4,030         |                               | 8,279      | 8,719         |
| Infrastructure Investment Authority.....  | 250,230       |                               | 213,332    | 170,535       |
| Insurance.....                            | 372,013       |                               | 328,574    | 322,703       |
| Labor and Industry.....                   | 433,228       |                               | 432,387    | 431,536       |
| Military and Veterans Affairs.....        | 175,755       |                               | 176,192    | 260,503       |
| Probation and Parole Board.....           | 149           |                               | 350        | -             |
| Public Utility Commission.....            | 4,907         |                               | 3,785      | 3,061         |
| Public Welfare.....                       | 15,007,960    |                               | 17,701,974 | 20,854,979    |
| State.....                                | 30,854        |                               | 17,560     | 14,416        |
| State Police.....                         | 48,297        |                               | 30,873     | 31,638        |
| Transportation.....                       | 302,133       |                               | 246,864    | 240,288       |
| Judiciary.....                            | 1,516         |                               | 1,629      | 1,130         |
| Government Support Agencies.....          | 1,280         |                               | 1,280      | 1,280         |
| GRAND TOTAL.....                          | \$ 20,483,001 | \$                            | 23,031,047 | \$ 26,158,230 |

\* Includes Environmental Hearing Board.



## AUGMENTATIONS BY DEPARTMENT

The following is a summary of augmentations, by department, of 2013-14 actual expenditures, the 2014-15 amounts available and the 2015-16 amounts budgeted as presented in the General Fund Budget.

|  | (Dollar Amounts in Thousands) |                      |                     |
|--|-------------------------------|----------------------|---------------------|
|  | 2013-14<br>Actual             | 2014-15<br>Available | 2015-16<br>Budget   |
| Executive Offices.....                   | \$ 113,835                    | \$ 116,349           | \$ 115,807          |
| Attorney General*.....                   | 15,215                        | 15,034               | 15,204              |
| Auditor General.....                     | 11,484                        | 13,433               | 13,960              |
| Treasury.....                            | 12,048                        | 8,587                | 8,225               |
| Agriculture.....                         | 6,776                         | 7,016                | 6,543               |
| Civil Service Commission.....            | 13,635                        | 13,583               | 14,480              |
| Community and Economic Development*..... | 15,328                        | 21,347               | 7,080               |
| Conservation and Natural Resources.....  | 56,025                        | 54,680               | 54,995              |
| Corrections.....                         | 1,486                         | 20,147               | 2,147               |
| Drug and Alcohol Programs.....           | 2,568                         | 2,478                | 2,503               |
| Education*.....                          | 6,121                         | 232,099              | 7,074               |
| Emergency Management Agency.....         | 539                           | 506                  | 506                 |
| Environmental Protection* **.....        | 32,177                        | 38,115               | 43,155              |
| General Services.....                    | 39,458                        | 41,834               | 42,413              |
| Health*.....                             | 16,009                        | 25,964               | 21,497              |
| Higher Education Assistance Agency.....  | 85,000                        | 85,000               | 85,000              |
| Historical and Museum Commission.....    | 1,121                         | 1,095                | 1,171               |
| Labor and Industry*.....                 | 2,123                         | 2,078                | 2,095               |
| Military and Veterans Affairs.....       | 29,687                        | 31,617               | 32,364              |
| Probation and Parole Board.....          | 21,550                        | 21,884               | 21,946              |
| Public Utility Commission*.....          | 63,090                        | 64,571               | 69,130              |
| Public Welfare.....                      | 2,071,504                     | 2,233,480            | 2,407,970           |
| Revenue.....                             | 39,422                        | 51,500               | 51,945              |
| State*.....                              | 52,811                        | 56,058               | 58,201              |
| State Police*.....                       | 68,992                        | 72,585               | 72,548              |
| Judiciary*.....                          | 57,048                        | 57,048               | 57,048              |
| GRAND TOTAL.....                         | <u>\$ 2,835,052</u>           | <u>\$ 3,288,088</u>  | <u>\$ 3,215,007</u> |

\* Includes funds appropriated from restricted revenues.

\*\* Includes Environmental Hearing Board.

# General Fund Revenue Summary

## Seven Year Summary of Revenues

The following tables include all General Fund revenues available for general appropriation. This data does not include special restricted receipts, receipts augmenting appropriations or federal funds.

|  | (Dollar Amounts in Thousands) |                      |                      |                      |                      |                      |                      |
|--|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2013-14<br>Actual             | 2014-15<br>Estimated | 2015-16<br>Budget    | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
| <b>TAX REVENUE</b>                     |                               |                      |                      |                      |                      |                      |                      |
| <b>Corporation Taxes</b>               |                               |                      |                      |                      |                      |                      |                      |
| Corporate Net Income Tax.....          | \$ 2,501,635                  | \$ 2,711,100         | \$ 2,487,700         | \$ 2,369,000         | \$ 1,957,900         | \$ 1,785,300         | \$ 1,766,000         |
| Capital Stock and Franchise Taxes..... | 320,207                       | 221,900              | 96,400               | 0                    | 0                    | 0                    | 0                    |
| Selective Business:                    |                               |                      |                      |                      |                      |                      |                      |
| Gross Receipts Tax.....                | 1,279,229                     | 1,281,800            | 1,296,100            | 1,372,800            | 1,345,200            | 1,355,400            | 1,365,100            |
| Public Utility Realty Tax.....         | 37,048                        | 37,200               | 37,500               | 37,800               | 38,100               | 38,400               | 38,700               |
| Insurance Premiums Tax.....            | 432,073                       | 451,600              | 484,300              | 511,400              | 532,700              | 558,700              | 585,900              |
| Financial Institutions Tax.....        | 317,875                       | 314,800              | 672,100              | 467,500              | 487,100              | 510,100              | 534,600              |
| Severance Tax.....                     | 0                             | 0                    | 155,700              | 765,300              | 819,000              | 869,100              | 948,100              |
| Other Selective Business Taxes.....    | 10,315                        | 3,800                | 1,700                | 1,100                | 900                  | 400                  | 400                  |
| Total — Corporation Taxes.....         | \$ 4,898,382                  | \$ 5,022,200         | \$ 5,231,500         | \$ 5,524,900         | \$ 5,180,900         | \$ 5,117,400         | \$ 5,238,800         |
| <b>Consumption Taxes</b>               |                               |                      |                      |                      |                      |                      |                      |
| Sales and Use Tax.....                 | \$ 9,129,621                  | \$ 9,573,900         | \$ 9,710,800         | \$ 11,956,600        | \$ 12,829,600        | \$ 13,267,500        | \$ 13,718,600        |
| Cigarette Tax.....                     | 976,908                       | 923,200              | 1,228,900            | 1,303,900            | 1,272,100            | 1,247,300            | 1,226,200            |
| Other Tobacco Products Tax.....        | 0                             | 0                    | 84,100               | 133,900              | 140,600              | 146,900              | 153,100              |
| Malt Beverage Tax.....                 | 25,096                        | 24,300               | 24,300               | 24,300               | 24,300               | 24,300               | 24,300               |
| Liquor Tax.....                        | 320,912                       | 335,600              | 347,900              | 360,000              | 372,200              | 384,400              | 397,000              |
| Total — Consumption Taxes.....         | \$ 10,452,537                 | \$ 10,857,000        | \$ 11,396,000        | \$ 13,778,700        | \$ 14,638,800        | \$ 15,070,400        | \$ 15,519,200        |
| <b>Other Taxes</b>                     |                               |                      |                      |                      |                      |                      |                      |
| Personal Income Tax.....               | \$ 11,437,304                 | \$ 11,950,600        | \$ 12,829,000        | \$ 11,356,400        | \$ 13,165,700        | \$ 14,061,700        | \$ 14,963,800        |
| Realty Transfer Tax.....               | 375,408                       | 398,300              | 433,600              | 484,900              | 498,300              | 507,100              | 535,900              |
| Inheritance Tax.....                   | 877,423                       | 1,000,200            | 956,900              | 1,003,000            | 1,046,200            | 1,089,200            | 1,138,100            |
| Table Games.....                       | 90,451                        | 94,000               | 96,400               | 97,600               | 104,100              | 110,800              | 111,900              |
| Tavern and Small Games of Chance...    | 43                            | 500                  | 500                  | 500                  | 500                  | 500                  | 500                  |
| Minor and Repealed Taxes.....          | -33,485                       | -28,400              | -56,000              | -60,700              | -71,100              | -87,000              | -109,800             |
| Total — Other Taxes.....               | \$ 12,747,144                 | \$ 13,415,200        | \$ 14,260,400        | \$ 12,881,700        | \$ 14,743,700        | \$ 15,682,300        | \$ 16,640,400        |
| <b>TOTAL TAX REVENUE.....</b>          | <b>\$ 28,098,063</b>          | <b>\$ 29,294,400</b> | <b>\$ 30,887,900</b> | <b>\$ 32,185,300</b> | <b>\$ 34,563,400</b> | <b>\$ 35,870,100</b> | <b>\$ 37,398,400</b> |
| <b>NONTAX REVENUE</b>                  |                               |                      |                      |                      |                      |                      |                      |
| State Stores Fund Transfer.....        | \$ 80,000                     | \$ 80,000            | \$ 80,000            | \$ 80,000            | \$ 80,000            | \$ 80,000            | \$ 80,000            |
| Licenses, Fees and Miscellaneous:      |                               |                      |                      |                      |                      |                      |                      |
| Licenses and Fees.....                 | 109,287                       | 130,800              | 122,800              | 222,800              | 164,100              | 122,800              | 122,800              |
| Miscellaneous.....                     | 248,832                       | 599,600              | 225,300              | 220,900              | 220,900              | 220,900              | 220,900              |
| Fines, Penalties and Interest:         |                               |                      |                      |                      |                      |                      |                      |
| Other.....                             | 70,969                        | 71,700               | 71,500               | 71,500               | 71,500               | 71,500               | 71,500               |
| <b>TOTAL NONTAX REVENUES.....</b>      | <b>\$ 509,088</b>             | <b>\$ 882,100</b>    | <b>\$ 499,600</b>    | <b>\$ 595,200</b>    | <b>\$ 536,500</b>    | <b>\$ 495,200</b>    | <b>\$ 495,200</b>    |
| <b>GENERAL FUND TOTAL.....</b>         | <b>\$ 28,607,152</b>          | <b>\$ 30,176,500</b> | <b>\$ 31,387,500</b> | <b>\$ 32,780,500</b> | <b>\$ 35,099,900</b> | <b>\$ 36,365,300</b> | <b>\$ 37,893,600</b> |

# General Fund Revenues

## Adjustments to Revenue Estimate

On July 1, 2014, the Official Estimate for fiscal year 2014-15 was certified to be \$30,180,555,000. The adjustments detailed below take into account actual revenue collections through the first six months of the fiscal year and projected collections for the remainder of the fiscal year based on current expectations for the economy and revenue trends.

|  | (Dollar Amounts in Thousands)   |                    |                                |
|--|---------------------------------|--------------------|--------------------------------|
|  | 2014-15<br>Official<br>Estimate | Adjustments        | 2014-15<br>Revised<br>Estimate |
| <b>TAX REVENUE</b>                     |                                 |                    |                                |
| <b>Corporation Taxes</b>               |                                 |                    |                                |
| Corporate Net Income Tax.....          | \$ 2,501,200                    | \$ 209,900         | \$ 2,711,100                   |
| Capital Stock and Franchise Taxes..... | 269,300                         | -47,400            | 221,900                        |
| Selective Business:                    |                                 |                    |                                |
| Gross Receipts Tax.....                | 1,304,700                       | -22,900            | 1,281,800                      |
| Public Utility Realty Tax.....         | 37,400                          | -200               | 37,200                         |
| Insurance Premiums Tax.....            | 437,300                         | 14,300             | 451,600                        |
| Financial Institutions Tax.....        | 324,000                         | -9,200             | 314,800                        |
| Other Selective Business Taxes.....    | 3,000                           | 800                | 3,800                          |
| Total — Corporation Taxes.....         | \$ 4,876,900                    | \$ 145,300         | \$ 5,022,200                   |
| <b>Consumption Taxes</b>               |                                 |                    |                                |
| Sales and Use Tax.....                 | \$ 9,477,300                    | \$ 96,600          | \$ 9,573,900                   |
| Cigarette Tax.....                     | 938,800                         | -15,600            | 923,200                        |
| Malt Beverage Tax.....                 | 25,400                          | -1,100             | 24,300                         |
| Liquor Tax.....                        | 336,300                         | -700               | 335,600                        |
| Total — Consumption Taxes.....         | \$ 10,777,800                   | \$ 79,200          | \$ 10,857,000                  |
| <b>Other Taxes</b>                     |                                 |                    |                                |
| Personal Income Tax.....               | \$ 12,032,800                   | \$ -82,200         | \$ 11,950,600                  |
| Realty Transfer Tax.....               | 447,500                         | -49,200            | 398,300                        |
| Inheritance Tax.....                   | 934,500                         | 65,700             | 1,000,200                      |
| Table Games.....                       | 92,200                          | 1,800              | 94,000                         |
| Tavern and Small Games of Chance.....  | 1,000                           | -500               | 500                            |
| Minor and Repealed Taxes.....          | -54,000                         | 25,600             | -28,400                        |
| Total — Other Taxes.....               | \$ 13,454,000                   | \$ -38,800         | \$ 13,415,200                  |
| <b>TOTAL TAX REVENUE.....</b>          | <b>\$ 29,108,700</b>            | <b>\$ 185,700</b>  | <b>\$ 29,294,400</b>           |
| <b>NONTAX REVENUE</b>                  |                                 |                    |                                |
| State Stores Fund Transfer.....        | \$ 80,000                       | \$ 0               | \$ 80,000                      |
| Licenses Fees and Miscellaneous:       |                                 |                    |                                |
| Licenses and Fees.....                 | 237,600                         | -106,800           | 130,800                        |
| Miscellaneous.....                     | 687,155                         | -87,555            | 599,600                        |
| Fines, Penalties and Interest:         |                                 |                    |                                |
| Other.....                             | 67,100                          | 4,600              | 71,700                         |
| <b>TOTAL NONTAX REVENUES.....</b>      | <b>\$ 1,071,855</b>             | <b>\$ -189,755</b> | <b>\$ 882,100</b>              |
| <b>GENERAL FUND TOTAL.....</b>         | <b>\$ 30,180,555</b>            | <b>\$ -4,055</b>   | <b>\$ 30,176,500</b>           |

# General Fund Revenue Sources

This section provides a brief description of the tax and non-tax State revenue sources for the General Fund. For more complete information refer to the *Pennsylvania Tax Compendium* prepared by the Department of Revenue.

## Corporate Net Income Tax

**Tax Base:** This tax is paid by all domestic and foreign business corporations for the privilege of doing business, carrying on activities, or employing or owning capital or property in Pennsylvania and is levied on Federal taxable income with Pennsylvania modifications. When the entire business of any corporation is not transacted within Pennsylvania, taxable income usually is determined by a single sales factor apportionment formula for tax year 2013 and beyond.

**Tax Rates:**

|  |        |
|--|--------|
| January 1, 1995 and thereafter .....       | 9.99%  |
| January 1, 1994 to December 31, 1994 ..... | 11.99% |
| January 1, 1991 to December 31, 1993 ..... | 12.25% |
| January 1, 1987 to December 31, 1990 ..... | 8.50%  |
| January 1, 1985 to December 31, 1986 ..... | 9.50%  |
| January 1, 1977 to December 31, 1984 ..... | 10.50% |

**Reference:** Purdon's Title 72 P.S. §7401—§7412.

**Proposed Change:** The base of the tax will be changed to mandatory unitary combined reporting, effective for tax years beginning January 1, 2016 and after. A lower rate will be in effect as follows.

|   |       |
|---|-------|
| January 1, 2016 through December 31, 2016 ..... | 5.99% |
| January 1, 2017 through December 31, 2017 ..... | 5.49% |
| January 1, 2018 and thereafter .....            | 4.99% |

Separate company and group net operating losses would be combined and capped at the greater of \$3 million or 12.5% of taxable income for each member of the unitary group.

## Capital Stock and Franchise Taxes

**Tax Base:** The taxes are levied on the capital stock value of domestic and foreign corporations doing business or having property or capital employed in the State on that portion of the capital stock value apportionable to Pennsylvania under a statutory formula. The first \$160,000 of capital stock value is exempt.

|                   |  |                                  |  |
|-------------------|--|----------------------------------|--|
| <b>Tax Rates:</b> | January 1, 2016 and thereafter.....            | 0.00 mills                       | The tax will be eliminated for tax years beginning on or after January 1, 2016.                              |
|                   | January 1, 2015 through December 31, 2015 .... | 0.45 mills                       | (including \$40 million transfer to the Hazardous Sites Cleanup Fund).                                       |
|                   | January 1, 2014 through December 31, 2014 .... | 0.67 mills                       | (including \$40 million transfer to the Hazardous Sites Cleanup Fund).                                       |
|                   | January 1, 2013 through December 31, 2013 .... | 0.89 mills                       | (including \$40 million transfer to the Hazardous Sites Cleanup Fund).                                       |
|                   | January 1, 2012 through December 31, 2012 .... | 1.89 mills                       | (including \$40 million transfer to the Hazardous Sites Cleanup Fund).                                       |
|                   | January 1, 2009 through December 31, 2011 .... | 2.89 mills                       | (including \$40 million transfer to the Hazardous Sites Cleanup Fund).                                       |
|                   | January 1, 2008 through December 31, 2008 .... | 2.89 mills.                      |  |
|                   | January 1, 2007 through December 31, 2007 .... | 3.89 mills.                      |  |
|                   | January 1, 2006 through December 31, 2006 .... | 4.89 mills.                      |  |
|                   | January 1, 2005 through December 31, 2005 .... | 5.99 mills.                      |  |
|                   | January 1, 2004 through December 31, 2004 .... | 6.99 mills.                      |  |
|                   | January 1, 2002 through December 31, 2003....  | 7.24 mills.                      |  |
|                   | January 1, 2001 through December 31, 2001 .... | 7.49 mills                       | (including 0.25 mill for transfer semiannually to the Hazardous Sites Cleanup Fund referred to as the HSCF). |
|                   | January 1, 2000 through December 31, 2000....  | 8.99 mills                       | (including 0.25 mill for transfer semiannually to HSCF).   |
|                   | January 1, 1999 to December 31, 1999 .....     | 10.99 mills                      | (including 0.25 mill for transfer semiannually to HSCF).   |
|                   | January 1, 1998 to December 31, 1998 .....     | 11 mills plus a 0.99 mill surtax | (including 0.5 mill for transfer semiannually to HSCF).  |
|                   | January 1, 1992 to December 31, 1997 .....     | 11 mills plus a 1.75 mill surtax | (including 0.5 mill for transfer semiannually to HSCF).  |

# General Fund Revenue Sources

|  |   |
|--|---|
| January 1, 1991 to December 31, 1991 ..... | 11 mills plus a 2 mill surtax (including 0.5 mill for transfer semiannually to HSCF and 0.25 mill for transfer semiannually to the State Lottery Fund). |
| January 1, 1988 to December 31, 1990 ..... | 9.5 mills (including 0.5 mill for transfer semiannually to HSCF).   |
| January 1, 1987 to December 31, 1987 ..... | 9 mills.  |
| Prior to January 1, 1987 .....             | 10 mills.   |

**Reference:** Purdon's Title 72 P.S. §7601—§7606.

## Gross Receipts Tax

**Tax Base:** This tax is levied on the gross receipts from business transacted within Pennsylvania by specified companies owned, operated or leased by corporations, associations or individuals. Beginning January 1, 2004, interstate and cellular telecommunications services are subject to the gross receipts tax. An exemption from the gross receipts tax for the resale of telecommunication services became effective January 1, 2000. Gross receipts of regulated gas companies from the sale of natural and artificial gas were exempted from the tax effective January 1, 2000. The tax on motor transportation companies was repealed effective January 1, 1998. In fiscal year 1998-99 through fiscal year 2002-03, 0.18 percent of total electric gross receipts was transferred to the Public Transportation Assistance Fund. Beginning with fiscal year 1993-94, 0.25 mill is transferred to the Alternative Fuels Incentive Grant Fund.

|   |   |
|---|---|
| <b>Tax Rates:</b> July 1, 1991 to Current ..... | 45 mills plus a 5 mill surtax (electric utilities pay 44 mills or a rate as adjusted by the revenue neutral reconciliation rate, which was permanently set at 15 mills for 2003 and thereafter). Beginning in 2004, an additional surcharge may apply in the event refunds for Public Utility Realty Tax Appeals exceed \$5 million in the prior fiscal year. |
| January 1, 1988 to June 30, 1991 .....          | 44 mills.   |
| Prior to January 1, 1988 .....                  | 45 mills.   |

**Reference:** Purdon's Title 72 P.S. §8101—§8102; 72 P.S. §2183—§2194.

## Public Utility Realty Tax

**Tax Base:** This tax is levied on the State taxable value of the property owned by utilities furnishing utility service and regulated by the Pennsylvania Public Utility Commission or similar regulatory body. The State taxable value is defined as the current market value of utility realty. Effective January 1, 2000, electric generation assets became subject to local real estate tax and were excluded from the Public Utility Realty Tax base.

**Tax Rate:** The tax rate is set each year upon determination by the Department of Revenue of the required distribution of the realty tax equivalent to local tax authorities. Revenue from an additional 7.6 mills is deposited in the General Fund. For tax year 2004 and thereafter, the Department of Revenue calculates a Gross Receipts Tax surcharge in the event that refunds for Public Utility Realty Tax appeals exceed \$5 million in the prior fiscal year. No surcharge was required for tax year 2006. The surcharge for tax year 2007 was 1.2 mills and the surcharge for tax year 2008 was 2.8 mills. There was no surcharge for tax years 2009 or 2010. The surcharge for tax year 2011 was 1.6 mills. There is no surcharge for tax years 2012, 2013, or 2014.

**Reference:** Purdon's Title 72 P.S. §8101-A—§8109-A.

## Insurance Premiums Tax

**Tax Base:** This tax is levied on the gross premiums from all business transacted within the Commonwealth during each calendar year by domestic and foreign insurance companies.

**Tax Rates:** The rate is 2 percent of gross premiums plus a retaliatory tax where applicable. Marine insurance companies pay a 5 percent tax on underwriting profits attributable to Pennsylvania in lieu of the gross premiums tax. A tax of 3 percent is imposed on policies written with surplus lines agents or other nonadmitted insurers.

**Reference:** Purdon's Title 72 P.S. §7901—§7906.

## Financial Institutions Taxes

**Tax Base:** This category includes taxes levied on the taxable amount of the capital stock of banks, trust and domestic title insurance companies, and on the taxable net income of mutual thrift institutions. Effective January 1, 2014 Act 52-2013 amended the Bank and Trust Company Shares Tax. The changes include requiring the base to be the most recent year-end value of the institution's total bank equity capital, single factor apportionment based on receipts, and a tax rate of 0.89 percent.

**Tax Rates:**

|  |                |
|--|----------------|
| <u>Bank and Trust Company Shares Tax</u>   |                |
| January 1, 2014 and thereafter .....       | 0.890 percent  |
| January 1, 1990 to December 31, 2013 ..... | 1.250 percent  |
| January 1, 1989 to December 31, 1989 ..... | 10.770 percent |
| January 1, 1984 to December 31, 1988 ..... | 1.075 percent  |

|   |                |
|---|----------------|
| <u>Title Insurance Companies Shares Tax</u> |                |
| January 1, 1990 and thereafter .....        | 1.250 percent  |
| January 1, 1989 to December 31, 1989 .....  | 10.770 percent |
| January 1, 1984 to December 31, 1988 .....  | 1.075 percent  |

|  |                |
|--|----------------|
| <u>Mutual Thrift Institution Tax</u>       |                |
| January 1, 1991 and thereafter .....       | 11.500 percent |
| January 1, 1987 to December 31, 1990 ..... | 12.500 percent |

**Reference:** Purdon's Title 72 P.S. §7701—§7702. Bank and Trust Company Shares Tax.  
Purdon's Title 72 P.S. §8501—§8505. Mutual Thrift Institution Tax.  
Purdon's Title 72 P.S. §7801—§7806. Title Insurance Companies Shares Tax.

**Proposed Changes:** The Bank and Trust Company Shares Tax rate will increase from 0.89 percent to 1.25 percent effective for January 1, 2014 and thereafter. In addition, the apportionment of receipts from investment and trading assets and activities will be clarified.

## Severance Tax on Natural Gas

**Proposed Change:** A new tax on the severance of natural gas within the commonwealth is proposed. The rate is 5% of the value of the natural gas at the wellhead plus \$0.047 per thousand cubic feet of natural gas severed. The proposed tax would be effective January 1, 2016. Beginning in fiscal year 2015-16, a total of \$10 million is transferred to support additional environmental enforcement (\$5 million to the Well Plugging Account and \$5 million to the Department of Environmental Protection as an augmentation to the Environmental Protection Operations appropriation). Beginning in fiscal year 2016-17 and thereafter, a total of \$225 million is transferred to the Unconventional Gas Well Fund to replace current unconventional gas well impact fees. Beginning in 2016-17 and thereafter, an annual amount is transferred for debt service payments to support the \$675 million economic growth bonds.

## Other Selective Business Taxes

**Tax Base:** Other selective business taxes include: State Personal Property Tax Act, Act of June 22, 1935, P.L. 414 as amended; Electric Cooperative Law of 1990, 15 Pa.C.S.A. §7301 et seq.; and Agricultural Cooperative Associations Corporate Tax, Act of May 23, 1945, P.L. 893.

**Tax Rates:** Electric cooperative corporations annually pay a fee of \$10 for each 100 members. The rate for the Agricultural Cooperative Associations Corporate Tax is 4 percent on net income.

**Reference:** Purdon's Title 72 P.S. §3242—§3250-15. State Personal Property Tax.  
Purdon's Title 72 P.S. §3420-21—§3420-28. Agricultural Cooperative Associations.  
15 Pa.C.S.A. §7333 – Electric Cooperative Law Tax.

## Sales and Use Tax

---

**Tax Base:** The tax is levied on the sale at retail, including rental, of tangible personal property and certain services, or upon the use within Pennsylvania of tangible personal property, or taxable services purchased at retail if the tax was not paid at time of purchase. A tax on the occupancy of hotel rooms is imposed as part of the sales and use tax law. A transfer of 0.947 percent of revenues from this tax is deposited in the Public Transportation Assistance Fund. Beginning in fiscal year 2007-08, 4.4 percent of receipts are transferred annually to the Public Transportation Trust Fund. The revenues shown for the General Fund are net of these transfers.

**Tax Rate:** A bracket system based on 6 percent of purchase price for Sales and Use Tax and 6 percent of rent for Hotel Occupancy Tax. The current tax rate was enacted in 1968.

**Reference:** Purdon's Title 72 P.S. §7201 et seq.

**Proposed Change:** The sales and use tax rate would be increased from 6 percent to 6.6 percent and the tax base broadened by eliminating 45 sales and use tax exemptions. The proposed tax would be effective January 1, 2016. In addition, the one percent discount for the timely remittance of sales tax collected by licensed vendors would be capped at \$25 for Monthly Filers, \$75 for Quarterly Filers, and \$150 for Semi-Annual Filers. Beginning in fiscal year 2015-16, an amount certified annually by the Secretary of the Budget is transferred to a restricted account to pay state contributions for school employee retirement obligations.

## Cigarette Tax

---

**Tax Base:** The tax is imposed and assessed on the sale or possession of cigarettes and little cigars weighing less than 4 pounds per 1,000 sticks within Pennsylvania. Only one sale of the cigarette is taxable.

**Tax Rates:** The rate is 8.00 cents per cigarette. Beginning in January 2004, 18.52 percent of cigarette tax receipts is transferred to the Health Care Provider Retention Account. This transfer was eliminated beginning November 2009. Beginning in fiscal year 2002-03, fixed annual amounts of \$30.73 million and \$20.485 million of Cigarette Tax receipts are transferred to the Children's Health Insurance Program (CHIP) and the Agricultural Conservation Easement Purchase (ACEP) Fund, respectively. The revenues shown for the General Fund are net of these transfers.

**Reference:** Purdon's Title 72 P.S. §8201 et seq.

**Proposed Change:** The cigarette tax rate would be increased from 8.00 cents to 13.00 cents per cigarette. The proposed tax would be effective October 1, 2015.

## Other Tobacco Products Tax

---

**Proposed Change:** A new tax on other tobacco products, including smokeless tobacco, large cigars, loose tobacco, and e-cigarettes is proposed. The tax rate would be 40% of the wholesale value of the product. The proposed tax would be effective October 1, 2015.

## Malt Beverage Tax

---

**Tax Base:** The tax is levied on the manufacture, sale and use of malt or brewed beverage within the Commonwealth by manufacturers, distributors and importers.

**Tax Rates:** The tax rate is two-thirds of a cent ( $\frac{2}{3}\text{¢}$ ) per half pint of 8 fluid ounces or fraction thereof, and in larger quantities at the rate of one cent (1¢) per pint or 6 fluid ounces or fraction thereof.

**Reference:** Purdon's Title 72 P.S. §9001 et seq.

## Liquor Tax

---

**Tax Base:** All liquor sold by the Pennsylvania Liquor Control Board.

**Tax Rate:** The rate is 18 percent of the net retail purchase price. The net retail purchase price includes the wholesale cost of the product, plus mark-up, handling charge and federal tax.

**Reference:** Purdon's Title 47 P.S. §794—§796.



## Personal Income Tax

**Tax Base:** The tax is paid by all residents, resident trusts and estates on eight separate classes of income: (1) compensation, (2) net profits, (3) interest, (4) dividends, (5) income from the disposition of property, (6) rents and royalties, (7) gambling and lottery winnings (except Pennsylvania Lottery winnings won after July 20, 1983), and (8) income from estates and trusts. The tax is also paid by non-resident individuals, estates and trusts on the following income from sources within the Commonwealth: compensation for personal services performed in Pennsylvania unless the taxpayer is a resident of a state with which there is a reciprocal agreement; net profits from activity conducted in Pennsylvania; income from the rental, ownership or disposition of any real or personal property, and income from gambling activity in Pennsylvania except prizes of the Pennsylvania State Lottery. A loss in one class of income may not be offset against income in another class, nor may gains or losses be carried back or forward from year to year. A credit is available to those individuals receiving tax forgiveness under the special provisions for poverty. Beginning in 1999, a qualified single individual with eligibility income of \$6,500 or less would receive 100 percent tax forgiveness. The eligibility income limit for each qualifying dependent of a claimant for tax forgiveness under the special tax provisions for poverty is \$9,500 beginning in 2004. The amount of forgiveness declines by 10 percent for each \$250 of income.

**Tax Rates:** For calendar and fiscal year filers whose year begins in the following periods:

|                           |       |
|---------------------------|-------|
| 2004 and thereafter ..... | 3.07% |
| 1993 to 2003 .....        | 2.80% |
| 1992 .....                | 2.95% |
| 1991 .....                | 2.60% |
| 1987 to 1990 .....        | 2.10% |
| 1986 .....                | 2.16% |
| 1985 .....                | 2.35% |

**Reference:** Purdon's Title 72 P.S. §7301 et seq.

**Proposed Changes:** The tax rate will increase to 3.7 percent effective July 1, 2015. In addition, Pennsylvania Lottery winnings will be taxable starting on July 1, 2015. The 100 percent tax forgiveness eligibility income of a qualified single individual will increase to \$8,700 beginning on July 1, 2015. Beginning in fiscal year 2015-16, an amount certified annually by the Secretary of the Budget is transferred to a restricted account to be deposited in the Property Tax Relief Fund to provide property tax and rent relief.

## Realty Transfer Tax

**Tax Base:** The tax is levied on the value of the real estate transferred by a deed, instrument or other writing. Other taxable transfers include long-term leases greater than thirty years, transfers of real estate from industrial development authorities that will not be used primarily for industrial purposes, and "deemed" transfers of real estate because of the acquisition of companies which are in the business of holding or selling real estate. Beginning in July 1994, 15 percent of the revenues are transferred to the Keystone Recreation, Park and Conservation Fund. The transfer rate was reduced to 10 percent of revenues from January 2002 through June 2002, and to 7.5 percent from July 2002 through June 2003. The transfer rate returned to 15 percent for July 2003 through June 2006. The rate reduced to 2.1 percent for July 2006 through June 2007, and returned to 15 percent for July 2007 and thereafter. The revenues shown for the General Fund are net of this transfer.

**Tax Rate:** Rate of 1 percent of the value of the property transferred.

**Reference:** Purdon's Title 72 P.S. §8101-C—§8113-C.

## Inheritance and Estate Taxes

**Tax Base:** The Inheritance Tax is imposed on the value of property transferred to beneficiaries of a deceased person and certain transfers made during the decedent's lifetime. The value of the transfer is established on the date of the decedent's death. The Estate Tax was levied when the Federal estate tax credit for State death taxes exceeded a decedent's Inheritance Tax liability. As a result of the American Taxpayer Relief Act of 2012, the federal estate tax credit for State death taxes will not return.

**Tax Rates:** Rates are based on the relationship of the decedent and the beneficiary. Transfers of non-jointly held property to spouses are taxed at a rate of 0 percent. Transfers to parents of decedents 21 years of age or younger are taxed at a rate of 0 percent (effective July 1, 2000). Transfers to lineal beneficiaries are taxed at 4.5 percent (effective July 1, 2000). Transfers to siblings of the decedents are subject to a 12 percent tax rate (effective July 1, 2000). Transfers to all other beneficiaries are taxed at 15 percent. The Estate Tax equaled the Federal credit for State death taxes, less the Inheritance Tax paid.

**Reference:** Purdon's Title 72 P.S. §9101 et seq.

## Table Game Taxes

---

**Tax Base:** These taxes are imposed on gross table game revenue of licensed gaming entities. Gross table game revenue is defined as total cash or cash equivalents received in the playing of table games, contest or tournament fees or payments, and total amount of rakes collected minus cash or cash equivalents paid out, paid to purchase annuities to fund prizes, and paid for personal property distributed to patrons as a result of playing a table game. The revenue from these taxes is deposited to the General Fund until such time as, on the last day of the fiscal year, the balance in the Budget Stabilization Reserve Fund is certified by the Secretary of the Budget to exceed \$750,000,000. Thereafter, the funds from these taxes are deposited to the Property Tax Relief Fund.

**Tax Rates:** 14 percent of gross table game revenue for 2 years following commencement of table game operations at the facility; 12 percent thereafter. In addition to the above percentages, 34 percent of gross table game revenue from table games played on fully automated electronic gaming tables.

**Reference:** Purdon's Title 4 P.S. § 13A62.

## Minor and Repealed Taxes

---

**Minor Taxes Include:** Tax on Legal Documents, Act of April 6, 1830, P.L. 272 (Purdon's Title 72 P.S. §3171) and excess Vehicle Rental Tax, Act of June 16, 1994, P.L. 279 (Purdon's Title 72 P.S. §8601-A). The Spirituous and Vinous Liquors Tax, Acts of December 5, 1933, P.L. 38 (Special Session) and December 22, 1933, P.L. 91 (Special Session) (Purdon's Title 47 P.S. §745) was repealed effective July 1, 2001. Also included in minor and repealed is a transfer to the Neighborhood Improvement Zone Fund, as established by Act 50 of 2009, Act 26 of 2011, and Act 87 of 2012 and a transfer to the City Revitalization and Improvement Zone Fund, as established by Act 52 of 2013.

## State Stores Fund Transfer

---

The State Stores Fund Transfer is an amount determined by the Liquor Control Board to be available for transfer to the General Fund to be used for general appropriation purposes as provided by Act No. 412-½ of July 18, 1935, P.L. 1316 (Purdon's Title 47 P.S. §744-907b).

## Licenses, Fees and Miscellaneous Revenue

---

Licenses and fees include collections by Commonwealth agencies that are not specifically required by law to be placed in special funds to support a specific purpose. Although amounts obtained from an individual class of license very often are sufficient only to cover regulatory costs, any additional money is available for general purposes. Many licenses and fees are required by laws designed to protect the public from indiscriminate and unsafe practices.

Miscellaneous revenues include all other income to be used for general appropriation purposes in the General Fund, except monies which are given to the Commonwealth by individuals, or are provided by law to be deposited in the Judicial Computer System Augmentation Account in accordance with Act 1988-79 (Purdon's Title 42 Pa.C.S.A. §3733). Any fines, fees or costs which are allocated to counties and municipalities are not affected by this act.

## Fines, Penalties and Interest

---

This revenue source includes fines and penalties not required by law to be placed into a special fund for a specific purpose. Most of these fines and penalties collected by the various departments are an integral part of enforcement of the laws providing for licenses and fees.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Estimated | 2015-16<br>Budget |
|--|-------------------|----------------------|-------------------|
| <b>TAX REVENUE</b>                                       |                   |                      |                   |
| <b>Corporate Net Income Tax</b> .....                    | \$ 2,501,635      | \$ 2,711,100         | \$ 2,487,700      |
| <b>Capital Stock and Franchise Taxes</b>                 |                   |                      |                   |
| Capital Stock Taxes — Domestic.....                      | \$ 135,970        | \$ 94,200            | \$ 40,900         |
| Franchise Taxes — Foreign.....                           | 184,237           | 127,700              | 55,500            |
| SUBTOTAL.....  | \$ 320,207        | \$ 221,900           | \$ 96,400         |
| <b>Gross Receipts Tax</b>                                |                   |                      |                   |
| Electric, Hydroelectric and Water Power.....             | \$ 831,754        | \$ 852,400           | \$ 866,600        |
| Telephone and Telegraph.....                             | 446,006           | 426,100              | 426,400           |
| Transportation.....                                      | 1,469             | 3,300                | 3,100             |
| SUBTOTAL.....  | \$ 1,279,229      | \$ 1,281,800         | \$ 1,296,100      |
| <b>Public Utility Realty Tax</b> .....                   | \$ 37,048         | \$ 37,200            | \$ 37,500         |
| <b>Insurance Premiums Tax</b>                            |                   |                      |                   |
| Domestic Casualty.....                                   | \$ 97,707         | \$ 97,100            | \$ 104,100        |
| Domestic Fire.....                                       | 21,090            | 19,200               | 20,600            |
| Domestic Life and Previously Exempted Lines.....         | 73,169            | 82,700               | 88,700            |
| Excess Insurance Brokers.....                            | 28,901            | 25,300               | 27,200            |
| Foreign Excess Casualty.....                             | 7,163             | 5,700                | 6,100             |
| Foreign Excess Fire.....                                 | 892               | 1,100                | 1,200             |
| Foreign Life.....  | 195,809           | 204,800              | 219,600           |
| Marine.....  | -4,135            | 500                  | 500               |
| Title Insurance.....                                     | 8,861             | 8,500                | 9,100             |
| Unauthorized Insurance.....                              | 2,616             | 6,700                | 7,200             |
| SUBTOTAL.....  | \$ 432,073        | \$ 451,600           | \$ 484,300        |
| <b>Financial Institutions Taxes</b>                      |                   |                      |                   |
| Federal Mutual Thrift Institutions.....                  | \$ 4,565          | \$ 5,200             | \$ 5,200          |
| National Banks.....                                      | 244,169           | 240,600              | 524,600           |
| State Banks.....   | 42,924            | 42,300               | 92,200            |
| State Mutual Thrift Institutions.....                    | 6,115             | 6,900                | 6,900             |
| Trust Companies.....                                     | 20,102            | 19,800               | 43,200            |
| SUBTOTAL.....  | \$ 317,875        | \$ 314,800           | \$ 672,100        |
| <b>Severance Tax</b> .....                               | \$ 0              | \$ 0                 | \$ 155,700        |
| <b>Other Selective Business Taxes</b>                    |                   |                      |                   |
| Corporate Loans — Domestic.....                          | \$ 7,963          | \$ 2,900             | \$ 1,300          |
| Corporate Loans — Foreign.....                           | 6                 | 0                    | 0                 |
| Miscellaneous Business Taxes.....                        | 1,603             | 600                  | 300               |
| Corporation Taxes — Clearing Accounts Undistributed..... | 743               | 300                  | 100               |
| SUBTOTAL.....  | \$ 10,315         | \$ 3,800             | \$ 1,700          |
| <b>Sales and Use Tax</b>                                 |                   |                      |                   |
| Motor Vehicle.....                                       | \$ 1,237,580      | \$ 1,351,400         | \$ 1,450,200      |
| Non-Motor Vehicle.....                                   | 7,892,041         | 8,222,500            | 8,260,600         |
| SUBTOTAL.....  | \$ 9,129,621      | \$ 9,573,900         | \$ 9,710,800      |
| <b>Cigarette Tax</b> .....                               | \$ 976,908        | \$ 923,200           | \$ 1,228,900      |
| <b>Other Tobacco Products Tax</b> .....                  | \$ 0              | \$ 0                 | \$ 84,100         |
| <b>Malt Beverage Tax</b> .....                           | \$ 25,096         | \$ 24,300            | \$ 24,300         |

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual    | 2014-15<br>Estimated | 2015-16<br>Budget    |
|---|----------------------|----------------------|----------------------|
| <b>Liquor Tax</b> .....                                     | \$ 320,912           | \$ 335,600           | \$ 347,900           |
| <b>Personal Income Tax</b>                                  |                      |                      |                      |
| Non-Withholding.....  | \$ 2,693,484         | \$ 2,897,300         | \$ 3,525,200         |
| Withholding.....  | 8,743,820            | 9,053,300            | 9,303,800            |
| SUBTOTAL.....   | \$ 11,437,304        | \$ 11,950,600        | \$ 12,829,000        |
| <b>Realty Transfer Tax</b> .....                            | \$ 375,408           | \$ 398,300           | \$ 433,600           |
| <b>Inheritance Tax</b>                                      |                      |                      |                      |
| Nonresident Inheritance and Estate Tax.....                 | \$ 6,116             | \$ 7,000             | \$ 6,700             |
| Resident Inheritance and Estate Tax.....                    | 871,307              | 993,200              | 950,200              |
| SUBTOTAL.....   | \$ 877,423           | \$ 1,000,200         | \$ 956,900           |
| <b>Table Games</b> .....                                    | \$ 90,451            | \$ 94,000            | \$ 96,400            |
| <b>Tavern Games/Small Games of Chance</b> .....             | \$ 43                | \$ 500               | \$ 500               |
| <b>Minor and Repealed Taxes</b>                             |                      |                      |                      |
| Tax on Writs, Wills and Deeds.....                          | \$ 1,157             | \$ 1,200             | \$ 1,200             |
| Unallocated EFT Payments.....                               | -226                 | 0                    | 0                    |
| Excess Vehicle Rental Tax.....                              | 9,315                | 10,000               | 10,700               |
| Payments of Intergrated Taxes (KITS).....                   | 622                  | 24,300               | -1,600               |
| Clearing of Wage Garnishment Collections.....               | 1,877                | 0                    | 0                    |
| NIZ State Tax Transfer.....                                 | -46,230              | -52,900              | -50,500              |
| CRIZ State Tax Transfer.....                                | 0                    | -11,000              | -15,800              |
| SUBTOTAL.....   | \$ -33,485           | \$ -28,400           | \$ -56,000           |
| <b>TOTAL TAX REVENUE</b> .....                              | <u>\$ 28,098,063</u> | <u>\$ 29,294,400</u> | <u>\$ 30,887,900</u> |
| <b>NONTAX REVENUES</b>                                      |                      |                      |                      |
| <b>State Stores Fund Transfer</b> .....                     | \$ 80,000            | \$ 80,000            | \$ 80,000            |
| <b>Licenses, Fees and Miscellaneous</b>                     |                      |                      |                      |
| <b>Governor's Offices</b>                                   |                      |                      |                      |
| MISCELLANEOUS REVENUE                                       |                      |                      |                      |
| Right To Know.....  | \$ *                 | \$ 0                 | \$ 0                 |
| DEPARMENT TOTAL.....  | <u>\$ 0</u>          | <u>\$ 0</u>          | <u>\$ 0</u>          |
| <b>Executive Offices</b>                                    |                      |                      |                      |
| MISCELLANEOUS REVENUE                                       |                      |                      |                      |
| Miscellaneous.....  | \$ 474               | \$ 477               | \$ 477               |
| Interest Transferred to Employee Benefits.....              | -726                 | -670                 | -670                 |
| Refunds Of Expenditures Not Credited To Appropriations..... | *                    | *                    | *                    |
| SUBTOTAL.....   | \$ -252              | \$ -193              | \$ -193              |
| DEPARMENT TOTAL.....  | <u>\$ -252</u>       | <u>\$ -193</u>       | <u>\$ -193</u>       |
| <b>Lieutenant Governor's Office</b>                         |                      |                      |                      |
| LICENSES AND FEES   |                      |                      |                      |
| Board Of Pardons Fees.....                                  | \$ 14                | \$ 15                | \$ 15                |
| Board Of Pardons — Filing Fees.....                         | 6                    | 6                    | 6                    |
| SUBTOTAL.....   | 20                   | 21                   | 21                   |
| MISCELLANEOUS REVENUE                                       |                      |                      |                      |
| Miscellaneous.....  | \$ *                 | \$ *                 | \$ *                 |
| SUBTOTAL.....   | \$ 0                 | \$ 0                 | \$ 0                 |
| DEPARMENT TOTAL.....  | <u>\$ 20</u>         | <u>\$ 21</u>         | <u>\$ 21</u>         |

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Estimated | 2015-16<br>Budget |
|---|-------------------|----------------------|-------------------|
| <b>Auditor General</b>  |                   |                      |                   |
| <b>LICENSES AND FEES</b>                                      |                   |                      |                   |
| Filing Fees — Board of Arbitration of Claims.....             | \$ 1              | \$ 2                 | \$ 2              |
| DEPARTMENT TOTAL.....   | <u>\$ 1</u>       | <u>\$ 2</u>          | <u>\$ 2</u>       |
| <b>Attorney General</b>                                       |                   |                      |                   |
| <b>MISCELLANEOUS REVENUE</b>                                  |                   |                      |                   |
| Assessed Civil Penalties Payments.....                        | \$ 570            | \$ 362               | \$ 362            |
| Miscellaneous Interest Offset for Appropriation 611.....      | -75               | -84                  | -84               |
| Miscellaneous.....  | 13                | 19                   | 19                |
| Refunds Of Expenditures Not Credited To Appropriations.....   | 68                | 20                   | 20                |
| DEPARTMENT TOTAL.....   | <u>\$ 576</u>     | <u>\$ 317</u>        | <u>\$ 317</u>     |
| <b>Treasury Department</b>                                    |                   |                      |                   |
| <b>MISCELLANEOUS REVENUE</b>                                  |                   |                      |                   |
| Allocation of Treasury Costs.....                             | \$ 2,929          | \$ 0                 | \$ 0              |
| Contra Account Audit Service fees.....                        | 0                 | -250                 | -250              |
| Depository Adjustments.....                                   | *                 | 0                    | 0                 |
| Dividend Income Reinvested - Long Term.....                   | 64                | 0                    | 0                 |
| Interest on Average Collected Balance - WIC Program.....      | 14                | 0                    | 0                 |
| Interest on Deposits.....                                     | 67                | 0                    | 0                 |
| Interest on Securities — Liquor License Fund.....             | 4                 | 0                    | 0                 |
| Interest on Securities.....                                   | 3,888             | 2,128                | 2,512             |
| Miscellaneous.....  | 620               | 0                    | 0                 |
| Redeposit of Checks.....                                      | -21               | 1,500                | 1,000             |
| Unclaimed Property — Recovery Fees w/h for Audit Service..... | 0                 | -5,000               | -5,000            |
| Unclaimed Property — Contra Acct Paypal Fees.....             | -6                | 0                    | 0                 |
| Unclaimed Property — Claim Payments.....                      | -113,881          | -105,000             | -110,000          |
| Unclaimed Property — Financial Institution Deposits.....      | 46,682            | 68,569               | 43,000            |
| Unclaimed Property — Other Holder Deposits.....               | 218,043           | 226,678              | 147,376           |
| DEPARTMENT TOTAL.....   | <u>\$ 158,403</u> | <u>\$ 188,625</u>    | <u>\$ 78,638</u>  |
| <b>Department of Agriculture</b>                              |                   |                      |                   |
| <b>LICENSES AND FEES</b>                                      |                   |                      |                   |
| Abattoir Licenses.....  | \$ *              | \$ 5                 | \$ *              |
| Approved Inspectors Certificate And Registration Fees.....    | 3                 | 3                    | 3                 |
| Eating & Drinking Licenses.....                               | 2,225             | 2,500                | 2,500             |
| Egg Certification Fees.....                                   | 12                | 12                   | 12                |
| Garbage Feeders Licenses.....                                 | *                 | *                    | *                 |
| Ice Cream Licenses.....                                       | 146               | 160                  | 160               |
| Lab Directors' Exam Fees.....                                 | 5                 | 1                    | 1                 |
| Livestock Branding Fees.....                                  | *                 | *                    | *                 |
| Poultry Technician Licenses.....                              | 5                 | 5                    | 5                 |
| Pub Weighmasters (Under Act 155).....                         | 311               | 200                  | 200               |
| Registration Fee — Food Establishment.....                    | 206               | 248                  | 248               |
| Rendering Plant Licenses.....                                 | 2                 | 2                    | 2                 |
| SUBTOTAL.....   | <u>\$ 2,915</u>   | <u>\$ 3,136</u>      | <u>\$ 3,131</u>   |
| <b>MISCELLANEOUS REVENUE</b>                                  |                   |                      |                   |
| Interest Earnings Contra BA 68.....                           | \$ -11            | \$ 0                 | \$ 0              |
| Miscellaneous.....  | *                 | 0                    | 0                 |
| Refunds Of Expenditures Not Credited To Appropriations.....   | *                 | 0                    | 0                 |
| Right to Know.....  | *                 | 1                    | 1                 |
| SUBTOTAL.....   | <u>\$ -11</u>     | <u>\$ 1</u>          | <u>\$ 1</u>       |
| DEPARTMENT TOTAL.....   | <u>\$ 2,904</u>   | <u>\$ 3,137</u>      | <u>\$ 3,132</u>   |
| <b>Department of Banking and Securities</b>                   |                   |                      |                   |
| <b>LICENSES AND FEES</b>                                      |                   |                      |                   |
| Licenses and Fees.....  | \$ 25,604         | \$ 25,881            | \$ 25,881         |
| SUBTOTAL.....   | <u>\$ 25,604</u>  | <u>\$ 25,881</u>     | <u>\$ 25,881</u>  |

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Estimated | 2015-16<br>Budget |
|---|-------------------|----------------------|-------------------|
| <b>MISCELLANEOUS REVENUE</b>                                |                   |                      |                   |
| Miscellaneous.....  | \$ 1              | \$ 0                 | \$ 0              |
| SUBTOTAL.....   | \$ 1              | \$ 0                 | \$ 0              |
| DEPARTMENT TOTAL.....                                       | \$ 25,605         | \$ 25,881            | \$ 25,881         |
| <b>Civil Service Commission</b>                             |                   |                      |                   |
| <b>MISCELLANEOUS REVENUE</b>                                |                   |                      |                   |
| Miscellaneous.....  | \$ *              | \$ 0                 | \$ 0              |
| DEPARTMENT TOTAL.....                                       | \$ 0              | \$ 0                 | \$ 0              |
| <b>Department of Community and Economic Development</b>     |                   |                      |                   |
| <b>LICENSES AND FEES</b>                                    |                   |                      |                   |
| Municipal Indebtedness Fees.....                            | \$ 205            | \$ 225               | \$ 225            |
| SUBTOTAL.....   | \$ 205            | \$ 225               | \$ 225            |
| <b>MISCELLANEOUS REVENUE</b>                                |                   |                      |                   |
| Miscellaneous.....  | \$ 92             | \$ 200               | \$ 101            |
| General Principal Repayments.....                           | 0                 | 20                   | 10                |
| General Interest on Loans.....                              | 0                 | 1                    | 1                 |
| HRA/EDS Principal Repayments.....                           | 107               | 95                   | 105               |
| HRA/EDS Interest Repayments.....                            | 0                 | 0                    | 0                 |
| HRA/EDS Interest on Loans.....                              | 3                 | 4                    | 4                 |
| ID/BID Principal Repayments.....                            | 564               | 550                  | 560               |
| ID/BID Penalty Charges.....                                 | *                 | *                    | *                 |
| ID/BID Interest on Loans.....                               | 163               | 170                  | 170               |
| PENNWORKS Interest on Loans.....                            | 7,601             | 7,000                | 7,000             |
| PENNWORKS Penalty Charges.....                              | 19                | 20                   | 20                |
| PENNWORKS Principle Repayment.....                          | 21,918            | 20,000               | 20,000            |
| Refunds of Expenditures Not Credited to Appropriations..... | 98                | 2                    | 100               |
| SUBTOTAL.....   | \$ 30,565         | \$ 28,062            | \$ 28,071         |
| DEPARTMENT TOTAL.....                                       | \$ 30,770         | \$ 28,287            | \$ 28,296         |
| <b>Department of Conservation and Natural Resources</b>     |                   |                      |                   |
| <b>MISCELLANEOUS REVENUE</b>                                |                   |                      |                   |
| Camp Leases.....  | \$ 798            | \$ 800               | \$ 800            |
| Ground Rents.....   | 18                | 17                   | 17                |
| Housing Rents.....  | 24                | 25                   | 25                |
| Minerals Sales.....   | 2                 | 2                    | 2                 |
| Miscellaneous.....  | 326               | 8                    | 8                 |
| Sale of DEP Water Kits.....                                 | 1                 | 2                    | 2                 |
| Parks Consignment Sales.....                                | 2                 | 1                    | 1                 |
| Refunds Of Expenditures Not Credited To Appropriations..... | 5                 | 0                    | 0                 |
| Rights-Of-Way.....  | 1,003             | 931                  | 931               |
| Water Leases.....   | 22                | 22                   | 22                |
| DEPARTMENT TOTAL.....                                       | \$ 2,201          | \$ 1,808             | \$ 1,808          |
| <b>Department of Corrections</b>                            |                   |                      |                   |
| <b>MISCELLANEOUS REVENUE</b>                                |                   |                      |                   |
| Antitrust Case Payments.....                                | \$ 0              | \$ 5                 | \$ 5              |
| Miscellaneous.....  | 62                | 26                   | 26                |
| Refunds Of Expenditures Not Credited To Appropriations..... | 2                 | 2                    | 2                 |
| Telephone Commissions.....                                  | 8,102             | 5,000                | 4,000             |
| DEPARTMENT TOTAL.....                                       | \$ 8,166          | \$ 5,033             | \$ 4,033          |
| <b>Drug and Alcohol Programs</b>                            |                   |                      |                   |
| <b>MISCELLANEOUS REVENUE</b>                                |                   |                      |                   |
| Interest Transferred to SHARE Loan Program.....             | \$ *              | \$ 0                 | \$ 0              |
| DEPARTMENT TOTAL.....                                       | \$ 0              | \$ 0                 | \$ 0              |

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual      | 2014-15<br>Estimated   | 2015-16<br>Budget      |
|---|------------------------|------------------------|------------------------|
| <b>Department of Education</b>                                  |                        |                        |                        |
| <b>LICENSES AND FEES</b>  |                        |                        |                        |
| Fees For GED Transcripts.....                                   | \$ 52                  | \$ 57                  | \$ 57                  |
| Fees For Licensing Private Schools.....                         | 148                    | 141                    | 134                    |
| PDE Fees Transcripts — Closed Private Schools.....              | *                      | *                      | *                      |
| Private Academic School Teacher Certification Fees.....         | 32                     | 33                     | 33                     |
| Fees For Licensing Private Driver Training Schools.....         | 106                    | 90                     | 85                     |
| Secondary Education Evaluation Fees.....                        | 7                      | 7                      | 7                      |
| Teacher Certification Fees.....                                 | 2,639                  | 2,700                  | 2,700                  |
| Fingerprint and FBI Background Check Fees.....                  | 1,070                  | 330                    | 330                    |
| SUBTOTAL.....   | <u>\$ 4,054</u>        | <u>\$ 3,358</u>        | <u>\$ 3,346</u>        |
| <b>MISCELLANEOUS REVENUE</b>                                    |                        |                        |                        |
| Miscellaneous.....  | \$ *                   | \$ 0                   | \$ 0                   |
| Right to Know.....  | 2                      | 0                      | 0                      |
| SUBTOTAL.....   | <u>\$ 2</u>            | <u>\$ 0</u>            | <u>\$ 0</u>            |
| DEPARTMENT TOTAL.....   | <u><u>\$ 4,056</u></u> | <u><u>\$ 3,358</u></u> | <u><u>\$ 3,346</u></u> |
| <b>Emergency Management Agency</b>                              |                        |                        |                        |
| <b>MISCELLANEOUS REVENUE</b>                                    |                        |                        |                        |
| Interest Earnings Contra BA 31.....                             | \$ -3                  | \$ 0                   | \$ 0                   |
| Refunds of Expenditures Not Credited to Appropriations.....     | *                      | 0                      | 0                      |
| DEPARTMENT TOTAL.....   | <u><u>\$ -3</u></u>    | <u><u>\$ 0</u></u>     | <u><u>\$ 0</u></u>     |
| <b>Department of Environmental Protection</b>                   |                        |                        |                        |
| <b>LICENSES AND FEES</b>  |                        |                        |                        |
| Bituminous Shot Firers and Machine Runners Exam A.....          | \$ 3                   | \$ 2,000               | \$ 2                   |
| Blasters' Examination and Licensing Fees.....                   | 35                     | 35                     | 35                     |
| Dams and Encroachment Fees.....                                 | 151                    | 151                    | 151                    |
| Explosives Storage Permit Fees.....                             | 73                     | 72                     | 72                     |
| Government Financed Costs Contracts.....                        | 60                     | 0                      | 0                      |
| Hazardous Waste Facility Annual Permit Administration Fees..... | 27                     | 27                     | 27                     |
| Hazardous Waste Facility Permit Application Fees.....           | 99                     | 99                     | 99                     |
| Hazardous Waste Storage-Disposal Fac-Fee.....                   | 81                     | 81                     | 81                     |
| Hazardous Waste Transporter License and Fees.....               | 46                     | 43                     | 43                     |
| Infectious and Chemical Waste Transport Fees.....               | 11                     | 11                     | 11                     |
| Municipal Waste Annual Permit Administration Fees.....          | 207                    | 220                    | 220                    |
| Municipal Waste Permit Application Fees.....                    | 104                    | 107                    | 107                    |
| Residual Waste Closure Administration Fees.....                 | 0                      | 1                      | 1                      |
| Residual Waste Permit Administration Fees.....                  | 201                    | 201                    | 201                    |
| Residual Waste Permit Application/Modification Fees.....        | 44                     | 47                     | 47                     |
| Sewage Permit Fees.....   | 105                    | 114                    | 114                    |
| Submerged Land Fees.....  | 51                     | 54                     | 54                     |
| Water Bacteriological Examination Fees.....                     | 24                     | 27                     | 27                     |
| Water Power and Supply Permit Fees.....                         | 93                     | 93                     | 93                     |
| SUBTOTAL.....   | <u>\$ 1,415</u>        | <u>\$ 3,383</u>        | <u>\$ 1,385</u>        |
| <b>MISCELLANEOUS REVENUE</b>                                    |                        |                        |                        |
| Ground Rentals.....   | \$ 11                  | \$ 10                  | \$ 10                  |
| Miscellaneous.....  | 41                     | 41                     | 41                     |
| Payment To Occupy Submerged Lands.....                          | 1,299                  | 786                    | 786                    |
| Refunds of Expenditures Not Credited to Appropriations.....     | 1                      | 1                      | 1                      |
| Rights-of-Way.....  | 30                     | 30                     | 30                     |
| Royalties for Recovery Of Materials — Schuylkill River.....     | 110                    | 107                    | 107                    |
| SUBTOTAL.....   | <u>\$ 1,492</u>        | <u>\$ 975</u>          | <u>\$ 975</u>          |
| DEPARTMENT TOTAL.....   | <u><u>\$ 2,907</u></u> | <u><u>\$ 4,358</u></u> | <u><u>\$ 2,360</u></u> |

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Estimated | 2015-16<br>Budget |
|---|-------------------|----------------------|-------------------|
| <b>Department of General Services</b>                                   |                   |                      |                   |
| <b>MISCELLANEOUS REVENUE</b>  |                   |                      |                   |
| Allocation Of Purchasing Costs Job 7.....                               | \$ 3,931          | \$ 3,995             | \$ 4,095          |
| Miscellaneous.....  | *                 | *                    | *                 |
| Real Estate Services.....   | 296               | 241                  | 247               |
| Rebates to be Distributed.....  | 214               | 150                  | 150               |
| Refunds of Expenditures Not Credited to Appropriations.....             | 10                | 2                    | 2                 |
| Rental Of State Property.....   | 219               | 75                   | 75                |
| Right To Know.....  | 1                 | 1                    | 1                 |
| Sale Of State Property.....   | 885               | 3,000                | 4,000             |
| Sale Of Unserviceable Property.....                                     | 0                 | 400                  | 400               |
| Sale Of Property Escrow.....  | 157               | 125                  | 125               |
| Reading State Office Building.....                                      | 245               | 251                  | 257               |
| Scranton State Office Building.....                                     | 828               | 849                  | 871               |
| DEPARTMENT TOTAL.....   | <u>\$ 6,786</u>   | <u>\$ 9,089</u>      | <u>\$ 10,223</u>  |
| <b>Department of Health</b>   |                   |                      |                   |
| <b>LICENSES AND FEES</b>  |                   |                      |                   |
| Bathing Place Program — Application Fees.....                           | \$ 1              | \$ 1                 | \$ 1              |
| Cre Certification Fees.....   | 18                | 19                   | 19                |
| Home Care Agency Licensure Fees.....                                    | 139               | 143                  | 143               |
| Hospice Licensing Fees.....   | 27                | 28                   | 28                |
| Immunization Service Fees.....  | 47                | 50                   | 50                |
| Miscellaneous Licensure Fees.....                                       | 190               | 185                  | 185               |
| Nursing Home Licenses.....  | 277               | 274                  | 286               |
| Pediatric Extended Care Licensing Fees.....                             | 5                 | 5                    | 5                 |
| Profit Making Hospital Licenses.....                                    | 287               | 212                  | 271               |
| Organized Camps Program Fees.....                                       | 3                 | 3                    | 3                 |
| Registration Fees — Hearing Aid Act.....                                | 128               | 128                  | 128               |
| Registration Fees — Drugs Devices and Cosmetics Act.....                | 477               | 475                  | 475               |
| Vital Statistics Fees.....  | 4,881             | 5,043                | 5,043             |
| Wholesale Prescription Drug Distribution Licenses.....                  | 73                | 72                   | 72                |
| SUBTOTAL.....   | <u>\$ 6,553</u>   | <u>\$ 6,638</u>      | <u>\$ 6,709</u>   |
| <b>MISCELLANEOUS REVENUE</b>  |                   |                      |                   |
| Interest Transferred to Share Loan Program.....                         | \$ -1             | \$ 0                 | \$ 0              |
| Miscellaneous.....  | 103               | 80                   | 80                |
| Right to Know.....  | 3                 | 1                    | 1                 |
| Refunds of Expenditures Not Credited to Appropriations.....             | *                 | 0                    | 0                 |
| SUBTOTAL.....   | <u>\$ 105</u>     | <u>\$ 81</u>         | <u>\$ 81</u>      |
| DEPARTMENT TOTAL.....   | <u>\$ 6,658</u>   | <u>\$ 6,719</u>      | <u>\$ 6,790</u>   |
| <b>Historical and Museum Commission</b>                                 |                   |                      |                   |
| <b>MISCELLANEOUS REVENUE</b>  |                   |                      |                   |
| Miscellaneous.....  | \$ *              | \$ *                 | \$ *              |
| DEPARTMENT TOTAL.....   | <u>\$ 0</u>       | <u>\$ 0</u>          | <u>\$ 0</u>       |
| <b>Insurance Department</b>   |                   |                      |                   |
| <b>LICENSES AND FEES</b>  |                   |                      |                   |
| Agents' Licenses.....   | \$ 30,778         | \$ 29,250            | \$ 29,743         |
| Brokers' Licenses.....  | 11,090            | 9,281                | 10,156            |
| Division of Companies Certification — Certificates and Filing Fees..... | 2,031             | 2,140                | 2,196             |
| Examination Fees and Expenses.....                                      | 3,432             | 2,265                | 0                 |
| Market Conduct Examination Fees.....                                    | 433               | 501                  | 0                 |
| Miscellaneous Fees.....   | 665               | 496                  | 507               |
| Contra Transfers.....   | -29,461           | -24,990              | -24,325           |
| Valuation of Policies Fees.....   | 10,493            | 6,047                | 6,047             |
| SUBTOTAL.....   | <u>\$ 29,461</u>  | <u>\$ 24,990</u>     | <u>\$ 24,324</u>  |

\* Less than \$500.



# General Fund Revenue Detail

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Estimated | 2015-16<br>Budget |
|---|-------------------|----------------------|-------------------|
| MISCELLANEOUS REVENUE                                       |                   |                      |                   |
| Miscellaneous.....  | \$ -1             | \$ 0                 | \$ 0              |
| Refunds of Expenditures Not Credited to Appropriations..... | *                 | 0                    | 0                 |
| SUBTOTAL.....   | \$ -1             | \$ 0                 | \$ 0              |
| DEPARTMENT TOTAL.....                                       | \$ 29,460         | \$ 24,990            | \$ 24,324         |

## Department of Labor and Industry

### LICENSES AND FEES

|  |          |          |          |
|--|----------|----------|----------|
| Accessibility.....                                 | \$ 38    | \$ 42    | \$ 42    |
| Approval of Building Plan Fees.....                | 497      | 475      | 475      |
| Approval of Elevator Plan Fees.....                | 601      | 525      | 525      |
| Bedding And Upholstery Fees.....                   | 800      | 735      | 735      |
| Boiler Inspection Fees.....                        | 3,568    | 3,500    | 3,500    |
| Boiler Plan Fees.....                              | 62       | 70       | 70       |
| Elevator Inspection Fees.....                      | 706      | 700      | 700      |
| Employment Agency Licenses.....                    | 19       | 0        | 0        |
| Employment Agents' Registration Fees.....          | 3        | 0        | 0        |
| Flammable Liquids Storage Fees.....                | 38       | 42       | 42       |
| Industrial Board.....                              | 77       | 80       | 80       |
| Industrial Homework Permit Fees.....               | *        | 0        | 0        |
| Liquefied Petroleum Gas Plan Fees.....             | 76       | 60       | 60       |
| Liquefied Petroleum Gas Registration Fees.....     | 129      | 100      | 100      |
| Stuffed Toys Manufacturers' Registration Fees..... | 63       | 63       | 63       |
| UCC Certifications.....                            | 60       | 65       | 65       |
| SUBTOTAL.....                                      | \$ 6,737 | \$ 6,457 | \$ 6,457 |

### MISCELLANEOUS REVENUE

|   |          |          |          |
|---|----------|----------|----------|
| Act 64-Contra Miscellaneous Revenue Code.....               | \$ 22    | \$ 0     | \$ 0     |
| Miscellaneous.....  | *        | 1        | 1        |
| Interest Earnings Contra BA12.....                          | -4       | 0        | 0        |
| Refunds of Expenditures Not Credited to Appropriations..... | *        | 0        | 0        |
| SUBTOTAL.....   | \$ 18    | \$ 1     | \$ 1     |
| DEPARTMENT TOTAL.....                                       | \$ 6,755 | \$ 6,458 | \$ 6,458 |

## Board of Probation and Parole

### MISCELLANEOUS REVENUE

|   |       |      |      |
|---|-------|------|------|
| Miscellaneous.....  | \$ 69 | \$ 0 | \$ 0 |
| Refunds of Expenditures Not Credited to Appropriations..... | *     | 0    | 0    |
| DEPARTMENT TOTAL.....                                       | \$ 69 | \$ 0 | \$ 0 |

## Department of Public Welfare

### LICENSES AND FEES

|  |       |       |       |
|--|-------|-------|-------|
| Personal Care Facilities Licenses..... | \$ 47 | \$ 47 | \$ 47 |
| SUBTOTAL.....                          | \$ 47 | \$ 47 | \$ 47 |

### MISCELLANEOUS REVENUE

|   |       |       |       |
|---|-------|-------|-------|
| Miscellaneous.....  | \$ 4  | \$ 4  | \$ 4  |
| Refunds of Expenditures Not Credited to Appropriations..... | 1     | 1     | 1     |
| SUBTOTAL.....   | \$ 5  | \$ 5  | \$ 5  |
| DEPARTMENT TOTAL.....                                       | \$ 52 | \$ 52 | \$ 52 |

## Department of Revenue

### LICENSES AND FEES

|  |          |           |           |
|--|----------|-----------|-----------|
| Certification And Copy Fees.....                   | \$ 36    | \$ 34     | \$ 34     |
| Cigarette Permit Fees.....                         | 787      | 788       | 790       |
| Domestic Violence and Rape Crisis Program Fee..... | 1,267    | 1,193     | 1,123     |
| Autho Fees/ Act 2010.....                          | 0        | 22,749    | 16,500    |
| Table License Fees Man S.....                      | 80       | 0         | 0         |
| SUBTOTAL.....                                      | \$ 2,170 | \$ 24,764 | \$ 18,447 |

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Estimated | 2015-16<br>Budget |
|---|-------------------|----------------------|-------------------|
| <b>MISCELLANEOUS REVENUE</b>  |                   |                      |                   |
| Exempt Collections Per Act 1992-67.....                               | \$ 16,868         | 17,400               | 18,000            |
| District Justice Costs.....   | 7,631             | 7,629                | 7,631             |
| Miscellaneous.....  | 81                | 136                  | 136               |
| Distribution Due Absentee.....  | 4                 | 3                    | 3                 |
| Conscience Money.....   | 1                 | 1                    | 1                 |
| Right to Know.....  | *                 | 0                    | 0                 |
| Refunds of Expenditures Not Credited to Appropriations.....           | 39                | 42                   | 45                |
| SUBTOTAL.....   | \$ 24,624         | \$ 25,211            | \$ 25,816         |
| DEPARTMENT TOTAL.....   | \$ 26,794         | \$ 49,975            | \$ 44,263         |
| <b>Department of State</b>  |                   |                      |                   |
| <b>LICENSES AND FEES</b>  |                   |                      |                   |
| Charities Bureau Registration Fees.....                               | \$ 2,230          | \$ 2,220             | \$ 2,320          |
| Commission and Filing Fees — Bureau Of Elections.....                 | 624               | 624                  | 630               |
| Commission and Filing Fees — Corporation Bureau.....                  | 26,026            | 27,500               | 28,325            |
| Campaign Finance Fee.....   | 42                | 64                   | 65                |
| Notary Public Commission Fees.....                                    | 933               | 890                  | 924               |
| SUBTOTAL.....   | \$ 29,855         | \$ 31,298            | \$ 32,264         |
| <b>MISCELLANEOUS REVENUE</b>  |                   |                      |                   |
| Prof. & Occupational Affairs Credit Card Transfers.....               | \$ -1,250         | \$ 0                 | \$ 0              |
| Interest Transferred to HAVA Program.....                             | -28               | 0                    | 0                 |
| Refunds of Expenditures Not Credited to Appropriations.....           | *                 | 0                    | 0                 |
| Right To Know.....  | 0                 | *                    | *                 |
| SUBTOTAL.....   | \$ -1,278         | \$ 0                 | \$ 0              |
| DEPARTMENT TOTAL.....   | \$ 28,577         | \$ 31,298            | \$ 32,264         |
| <b>State Police</b>   |                   |                      |                   |
| <b>MISCELLANEOUS REVENUE</b>  |                   |                      |                   |
| Act 64 - Contra Miscellaneous Revenue .....                           | \$ -14            | \$ 0                 | \$ 0              |
| Miscellaneous.....  | 405               | 175                  | 175               |
| Reimbursement For Lost Property.....                                  | 2                 | 1                    | 1                 |
| Refunds of Expenditures Not Credited to Appropriations.....           | 1                 | 300                  | 300               |
| DEPARTMENT TOTAL.....   | \$ 394            | \$ 476               | \$ 476            |
| <b>Department of Transportation</b>                                   |                   |                      |                   |
| <b>MISCELLANEOUS REVENUE</b>  |                   |                      |                   |
| Miscellaneous.....  | \$ *              | \$ 5                 | \$ 5              |
| Right To Know.....  | 10                | 10                   | 10                |
| DEPARTMENT TOTAL.....   | \$ 10             | \$ 15                | \$ 15             |
| <b>Other</b>  |                   |                      |                   |
| <b>LICENSES AND FEES</b>  |                   |                      |                   |
| Gaming Control Board - Ancillary Table Games License Fees.....        | \$ 218            | \$ 403               | \$ 288            |
| Liquor Control Board - Small Games of Chance - License Fees.....      | 32                | 150                  | 300               |
| SUBTOTAL.....   | \$ 250            | \$ 553               | \$ 588            |
| <b>MISCELLANEOUS REVENUE</b>  |                   |                      |                   |
| Payments in Lieu of Taxes — SWIF.....                                 | \$ 5,406          | \$ 0                 | \$ 0              |
| Gaming Control Board - Refunds of Expend Not Credited to Approp ..... | *                 | 0                    | 0                 |
| Supreme Court.....  | 54                | 47                   | 39                |
| Transfers From Special Funds.....                                     | 11,500            | 324,555              | 75,000            |
| SUBTOTAL.....   | \$ 16,960         | \$ 324,602           | \$ 75,039         |
| DEPARTMENT TOTAL.....   | \$ 17,210         | \$ 325,155           | \$ 75,627         |
| <b>Total Licenses, Fees and Miscellaneous.....</b>                    | <b>\$ 358,119</b> | <b>\$ 714,861</b>    | <b>\$ 348,133</b> |

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual    | 2014-15<br>Estimated | 2015-16<br>Budget    |
|---|----------------------|----------------------|----------------------|
| <b>Fines, Penalties and Interest on Taxes</b>           |                      |                      |                      |
| Corporation Net Income Tax.....                         | \$ -0                | \$ 0                 | \$ 0                 |
| SUBTOTAL.....   | \$ -0                | \$ 0                 | \$ 0                 |
| <b>Other Fines and Penalties</b>                        |                      |                      |                      |
| <b>Attorney General</b>                                 |                      |                      |                      |
| Criminal Restitution General Fund.....                  | \$ 41                | \$ 41                | \$ 41                |
| <b>Department of Agriculture</b>                        |                      |                      |                      |
| Amusement Rides and Attractions — Fines.....            | *                    | 3                    | 3                    |
| General Food Fines.....                                 | 21                   | 11                   | 11                   |
| Harness Racing Fines and Penalties.....                 | 136                  | 140                  | 140                  |
| Horse Racing Fines and Penalties.....                   | 113                  | 130                  | 130                  |
| Miscellaneous Fines.....                                | -2                   | 3                    | 3                    |
| Civil Penalties - Food Establishments.....              | 7                    | 5                    | 5                    |
| Weights & Measures Division - Fines.....                | 0                    | 3                    | 3                    |
| <b>Department of Conservation and Natural Resources</b> |                      |                      |                      |
| Miscellaneous Fines.....                                | *                    | 1                    | 1                    |
| <b>Department of Environmental Protection</b>           |                      |                      |                      |
| Miscellaneous Fines.....                                | 5                    | 5                    | 5                    |
| <b>Ethics Commission</b>                                |                      |                      |                      |
| Violations-Act 1978-170.....                            | 73                   | 0                    | 0                    |
| Lobbying Act 134-206.....                               | 36                   | 0                    | 0                    |
| <b>Gaming Control Board</b>                             |                      |                      |                      |
| Miscellaneous Fines and Penalties.....                  | 783                  | 696                  | 696                  |
| <b>Insurance Department</b>                             |                      |                      |                      |
| Miscellaneous Fines.....                                | 0                    | 1,500                | 1,500                |
| Surcharge Moving Vehicles Violations.....               | 37,807               | 39,594               | 39,620               |
| <b>Department of Labor and Industry</b>                 |                      |                      |                      |
| Minor Labor Law Fines.....                              | 4                    | 1                    | 1                    |
| Miscellaneous Fines.....                                | 44                   | 50                   | 50                   |
| <b>Public Utility Commission</b>                        |                      |                      |                      |
| Violation Of Order Fines.....                           | 2,831                | 16,000               | 200                  |
| <b>Department of Revenue</b>                            |                      |                      |                      |
| Malt Liquor Fines and Penalties.....                    | 15                   | 8                    | 8                    |
| Commercial Driver Fines.....                            | 273                  | 270                  | 270                  |
| Act 154 - 1994 Police Pursuits.....                     | 1                    | 0                    | 0                    |
| Emission Regulation Fines & Penalties.....              | 14                   | 10                   | 10                   |
| Fines - Restoration - Operating Privileges.....         | 3,879                | 3,880                | 3,880                |
| Restoration of Vehicle Registration.....                | 1,279                | 1,280                | 1,280                |
| Act 64 Contra revenue code.....                         | -15,970              | -15,970              | -15,970              |
| Vehicle Code Fines - Lcl Police Enf.....                | 22,131               | 22,128               | 22,130               |
| Vehicle Code Fines - Overweight Trucks.....             | 448                  | 450                  | 450                  |
| Vehicle Code Fines - St Police Enf.....                 | 17,000               | 17,000               | 17,000               |
| SUBTOTAL.....   | \$ 70,969            | \$ 87,239            | \$ 71,467            |
| <b>Total Fines, Penalties and Interest.....</b>         | <b>\$ 70,969</b>     | <b>\$ 87,239</b>     | <b>\$ 71,467</b>     |
| <b>TOTAL NONTAX REVENUES.....</b>                       | <b>\$ 509,089</b>    | <b>\$ 882,100</b>    | <b>\$ 499,600</b>    |
| <b>TOTAL GENERAL FUND REVENUES.....</b>                 | <b>\$ 28,607,152</b> | <b>\$ 30,176,500</b> | <b>\$ 31,387,500</b> |

\* Less than \$500.

# General Fund Revenue Summary

## Revenue History

This table shows six years of actual General Fund revenues available for general appropriation. This data does not include special restricted receipts, receipts augmenting appropriations or federal funds.

|  | (Dollar Amounts in Thousands) |                      |                      |                      |                      |                      |
|--|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2008-09<br>Actual             | 2009-10<br>Actual    | 2010-11<br>Actual    | 2011-12<br>Actual    | 2012-13<br>Actual    | 2013-14<br>Actual    |
| <b>TAX REVENUE</b>                     |                               |                      |                      |                      |                      |                      |
| <b>Corporation Taxes</b>               |                               |                      |                      |                      |                      |                      |
| Corporate Net Income Tax.....          | \$ 1,979,889                  | \$ 1,790,963         | \$ 2,131,451         | \$ 2,022,401         | \$ 2,423,441         | \$ 2,501,635         |
| Capital Stock and Franchise Taxes..... | 787,704                       | 761,188              | 819,363              | 837,243              | 602,249              | 320,207              |
| Selective Business:                    |                               |                      |                      |                      |                      |                      |
| Gross Receipts Tax.....                | 1,376,797                     | 1,286,669            | 1,225,163            | 1,330,023            | 1,306,271            | 1,279,229            |
| Public Utility Realty Tax.....         | 41,867                        | 39,549               | 34,434               | 28,721               | 43,884               | 37,048               |
| Insurance Premiums Tax.....            | 431,535                       | 459,528              | 428,594              | 458,409              | 446,946              | 432,073              |
| Financial Institutions Tax.....        | 198,505                       | 222,802              | 237,631              | 272,462              | 351,477              | 317,875              |
| Severance Tax.....                     | 0                             | 0                    | 0                    | 0                    | 0                    | 0                    |
| Other Selective Business Taxes.....    | 17,994                        | 18,508               | 15,391               | 14,451               | 15,451               | 10,315               |
| Total — Corporation Taxes.....         | \$ 4,834,291                  | \$ 4,579,207         | \$ 4,892,028         | \$ 4,963,710         | \$ 5,189,719         | \$ 4,898,382         |
| <b>Consumption Taxes</b>               |                               |                      |                      |                      |                      |                      |
| Sales and Use Tax.....                 | \$ 8,135,508                  | \$ 8,029,170         | \$ 8,590,217         | \$ 8,772,266         | \$ 8,893,714         | \$ 9,129,621         |
| Cigarette Tax.....                     | 754,159                       | 976,056              | 1,075,366            | 1,069,907            | 1,024,081            | 976,908              |
| Other Tobacco Products Tax.....        | 0                             | 0                    | 0                    | 0                    | 0                    | 0                    |
| Malt Beverage Tax.....                 | 25,970                        | 26,587               | 25,923               | 25,903               | 25,152               | 25,096               |
| Liquor Tax.....                        | 266,540                       | 271,015              | 281,746              | 298,144              | 311,248              | 320,912              |
| Total — Consumption Taxes.....         | \$ 9,182,177                  | \$ 9,302,828         | \$ 9,973,252         | \$ 10,166,220        | \$ 10,254,195        | \$ 10,452,537        |
| <b>Other Taxes</b>                     |                               |                      |                      |                      |                      |                      |
| Personal Income Tax.....               | \$ 10,198,646                 | \$ 9,968,733         | \$ 10,435,706        | \$ 10,800,528        | \$ 11,371,245        | \$ 11,437,304        |
| Realty Transfer Tax.....               | 294,464                       | 296,033              | 279,151              | 292,152              | 338,745              | 375,408              |
| Inheritance Tax.....                   | 772,165                       | 753,778              | 805,214              | 827,682              | 845,258              | 877,423              |
| Table Games.....                       | 0                             | 0                    | 68,663               | 95,029               | 88,679               | 90,451               |
| Tavern and Small Games of Chance.....  | 0                             | 0                    | 0                    | 0                    | 0                    | 43                   |
| Minor and Repealed Taxes.....          | 12,819                        | 9,349                | 6,607                | 3,207                | -20,678              | -33,485              |
| Total — Other Taxes.....               | \$ 11,278,094                 | \$ 11,027,893        | \$ 11,595,341        | \$ 12,018,598        | \$ 12,623,249        | \$ 12,747,144        |
| <b>TOTAL TAX REVENUE.....</b>          | <b>\$ 25,294,562</b>          | <b>\$ 24,909,928</b> | <b>\$ 26,460,621</b> | <b>\$ 27,148,528</b> | <b>\$ 28,067,163</b> | <b>\$ 28,098,063</b> |
| <b>NONTAX REVENUE</b>                  |                               |                      |                      |                      |                      |                      |
| State Stores Fund Transfer.....        | \$ 125,000                    | \$ 105,000           | \$ 105,000           | \$ 80,000            | \$ 80,000            | \$ 80,000            |
| Licenses, Fees and Miscellaneous:      |                               |                      |                      |                      |                      |                      |
| Licenses and Fees.....                 | 120,715                       | 284,002              | 125,420              | 138,822              | 137,010              | 109,287              |
| Miscellaneous.....                     | -30,554                       | 2,322,688            | 790,443              | 244,227              | 307,338              | 248,832              |
| Fines, Penalties and Interest:         |                               |                      |                      |                      |                      |                      |
| On Taxes.....                          | 17,242                        | 24,018               | 12,540               | 14,344               | 14,524               | 0                    |
| Other.....                             | 2,839                         | 2,525                | 3,193                | 52,078               | 40,911               | 70,969               |
| <b>TOTAL NONTAX REVENUES.....</b>      | <b>\$ 235,242</b>             | <b>\$ 2,738,233</b>  | <b>\$ 1,036,596</b>  | <b>\$ 529,471</b>    | <b>\$ 579,783</b>    | <b>\$ 509,088</b>    |
| <b>GENERAL FUND TOTAL.....</b>         | <b>\$ 25,529,804</b>          | <b>\$ 27,648,161</b> | <b>\$ 27,497,217</b> | <b>\$ 27,677,999</b> | <b>\$ 28,646,946</b> | <b>\$ 28,607,152</b> |

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# MOTOR LICENSE FUND

The Motor License Fund is a special revenue fund composed of monies received from liquid fuels taxes, licenses and fees on motor vehicles, aviation fuel tax revenues, federal aid for highway and aviation purposes, contributions from local subdivisions for highway projects and other miscellaneous highway revenues.

The fund provides for highway and bridge improvement, design, maintenance and purchase of rights-of-way, as well as aviation activities and Department of Transportation licensing and safety activities. It also finances State Police highway patrol operations and pays subsidies to local subdivisions for construction and maintenance of roads.

## Financial Statement \*

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Estimated    |
|--------------------------------------|--------------------------|--------------------------|-------------------------|
| Beginning Balance.....               | \$ 107,584               | \$ 104,796               | \$ 106,469              |
| Adjustment to Beginning Balance..... | <u>0</u>                 | <u>-2</u>                | <u></u>                 |
| Adjusted Beginning Balance.....      | \$ 107,584               | \$ 104,794               | \$ 106,469              |
| <b>Revenue:</b>                      |                          |                          |                         |
| Revenue Receipts.....                | \$ 2,446,766             | \$ 2,527,900             | \$ 2,644,800            |
| Adjustment to Official Estimate..... | 0                        | 56,600                   | 0                       |
| Prior Year Lapses.....               | <u>44,600</u>            | <u>26,900</u>            | <u>0</u>                |
| <b>Funds Available .....</b>         | <u>\$ 2,598,950</u>      | <u>\$ 2,716,194</u>      | <u>\$ 2,751,269</u>     |
| <b>Expenditures:</b>                 |                          |                          |                         |
| Appropriations.....                  | \$ 2,494,154             | \$ 2,614,725             | \$ 2,738,106            |
| Less Current Year Lapses.....        | <u>0</u>                 | <u>-5,000</u>            | <u>0</u>                |
| Estimated Expenditures.....          | <u>\$ -2,494,154</u>     | <u>\$ -2,609,725</u>     | <u>\$ -2,738,106</u>    |
| <b>Ending Balance.....</b>           | <u><u>\$ 104,796</u></u> | <u><u>\$ 106,469</u></u> | <u><u>\$ 13,163</u></u> |

\* Excludes restricted revenue.

## Summary by Department

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Estimated | 2015-16<br>Budget |
|---|-------------------|----------------------|-------------------|
| <b>Executive Offices</b>  |                   |                      |                   |
| <b>General Government</b>                                       |                   |                      |                   |
| Commonwealth Technology Services.....                           | \$ 2,229          | \$ 1,371             | \$ 1,401          |
| DEPARTMENT TOTAL.....   | \$ 2,229          | \$ 1,371             | \$ 1,401          |
| <b>Treasury Department</b>                                      |                   |                      |                   |
| <b>General Government</b>                                       |                   |                      |                   |
| Administration of Refunding Liquid Fuels Tax.....               | \$ 557            | \$ 533               | \$ 533            |
| Refunding Liquid Fuels Taxes — Agricultural (EA).....           | 2,629             | 4,100                | 4,600             |
| Refunding Liquid Fuels Taxes — State Share (EA).....            | 2,492             | 1,700                | 1,900             |
| Refunding Liquid Fuels Taxes — Political Subdivisions (EA)..... | 2,053             | 3,400                | 3,800             |
| Refunding Liquid Fuels Taxes — Volunteer Services (EA).....     | 327               | 500                  | 600               |
| Refunding Liquid Fuels Taxes                                    |                   |                      |                   |
| — Snowmobiles and ATV's (EA).....                               | 1,000             | 1,000                | 1,000             |
| Refunding Liquid Fuels Taxes — Boat Fund (EA).....              | 3,200             | 6,100                | 10,470            |
| Subtotal.....   | \$ 12,258         | \$ 17,333            | \$ 22,903         |
| <b>Debt Service Requirements</b>                                |                   |                      |                   |
| Capital Debt — Transportation Projects.....                     | \$ 748            | \$ 2,376             | \$ 11,635         |
| General Obligation Debt Service.....                            | 17,001            | 16,936               | 16,968            |
| Loan and Transfer Agent.....                                    | 50                | 50                   | 50                |
| Subtotal.....   | \$ 17,799         | \$ 19,362            | \$ 28,653         |
| <b>TOTAL STATE FUNDS .....</b>                                  | <b>\$ 30,057</b>  | <b>\$ 36,695</b>     | <b>\$ 51,556</b>  |
| Restricted Revenue.....   | \$ 46,160         | \$ 46,550            | \$ 45,571         |
| DEPARTMENT TOTAL.....   | \$ 76,217         | \$ 83,245            | \$ 97,127         |
| <b>Department of Agriculture</b>                                |                   |                      |                   |
| Weights and Measures.....                                       | \$ 4,328          | \$ 4,328             | \$ 4,728          |
| Dirt, Gravel and Low Volume Roads.....                          | 0                 | 28,000               | 28,000            |
| DEPARTMENT TOTAL.....   | \$ 4,328          | \$ 32,328            | \$ 32,728         |
| <b>Department of Community and Economic Development</b>         |                   |                      |                   |
| Appalachian Regional Commission.....                            | \$ 1,073          | \$ 1,073             | \$ 1,073          |
| DEPARTMENT TOTAL.....   | \$ 1,073          | \$ 1,073             | \$ 1,073          |
| <b>Department of Conservation and Natural Resources</b>         |                   |                      |                   |
| Dirt and Gravel Roads.....                                      | \$ 1,000          | \$ 7,000             | \$ 7,000          |
| <b>TOTAL STATE FUNDS.....</b>                                   | <b>\$ 1,000</b>   | <b>\$ 7,000</b>      | <b>\$ 7,000</b>   |
| Restricted Revenue.....   | \$ 5,077          | \$ 7,073             | \$ 8,326          |
| DEPARTMENT TOTAL.....   | \$ 6,077          | \$ 14,073            | \$ 15,326         |
| <b>Department of Education</b>                                  |                   |                      |                   |
| <b>Grants and Subsidies</b>                                     |                   |                      |                   |
| Safe Driving Course.....  | \$ 1,100          | \$ 1,100             | \$ 1,100          |
| DEPARTMENT TOTAL.....   | \$ 1,100          | \$ 1,100             | \$ 1,100          |
| <b>Department of Environmental Protection</b>                   |                   |                      |                   |
| Dirt and Gravel Roads.....                                      | \$ 4,000          | \$ 0                 | \$ 0              |
| DEPARTMENT TOTAL.....   | \$ 4,000          | \$ 0                 | \$ 0              |



## Summary by Department (continued)

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Estimated | 2015-16<br>Budget |
|---|-------------------|----------------------|-------------------|
| <b>Department of General Services</b>                 |                   |                      |                   |
| Tort Claims Payments.....                             | \$ 10,000         | \$ 10,000            | \$ 10,000         |
| Harristown Rental Charges (EA).....                   | 92                | 92                   | 121               |
| Harristown Utility and Municipal Charges (EA).....    | 200               | 207                  | 199               |
| DEPARTMENT TOTAL.....                                 | \$ 10,292         | \$ 10,299            | \$ 10,320         |
| <b>Department of Revenue</b>                          |                   |                      |                   |
| <b>General Government</b>                             |                   |                      |                   |
| Collections — Liquid Fuels Tax.....                   | \$ 14,578         | \$ 17,645            | \$ 18,076         |
| Refunding Liquid Fuels Tax (EA).....                  | 12,500            | 16,000               | 18,000            |
| <b>TOTAL STATE FUNDS.....</b>                         | <b>\$ 27,078</b>  | <b>\$ 33,645</b>     | <b>\$ 36,076</b>  |
| Federal Funds.....                                    | \$ 135            | \$ 255               | \$ 250            |
| DEPARTMENT TOTAL.....                                 | \$ 27,213         | \$ 33,900            | \$ 36,326         |
| <b>State Police</b>                                   |                   |                      |                   |
| <b>General Government</b>                             |                   |                      |                   |
| General Government Operations.....                    | \$ 566,311        | \$ 613,884           | \$ 671,835        |
| Statewide Public Safety Radio System.....             | 15,690            | 17,109               | 18,021            |
| Law Enforcement Information Technology.....           | 19,116            | 19,116               | 20,697            |
| Municipal Police Training.....                        | 1,039             | 1,039                | 1,262             |
| Municipal Police Training Grants.....                 | 0                 | 5,000                | 5,000             |
| Patrol Vehicles.....                                  | 11,000            | 11,000               | 12,000            |
| Automated Fingerprint Identification System .....     | 85                | 85                   | 85                |
| Commercial Vehicle Inspection.....                    | 8,700             | 8,885                | 10,405            |
| <b>TOTAL STATE FUNDS.....</b>                         | <b>\$ 621,941</b> | <b>\$ 676,118</b>    | <b>\$ 739,305</b> |
| Augmentations.....                                    | \$ 1,098          | \$ 585               | \$ 585            |
| DEPARTMENT TOTAL.....                                 | \$ 623,039        | \$ 676,703           | \$ 739,890        |
| <b>Department of Transportation</b>                   |                   |                      |                   |
| <b>General Government</b>                             |                   |                      |                   |
| General Government Operations.....                    | \$ 52,564         | \$ 55,119            | \$ 55,256         |
| Welcome Centers.....                                  | 3,282             | 3,480                | 3,700             |
| Highway and Safety Improvements.....                  | 105,000           | 225,000              | 225,000           |
| Expanded Highway and Bridge Program.....              | 165,000           | 0                    | 0                 |
| Highway Capital Projects (EA).....                    | 220,000           | 220,000              | 220,000           |
| Highway Maintenance.....                              | 780,000           | 872,426              | 860,000           |
| Secondary Roads — Maintenance & Resurfacing (EA)..... | 61,547            | 0                    | 0                 |
| Reinvestment — Facilities.....                        | 12,000            | 16,000               | 16,000            |
| Driver and Vehicle Services.....                      | 125,071           | 135,380              | 146,548           |
| Refunding Collected Monies (EA).....                  | 1,500             | 2,500                | 2,500             |
| Subtotal.....   | \$ 1,525,964      | \$ 1,529,905         | \$ 1,529,004      |

## Summary by Department (continued)

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual          | 2014-15<br>Estimated       | 2015-16<br>Budget          |
|---|----------------------------|----------------------------|----------------------------|
| <b>Grants and Subsidies</b>   |                            |                            |                            |
| Local Road Maintenance and Construction Payments.....                 | \$ 197,092                 | \$ 207,191                 | \$ 235,543                 |
| Municipal Roads and Bridges.....                                      | 30,000                     | 30,000                     | 30,000                     |
| Maintenance and Construction of County Bridges.....                   | 5,000                      | 5,000                      | 5,000                      |
| Supplemental Local Road Maintenance and<br>Construction Payments..... | 5,000                      | 5,000                      | 5,000                      |
| Municipal Traffic Signals.....  | 0                          | 10,000                     | 25,000                     |
| Payment to Turnpike Commission (EA).....                              | 28,000                     | 28,000                     | 28,000                     |
| Subtotal.....   | <u>\$ 265,092</u>          | <u>\$ 285,191</u>          | <u>\$ 328,543</u>          |
| <b>SUBTOTAL STATE FUNDS.....</b>                                      | <b><u>\$ 1,791,056</u></b> | <b><u>\$ 1,815,096</u></b> | <b><u>\$ 1,857,547</u></b> |
| Federal Funds.....  | \$ 1,555,640               | \$ 1,696,131               | \$ 1,589,821               |
| Augmentations.....  | 97,067                     | 218,439                    | 266,639                    |
| Restricted Revenue.....   | 1,014,922                  | 1,434,016                  | 1,782,401                  |
| DEPARTMENT TOTAL.....   | <u>\$ 4,458,685</u>        | <u>\$ 5,163,682</u>        | <u>\$ 5,496,408</u>        |
| <b>Fund Summary</b>   |                            |                            |                            |
| State Funds — Transportation.....                                     | \$ 1,791,056               | \$ 1,815,096               | \$ 1,857,547               |
| State Funds — Other Departments.....                                  | 703,098                    | 799,629                    | 880,559                    |
| <b>TOTAL STATE FUNDS.....</b>   | <b><u>\$ 2,494,154</u></b> | <b><u>\$ 2,614,725</u></b> | <b><u>\$ 2,738,106</u></b> |
| <b>Motor License Fund Total—All Funds</b>                             |                            |                            |                            |
| State Funds.....  | \$ 2,494,154               | \$ 2,614,725               | \$ 2,738,106               |
| Federal Funds.....  | 1,555,775                  | 1,696,386                  | 1,590,071                  |
| Augmentations.....  | 98,165                     | 219,024                    | 267,224                    |
| Restricted Revenue.....   | 1,066,159                  | 1,487,639                  | 1,836,298                  |
| FUND TOTAL.....   | <u>\$ 5,214,253</u>        | <u>\$ 6,017,774</u>        | <u>\$ 6,431,699</u>        |

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

|  | 2013-14<br>Actual   | 2014-15<br>Estimated | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Liquid Fuels Taxes.....                                | \$ 1,294,432        | \$ 1,559,800         | \$ 1,676,900        | \$ 1,761,600         | \$ 1,885,700         | \$ 1,879,500         | \$ 1,894,700         |
| Motor Licenses and Fees.....                           | 893,886             | 921,100              | 922,800             | 952,100              | 945,700              | 965,100              | 984,400              |
| Other Motor License<br>Fund Revenues.....              | 258,447             | 103,600              | 45,100              | 45,500               | 39,200               | 39,600               | 40,000               |
| <b>TOTAL MOTOR LICENSE<br/>FUND REVENUES.....</b>      | <b>\$ 2,446,766</b> | <b>\$ 2,584,500</b>  | <b>\$ 2,644,800</b> | <b>\$ 2,759,200</b>  | <b>\$ 2,870,600</b>  | <b>\$ 2,884,200</b>  | <b>\$ 2,919,100</b>  |
| Aviation Restricted<br>Revenues.....                   | \$ 8,699            | \$ 9,600             | \$ 8,400            | \$ 8,400             | \$ 8,400             | \$ 8,500             | \$ 8,500             |
| Highway Bridge Improvement<br>Restricted Revenues..... | \$ 124,088          | \$ 173,000           | \$ 201,900          | \$ 219,300           | \$ 244,100           | \$ 247,200           | \$ 250,800           |
| State Highway Transfer<br>Restricted Revenues.....     | \$ 28,110           | \$ 39,900            | \$ 47,100           | \$ 51,300            | \$ 57,300            | \$ 57,800            | \$ 58,200            |
| Oil Company Franchise Tax<br>Restricted Revenues.....  | \$ 515,346          | \$ 731,200           | \$ 862,800          | \$ 939,400           | \$ 1,049,000         | \$ 1,057,700         | \$ 1,065,700         |
| Supplemental Maintenance<br>Restricted Revenues.....   | \$ 360,743          | \$ 511,800           | \$ 603,900          | \$ 657,500           | \$ 734,200           | \$ 740,300           | \$ 745,900           |

### Adjustments to 2014-15 Revenue Estimate

On July 1, 2014 an official estimate for the 2014-15 fiscal year of \$2,527,900,000 was certified. The estimate detailed below reflects actual revenue collections through the first six months of the fiscal year and expected collections for the balance of the fiscal year.

|  | 2014-15<br>Official<br>Estimate | Adjustments      | 2014-15<br>Revised<br>Estimate |
|--|---------------------------------|------------------|--------------------------------|
| Liquid Fuels Taxes.....                | \$ 1,522,900                    | \$ 36,900        | \$ 1,559,800                   |
| Motor Licenses and Fees.....           | 916,600                         | 4,500            | 921,100                        |
| Other Motor License Fund Revenues..... | 88,400                          | 15,200           | 103,600                        |
| <b>TOTAL.....</b>                      | <b>\$ 2,527,900</b>             | <b>\$ 56,600</b> | <b>\$ 2,584,500</b>            |

## Revenue Sources

### Liquid Fuels Taxes

| Actual       |              | Estimated    |              |
|--------------|--------------|--------------|--------------|
| 2008-09..... | \$ 1,163,233 | 2014-15..... | \$ 1,559,800 |
| 2009-10..... | 1,183,922    | 2015-16..... | 1,676,900    |
| 2010-11..... | 1,218,635    | 2016-17..... | 1,761,600    |
| 2011-12..... | 1,223,985    | 2017-18..... | 1,885,700    |
| 2012-13..... | 1,223,141    | 2018-19..... | 1,879,500    |
| 2013-14..... | 1,294,432    | 2019-20..... | 1,894,700    |

#### Tax Base and Rates:

**Liquid Fuels and Fuels Tax:** Effective January 1, 2014, Act 89 of 2013 repealed the permanent 12 cents per gallon tax imposed and assessed upon liquid fuels and fuels used or sold and delivered by registered distributors within this commonwealth.

**Alternative Fuels Tax:** The Alternative Fuels Tax became effective October 1, 1997, and is imposed on fuels other than liquid fuels or fuels used to propel motor vehicles on public highways. The tax rate applied to each gasoline gallon equivalent of alternative fuel equals the current tax on a gallon of gasoline.

**Motor Carriers Road Tax-International Fuel Tax Agreement:** The Motor Carriers Road Tax is levied on motor carriers operating vehicles with a gross weight or registered gross weight in excess of 26,000 pounds. The tax is equal to the Oil Company Franchise Tax described below effective January 1, 2014. Previously, the tax rate was 115 mills. Prior to October 1, 1997, an additional tax of 6 cents per gallon was collected through the motor carriers road tax. This tax was repealed and replaced by a 55 mill addition to the oil company franchise tax rate, imposed on fuels effective October 1, 1997. The 55 mill portion of the tax rate is dedicated to the Highway Bridge Restricted Account. Credit against the tax is given for liquid fuels and fuels tax and oil company franchise tax paid at the pump or directly remitted. Credit is also given for tax paid on motor fuels purchased in Pennsylvania but consumed elsewhere.

The Motorbus Road Tax which imposed taxes on the amount of motor fuel used by bus companies in their operations on highways within the commonwealth was repealed, effective January 1, 1996, with the enactment of the International Fuel Tax Agreement (IFTA).

Identification markers are required to be issued annually upon a payment of \$5 per vehicle for each vehicle subject to these taxes based in the commonwealth.

**International Fuel Tax Agreement (IFTA).** Effective January 1, 1996, Pennsylvania implemented IFTA. Under this agreement, qualified vehicles are subject to base state reporting and payment of fuel tax obligations. Qualified vehicles are those with two axles greater than 26,000 pounds, combinations greater than 26,000 pounds and those with three or more axles regardless of weight. Therefore, 17,001 to 26,000 pound vehicles, which previously were subject to the Motor Carriers Road Tax, are not subject under IFTA. Additionally, the Motorbus Road Tax was repealed and a bus meeting the qualified vehicle definition is subject to IFTA provisions. Identification markers remain at \$5 per qualified vehicle. The underlying fuel tax rates are unaffected by IFTA.

**Oil Company Franchise Tax.** This tax is an excise tax on all taxable liquid fuels, fuels, and alternative fuels. Act 3 of 1997 imposed a tax of 153.5 mills on all taxable liquid fuels and 208.5 mills on all taxable fuels and is imposed on a cents-per-gallon equivalent basis. Act 89 of 2013 added an additional 64 mills in 2014, 49 mills in 2015, 48 mills in 2016, 41 mills in 2017, and 39 mills in 2018 and each calendar year thereafter. Act 89 of 2013 also increased the average wholesale price in 2014 through 2016, and uncapped it in 2017 and thereafter. There is also a statutory average wholesale price floor set at \$2.99 per gallon for 2017 and each year thereafter. Prior to Act 89 of 2013, Act 32 of 1983 set minimum and maximum average wholesale prices at \$0.90 and \$1.25 per gallon, respectively. Receipts from 57 mills of the tax on liquid fuels and fuels are deposited as unrestricted Motor License Fund revenue, along with the mills added by Act 89 of 2013. However, 4.17 percent of the mills added by Act 89 of 2013 are transferred to the Liquid Fuels Tax Fund. The balance of the tax rate represents revenues restricted to certain highway activities. These dedicated and restricted revenues are not included in the above estimates. Bus companies are entitled to a refund equal to 55 mills of the Oil Company Franchise Tax paid on fuels.

## Revenue Sources (continued)

### Motor Licenses and Fees

| Actual       |            | Estimated    |            |
|--------------|------------|--------------|------------|
| 2008-09..... | \$ 883,846 | 2014-15..... | \$ 921,100 |
| 2009-10..... | 857,666    | 2015-16..... | 922,800    |
| 2010-11..... | 891,552    | 2016-17..... | 952,100    |
| 2011-12..... | 892,586    | 2017-18..... | 945,700    |
| 2012-13..... | 892,517    | 2018-19..... | 965,100    |
| 2013-14..... | 893,886    | 2019-20..... | 984,400    |

The commonwealth receives revenue from the collection of fees levied for the registration and titling of motor vehicles and for the issuance of learners' permits, operators' licenses, certificates of title and transfers of registration. Various motor vehicle registration fees were increased on April 1, 2014 per Act 89 of 2013. Act 89 of 2013 also redirects certain vehicle fees that had been deposited in the Motor License Fund to public transit and multimodal transportation programs and authorizes a fee option in lieu of suspension for driving without insurance. Starting January 1, 2017 it also provides the motor vehicle owner an option for biennial vehicle registration renewal rather than the current annual cycle.

### Other Motor License Fund Revenues

| Actual       |            | Estimated    |            |
|--------------|------------|--------------|------------|
| 2008-09..... | \$ 509,665 | 2014-15..... | \$ 103,600 |
| 2009-10..... | 599,478    | 2015-16..... | 45,100     |
| 2010-11..... | 411,088    | 2016-17..... | 45,500     |
| 2011-12..... | 297,644    | 2017-18..... | 39,200     |
| 2012-13..... | 300,581    | 2018-19..... | 39,600     |
| 2013-14..... | 258,447    | 2019-20..... | 40,000     |

Other Motor License Fund revenues include the following sources:

Fines — Aeronautics fines collected under the Liquid Fuels and Fuels Tax Act.

Miscellaneous Revenue — Interest on Motor License Fund deposits; investments and securities; the sale of unserviceable properties, maps, plans and inspection stickers; and the rental of state properties.

Gross Receipts Tax — This excise tax imposed upon the gross receipts of owners and operators of motor vehicles transporting property for hire on public highways was repealed effective January 1, 1998.

Per Act 89 of 2013, the Motor License Fund will no longer receive payments from the Pennsylvania Turnpike Commission in accordance with Act 44 of 2007. These payments will now be redirected to the public transit and multimodal transportation programs.

## Revenue Detail

The following is a detailed list of all revenues available for Motor License Fund appropriations. Restricted receipts and revenues for the aviation, highway bridge improvement, state highway turnback programs and the Oil Company Franchise Tax restricted accounts are not included in these amounts.

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual          | 2014-15<br>Estimated       | 2015-16<br>Budget          |
|---|----------------------------|----------------------------|----------------------------|
| <b>MOTOR FUELS TAXES</b>  |                            |                            |                            |
| <b>Liquid Fuels Tax</b>   |                            |                            |                            |
| Liquid Fuels Tax.....   | \$ 320,531                 | \$ 4,490                   | \$ 2,200                   |
| Liquid Fuels Tax Interest.....                                    | 34                         | 0                          | 0                          |
| Liquid Fuels Tax Penalties.....                                   | 362                        | 10                         | 0                          |
| Subtotal.....   | <u>\$ 320,927</u>          | <u>\$ 4,500</u>            | <u>\$ 2,200</u>            |
| <b>Fuel Use Tax</b>   |                            |                            |                            |
| Fuel Use Tax.....   | \$ 95,060                  | \$ 0                       | \$ 0                       |
| <b>Alternative Fuel Tax</b>                                       |                            |                            |                            |
| Alternative Fuel Tax.....   | \$ 1,904                   | \$ 2,690                   | \$ 3,190                   |
| Alternative Fuel Tax Interest and Penalties.....                  | 7                          | 10                         | 10                         |
| Subtotal.....   | <u>\$ 1,911</u>            | <u>\$ 2,700</u>            | <u>\$ 3,200</u>            |
| <b>Motor Carriers Road Tax — International Fuel Tax Agreement</b> |                            |                            |                            |
| Motor Carriers Road/IFTA — Fuels Tax.....                         | \$ 34,742                  | \$ 64,660                  | \$ 76,400                  |
| Motor Carriers Road/IFTA — Registration Fees, .....               |                            |                            |                            |
| Special Permit Fees and Fines.....                                | 1,044                      | 1,940                      | 2,300                      |
| Subtotal.....   | <u>\$ 35,786</u>           | <u>\$ 66,600</u>           | <u>\$ 78,700</u>           |
| <b>Oil Company Franchise Tax</b>                                  |                            |                            |                            |
| Oil Company Franchise Tax (OCFT).....                             | \$ 534,086                 | \$ 752,100                 | \$ 853,000                 |
| OCFT - Liquid Fuels.....  | 243,704                    | 574,990                    | 579,590                    |
| OCFT - Liquid Fuels Interest.....                                 | 388                        | 60                         | 60                         |
| OCFT - Liquid Fuels Penalties.....                                | 2                          | 650                        | 650                        |
| OCFT - Fuel Use.....  | 62,568                     | 158,200                    | 159,500                    |
| Subtotal.....   | <u>\$ 840,748</u>          | <u>\$ 1,486,000</u>        | <u>\$ 1,592,800</u>        |
| <b>TOTAL MOTOR FUELS TAXES.....</b>                               | <u><u>\$ 1,294,432</u></u> | <u><u>\$ 1,559,800</u></u> | <u><u>\$ 1,676,900</u></u> |
| <b>MOTOR LICENSES AND FEES</b>                                    |                            |                            |                            |
| Operators' Licenses.....  | \$ 54,462                  | \$ 75,100                  | \$ 69,800                  |
| Other Fees Collected by Bureau of Motor Vehicles.....             | 30,869                     | 14,800                     | 23,600                     |
| Registration Fees Received from Other States/IRP.....             | 95,674                     | 104,100                    | 118,400                    |
| Special Hauling Permit Fees.....                                  | 26,863                     | 35,600                     | 41,800                     |
| Vehicle Registration and Titling.....                             | 686,019                    | 691,500                    | 669,200                    |
| <b>TOTAL MOTOR LICENSES AND FEES.....</b>                         | <u><u>\$ 893,886</u></u>   | <u><u>\$ 921,100</u></u>   | <u><u>\$ 922,800</u></u>   |

## Revenue Detail (continued)

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Estimated | 2015-16<br>Budget   |
|---|---------------------|----------------------|---------------------|
| <b>OTHER MOTOR LICENSE FUND REVENUES</b>            |                     |                      |                     |
| <b>Fines and Penalties</b>                          |                     |                      |                     |
| <b>Department of Revenue</b>                        |                     |                      |                     |
| Vehicle Code Fines.....                             | \$ 5,319            | \$ 500               | \$ 500              |
| <b>Department of Transportation</b>                 |                     |                      |                     |
| Vehicle Code Fines.....                             | 248                 | 0                    | 0                   |
| Subtotal.....                                       | \$ 5,567            | \$ 500               | \$ 500              |
| <b>Miscellaneous Revenues</b>                       |                     |                      |                     |
| <b>Treasury Department</b>                          |                     |                      |                     |
| Interest Income Reinvested - Long Term.....         | \$ 16               | \$ 40                | \$ 20               |
| Interest on Securities.....                         | 35,687              | 80,720               | 35,660              |
| Interest on Securities - Liquid Fuels Tax Fund..... | 19                  | 40                   | 20                  |
| Redeposit of Checks.....                            | -1                  | 0                    | 0                   |
| Subtotal.....                                       | \$ 35,721           | \$ 80,800            | \$ 35,700           |
| <b>Department of General Services</b>               |                     |                      |                     |
| Sale of Unserviceable Property.....                 | \$ 1,159            | \$ 1,300             | \$ 1,300            |
| <b>Department of Transportation</b>                 |                     |                      |                     |
| Fees for Reclaiming Abandoned Vehicles.....         | \$ 45               | \$ 60                | \$ 20               |
| Highway Bridge Income.....                          | 146                 | 190                  | 70                  |
| Highway Encroachment Permits.....                   | 1,582               | 2,080                | 750                 |
| Interest Earned - Restricted Revenue.....           | -1,023 <sup>a</sup> | -1,340 <sup>a</sup>  | -490 <sup>a</sup>   |
| Miscellaneous Revenues.....                         | 85                  | 110                  | 40                  |
| Recovered Damages.....                              | 61                  | 80                   | 30                  |
| Refunds of Expenditures Not Credited to             |                     |                      |                     |
| Appropriations or Allocations.....                  | 1                   | 0                    | 0                   |
| Sale of Inspection Stickers.....                    | 15,049              | 19,750               | 7,150               |
| Sale of Maps and Plans.....                         | 54                  | 70                   | 30                  |
| Subtotal.....                                       | \$ 16,000           | \$ 21,000            | \$ 7,600            |
| <b>Pennsylvania Turnpike</b>                        |                     |                      |                     |
| Annual Payments.....                                | \$ 200,000          | \$ 0                 | \$ 0                |
| <b>TOTAL OTHER MOTOR LICENSE FUND REVENUES.....</b> | <b>\$ 258,447</b>   | <b>\$ 103,600</b>    | <b>\$ 45,100</b>    |
| <b>TOTAL MOTOR LICENSE FUND REVENUES.....</b>       | <b>\$ 2,446,766</b> | <b>\$ 2,584,500</b>  | <b>\$ 2,644,800</b> |

<sup>a</sup> Amounts transferred to restricted revenue account.

## Restricted Revenues Not Included in Department Total

### Aviation Revenues

|              | Actual   |              | Estimated |
|--------------|----------|--------------|-----------|
| 2008-09..... | \$ 7,944 | 2014-15..... | \$ 9,600  |
| 2009-10..... | 8,038    | 2015-16..... | 8,400     |
| 2010-11..... | 9,507    | 2016-17..... | 8,400     |
| 2011-12..... | 7,802    | 2017-18..... | 8,400     |
| 2012-13..... | 9,027    | 2018-19..... | 8,500     |
| 2013-14..... | 8,699    | 2019-20..... | 8,500     |

Aviation revenue includes taxes levied on aviation gasoline and jet fuel, and income earned at state-owned airports. Effective January 2, 1998, in accordance with Act 60 of 1997, ownership of these airports was transferred to a local authority. Therefore, starting with 1997-98, aviation revenues exclude state-owned airport revenue. Aviation gasoline and jet fuel tax rates are adjusted annually based on the change in the jet fuel price index. In accordance with Act 164 of 1984, the aviation gasoline rate is not to exceed 6.0 cents per gallon nor be less than 3.0 cents per gallon. The Jet Fuel Tax is not to exceed 2.0 cents per gallon nor be less than 1.5 cents per gallon. The tax rate as of January 1, 2014, is 5.9 cents per gallon on aviation gasoline and 2.0 cents per gallon on jet fuel. Aviation restricted revenues are not included in Motor License Fund revenue totals.

|                                     | 2013-14<br>Actual | 2014-15<br>Estimated | 2015-16<br>Budget |
|-------------------------------------|-------------------|----------------------|-------------------|
| <b>AVIATION REVENUES</b>            |                   |                      |                   |
| Aviation Liquid Fuels Tax.....      | \$ 7,676          | \$ 7,300             | \$ 7,400          |
| Interest.....                       | 1,023             | 2,300                | 1,000             |
| <b>TOTAL AVIATION REVENUES.....</b> | <b>\$ 8,699</b>   | <b>\$ 9,600</b>      | <b>\$ 8,400</b>   |

### Highway Bridge Improvement Revenues

|              | Actual     |              | Estimated  |
|--------------|------------|--------------|------------|
| 2008-09..... | \$ 109,171 | 2014-15..... | \$ 173,000 |
| 2009-10..... | 103,723    | 2015-16..... | 201,900    |
| 2010-11..... | 98,255     | 2016-17..... | 219,300    |
| 2011-12..... | 103,551    | 2017-18..... | 244,100    |
| 2012-13..... | 107,290    | 2018-19..... | 247,200    |
| 2013-14..... | 124,088    | 2019-20..... | 250,800    |

Highway bridge improvement revenues enacted by Act 56 of 1987, as amended by Act 3 of 1997, include the following: a 55 mill Oil Company Franchise Tax on fuel consumed in Pennsylvania by qualified vehicles; a portion of the registration fee for Pennsylvania based motor vehicles in classes 9-25; temporary permit fees collected from out-of-state motor carriers for travel in Pennsylvania; and a portion of a 3 mill Oil Company Franchise Tax dedicated to the State Highway Transfer Restoration Restricted Account. Although repealed by Act 3 of 1997, nominal revenues are still received from the motor carrier surcharge. Act 89 of 2013 phases in the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax.

|   | 2013-14<br>Actual | 2014-15<br>Estimated | 2015-16<br>Budget |
|---|-------------------|----------------------|-------------------|
| <b>HIGHWAY BRIDGE IMPROVEMENT REVENUES</b>            |                   |                      |                   |
| Registration Fee Portion-PA-Based Motor Vehicles..... | \$ 13,328         | \$ 12,500            | \$ 12,700         |
| Temporary Permit Fees.....                            | 371               | 500                  | 500               |
| Oil Company Franchise Tax.....                        | 110,389           | 160,000              | 188,700           |
| <b>TOTAL HIGHWAY BRIDGE REVENUES.....</b>             | <b>\$ 124,088</b> | <b>\$ 173,000</b>    | <b>\$ 201,900</b> |



## Restricted Revenues Not Included in Department Total (continued)

### State Highway Transfer Revenues

| Actual       |           | Estimated    |           |
|--------------|-----------|--------------|-----------|
| 2008-09..... | \$ 23,836 | 2014-15..... | \$ 39,900 |
| 2009-10..... | 23,570    | 2015-16..... | 47,100    |
| 2010-11..... | 23,949    | 2016-17..... | 51,300    |
| 2011-12..... | 24,105    | 2017-18..... | 57,300    |
| 2012-13..... | 23,430    | 2018-19..... | 57,800    |
| 2013-14..... | 28,110    | 2019-20..... | 58,200    |

State highway transfer restricted revenues are provided by three mills of the Oil Company Franchise Tax. Act 32 of 1983 established a local highway turnback program funded by a restricted revenue account within the Motor License Fund. Act 89 of 2013 phases in the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax. Some of this additional funding is used to enhance the local bridge project program.

### Oil Company Franchise Tax Revenues

| Actual       |            | Estimated    |            |
|--------------|------------|--------------|------------|
| 2008-09..... | \$ 437,007 | 2014-15..... | \$ 731,200 |
| 2009-10..... | 432,131    | 2015-16..... | 862,800    |
| 2010-11..... | 439,060    | 2016-17..... | 939,400    |
| 2011-12..... | 441,932    | 2017-18..... | 1,049,000  |
| 2012-13..... | 429,543    | 2018-19..... | 1,057,700  |
| 2013-14..... | 515,346    | 2019-20..... | 1,065,700  |

Oil Company Franchise Tax Restricted Account revenues are provided by 55 mills of the Oil Company Franchise Tax as a result of Act 26 of 1991. Prior to Act 89 of 2013 revenues were restricted to the following purposes: 42 percent for maintenance, 17 percent for capital projects, 13 percent for bridges, 12 percent for municipalities, 14 percent for toll roads and 2 percent for county or forestry bridges. Act 89 of 2013 changes these percentages for maintenance and capital projects to align with the transportation investment plan as follows: 45 percent in 2013-14, 29 percent in 2014-15, 25 percent in 2015-16, and 19 percent for each fiscal year thereafter for Highway Maintenance, and 14 percent in 2013-14, 30 percent in 2014-15, 34 percent in 2015-16, and 40 percent for each fiscal year thereafter for capital projects. Act 89 of 2013 phases in the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax.

### Supplemental Maintenance Revenues

| Actual       |            | Estimated    |            |
|--------------|------------|--------------|------------|
| 2008-09..... | \$ 305,905 | 2014-15..... | \$ 511,800 |
| 2009-10..... | 302,492    | 2015-16..... | 603,900    |
| 2010-11..... | 307,342    | 2016-17..... | 657,500    |
| 2011-12..... | 309,352    | 2017-18..... | 734,200    |
| 2012-13..... | 300,681    | 2018-19..... | 740,300    |
| 2013-14..... | 360,743    | 2019-20..... | 745,900    |

Supplemental Maintenance Restricted Account revenues are provided by 38.5 mills of the Oil Company Franchise Tax as a result of Act 3 of 1997. Prior to Act 89 of 2013 revenues were restricted to the following purposes: 12 percent for municipalities and 88 percent for maintenance. Act 89 of 2013 changes the percentages for maintenance to align with the transportation investment plan as follows: 68 percent in 2013-14, 49 percent in 2014-15, 40 percent each fiscal year thereafter for maintenance, and 20 percent in 2013-14, 39 percent in 2014-15, and 48 percent for each fiscal year thereafter for Expanded Highway and Bridge Maintenance. Act 89 of 2013 phases in the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax.



---

# LOTTERY FUND

The Lottery Fund is a special revenue fund composed of monies received from lottery ticket sales. It provides for lottery prizes and for programs to support older Pennsylvanians including property tax and rent assistance, community care programs, mass transit fare subsidies and prescription drug costs.

## Financial Statement

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual        | 2014-15<br>Available    | 2015-16<br>Estimated    |
|---|--------------------------|-------------------------|-------------------------|
| <b>Beginning Balance</b> .....              | \$ 161,176               | \$ 202,173              | \$ 11,443               |
| Reserve from Previous Year.....             | <u>75,000</u>            | <u>75,000</u>           | <u>75,000</u>           |
| Total Beginning Balance.....                | <u>\$ 236,176</u>        | <u>\$ 277,173</u>       | <u>\$ 86,443</u>        |
| <b>Receipts:</b>                            |                          |                         |                         |
| Gross Ticket Sales.....                     | \$ 3,799,568             | \$ 3,930,000            | \$ 4,255,000            |
| Less Field Paid Prizes and Commissions..... | -2,201,596               | -2,364,000              | -2,548,000              |
| Transfers and Earnings.....                 | <u>168,399</u>           | <u>164,050</u>          | <u>168,050</u>          |
| Net Revenue Estimate.....                   | \$ 1,766,371             | \$ 1,730,050            | \$ 1,875,050            |
| Prior Year Lapses.....                      | <u>29,420</u>            | <u>27,934</u>           | <u>0</u>                |
| Total Receipts.....                         | <u>\$ 1,795,791</u>      | <u>\$ 1,757,984</u>     | <u>\$ 1,875,050</u>     |
| <b>Funds Available</b> .....                | <u>\$ 2,031,967</u>      | <u>\$ 2,035,157</u>     | <u>\$ 1,961,493</u>     |
| <b>Expenditures:</b>                        |                          |                         |                         |
| Appropriated.....                           | \$ 1,828,763             | \$ 1,948,714            | \$ 1,949,056            |
| Current Year Lapses.....                    | <u>-73,969</u>           | <u>0</u>                | <u>0</u>                |
| Estimated Expenditures.....                 | <u>-1,754,794</u>        | <u>-1,948,714</u>       | <u>-1,949,056</u>       |
| Reserve for Current Year.....               | <u>\$ -75,000</u>        | <u>\$ -75,000</u>       | <u>\$ 0</u>             |
| <b>Ending Balance</b> .....                 | <u><u>\$ 202,173</u></u> | <u><u>\$ 11,443</u></u> | <u><u>\$ 12,437</u></u> |

**NOTES ON FINANCIAL STATEMENT**

(Dollar Amounts in Thousands)

**SUPPLEMENTAL EXECUTIVE AUTHORIZATIONS**

**2014-15  
Available**

**STATE SUPPLEMENTALS**

**Aging**

|               |          |
|---------------|----------|
| PENNCARE..... | \$ 3,936 |
|---------------|----------|

**FEDERAL SUPPLEMENTALS**

**Aging**

|  |          |
|--|----------|
| Medical Assistance - Attendant Care..... | \$ 2,197 |
|--|----------|

|                                 |                        |
|---------------------------------|------------------------|
| <b>TOTAL SUPPLEMENTALS.....</b> | <b><u>\$ 6,133</u></b> |
|---------------------------------|------------------------|

## Summary by Department

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Estimate | 2015-16<br>Budget |
|---|-------------------|---------------------|-------------------|
| <b>Department of Aging</b>  |                   |                     |                   |
| <b>General Government</b>   |                   |                     |                   |
| General Government Operations.....                                | \$ 7,861          | \$ 7,927            | \$ 8,708          |
| <b>Grants and Subsidies</b>                                       |                   |                     |                   |
| PENNCARE.....   | \$ 275,164        | \$ 299,306          | \$ 305,190        |
| Pre-Admission Assessment.....                                     | 10,735            | 10,735              | 16,135            |
| Caregiver Support.....  | 12,103            | 12,103              | 12,103            |
| Alzheimer's Outreach.....   | 250               | 250                 | 250               |
| Pharmaceutical Assistance Fund.....                               | 130,000           | 155,000             | 160,000           |
| Grants to Senior Centers.....                                     | 2,150             | 2,000               | 2,000             |
| Subtotal.....   | \$ 430,402        | \$ 479,394          | \$ 495,678        |
| <b>TOTAL STATE FUNDS.....</b>                                     | <b>\$ 438,263</b> | <b>\$ 487,321</b>   | <b>\$ 504,386</b> |
| Federal Funds.....  | \$ 138,823        | \$ 142,754          | \$ 148,099        |
| Augmentations.....  | 5,043             | 223                 | 223               |
| DEPARTMENT TOTAL.....   | \$ 582,129        | \$ 630,298          | \$ 652,708        |
| <b>Department of Human Services</b>                               |                   |                     |                   |
| <b>Grants and Subsidies</b>                                       |                   |                     |                   |
| Medical Assistance - Long-Term Care.....                          | \$ 309,081        | \$ 334,081          | \$ 309,081        |
| Home and Community-Based Services.....                            | 21,000            | 162,577             | 105,668           |
| Medical Assistance - Transportation Services.....                 | 0                 | 4,900               | 4,900             |
| DEPARTMENT TOTAL.....   | \$ 330,081        | \$ 501,558          | \$ 419,649        |
| <b>Department of Revenue</b>                                      |                   |                     |                   |
| <b>General Government</b>   |                   |                     |                   |
| General Operations.....   | \$ 44,260         | \$ 37,688           | \$ 45,428         |
| Lottery Advertising.....  | 37,000            | 44,000              | 44,000            |
| Property Tax Rent Rebate - General Operations.....                | 13,733            | 13,833              | 14,909            |
| On-line Vendor Commissions.....                                   | 38,899            | 40,367              | 45,949            |
| Instant Vendor Commissions.....                                   | 26,553            | 29,924              | 32,263            |
| Payment of Prize Money.....                                       | 371,974           | 333,005             | 375,390           |
| Subtotal.....   | \$ 532,419        | \$ 498,817          | \$ 557,939        |
| <b>Grants and Subsidies</b>                                       |                   |                     |                   |
| Property Tax and Rent Assistance<br>for Older Pennsylvanians..... | \$ 280,100        | \$ 280,600          | \$ 285,200        |
| <b>TOTAL STATE FUNDS.....</b>                                     | <b>\$ 812,519</b> | <b>\$ 779,417</b>   | <b>\$ 843,139</b> |
| Augmentations.....  | 175               | 173                 | 176               |
| DEPARTMENT TOTAL.....   | \$ 812,694        | \$ 779,590          | \$ 843,315        |

## Summary by Department

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Estimate | 2015-16<br>Budget   |
|---|---------------------|---------------------|---------------------|
| <b>Department of Transportation</b>               |                     |                     |                     |
| <b>Grants and Subsidies</b>                       |                     |                     |                     |
| Transfer to Public Transportation Trust Fund..... | \$ 92,956           | \$ 94,443           | \$ 95,907           |
| Older Pennsylvanians Shared Rides.....            | 80,975              | 85,975              | 85,975              |
| DEPARTMENT TOTAL.....                             | \$ 173,931          | \$ 180,418          | \$ 181,882          |
| <b>TOTAL STATE FUNDS.....</b>                     | <b>\$ 1,754,794</b> | <b>\$ 1,948,714</b> | <b>\$ 1,949,056</b> |
| Federal Funds.....                                | \$ 138,823          | \$ 142,754          | \$ 148,099          |
| Other Funds.....                                  | 5,218               | 396                 | 399                 |
| FUND TOTAL.....                                   | \$ 1,898,835        | \$ 2,091,864        | \$ 2,097,554        |

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

|   | 2013-14<br>Actual   | 2014-15<br>Estimated | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Collections.....                            | \$ 1,597,972        | \$ 1,566,000         | \$ 1,707,000        | \$ 1,734,000         | \$ 1,773,000         | \$ 1,817,000         | \$ 1,856,000         |
| Gaming Fund Transfers.....                  | 166,500             | 162,800              | 166,800             | 167,700              | 157,300              | 156,100              | 156,100              |
| Miscellaneous Revenue.....                  | 1,899               | 1,250                | 1,250               | 1,250                | 1,250                | 1,250                | 1,250                |
| <b>TOTAL LOTTERY FUND<br/>REVENUES.....</b> | <b>\$ 1,766,371</b> | <b>\$ 1,730,050</b>  | <b>\$ 1,875,050</b> | <b>\$ 1,902,950</b>  | <b>\$ 1,931,550</b>  | <b>\$ 1,974,350</b>  | <b>\$ 2,013,350</b>  |

### Revenue Sources

#### Net Lottery Collections

| Actual                    | Estimated                 |
|---------------------------|---------------------------|
| 2008-09..... \$ 1,367,700 | 2014-15..... \$ 1,566,000 |
| 2009-10..... 1,332,576    | 2015-16..... 1,707,000    |
| 2010-11..... 1,389,527    | 2016-17..... 1,734,000    |
| 2011-12..... 1,515,423    | 2017-18..... 1,773,000    |
| 2012-13..... 1,591,723    | 2018-19..... 1,817,000    |
| 2013-14..... 1,597,972    | 2019-20..... 1,856,000    |

Net lottery collections consist of the proceeds from lottery ticket sales less commissions and field-paid prizes.

The Lottery currently offers ten terminal-based games, in addition to dozens of instant games introduced throughout the year: The Pick 3 (formerly the Daily Number) was introduced in 1977; Pick 4 (formerly Big 4) debuted in 1980; Cash 5 was created in 1992; Pennsylvania joined Powerball, the state's first multi-state mega-jackpot game, in 2002; the first Millionaire Raffle debuted in 2005; Treasure Hunt began in 2007; Pick 5 (formerly Quinto) was introduced in 2008; Match 6 lotto originally debuted in 2004 and was re-introduced in 2010 after a one-year hiatus; Pennsylvania joined Mega Millions, the Lottery's second multi-state game, in 2010; and Pick 2 was introduced in 2015. The 2015-16 budget assumes revenue growth by expanding points of distribution, optimizing the retailer network, continuing the growth of instant games and implementing a number of modernization initiatives.

Pennsylvania Lottery ticket prices range from 50 cents to \$30 each. Lottery prizes up to \$2,500 can be paid by any one of approximately 9,100 Lottery retailers, while larger prizes must be paid through Lottery headquarters.

Net lottery collections as reported above correspond to the Lottery Fund revenue remitted to the commonwealth and reported in the commonwealth's accounting system. Net lottery collections are derived by subtracting the commissions retained and prizes paid by local lottery agents from the total lottery ticket sales. The table below shows the calculation of the net revenue amount:

(Dollar Amounts in Thousands)

|   | 2013-14             | 2014-15             | 2015-16             | 2016-17             | 2017-18             | 2018-19             | 2019-20             |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Ticket Sales.....                       | \$ 3,799,568        | \$ 3,930,000        | \$ 4,255,000        | \$ 4,354,000        | \$ 4,482,000        | \$ 4,621,000        | \$ 4,753,000        |
| Commissions.....                        | -189,978            | -197,000            | -213,000            | -218,000            | -224,000            | -231,000            | -238,000            |
| Field Paid Prizes.....                  | -2,011,618          | -2,167,000          | -2,335,000          | -2,402,000          | -2,485,000          | -2,573,000          | -2,659,000          |
| <b>NET LOTTERY<br/>COLLECTIONS.....</b> | <b>\$ 1,597,972</b> | <b>\$ 1,566,000</b> | <b>\$ 1,707,000</b> | <b>\$ 1,734,000</b> | <b>\$ 1,773,000</b> | <b>\$ 1,817,000</b> | <b>\$ 1,856,000</b> |

## Revenue Sources (continued)

### Gaming Fund Repayments

| Actual       |        | Estimated    |      |
|--------------|--------|--------------|------|
| 2008-09..... | \$ 0   | 2014-15..... | \$ 0 |
| 2009-10..... | 40,000 | 2015-16..... | 0    |
| 2010-11..... | 9,900  | 2016-17..... | 0    |
| 2011-12..... | 0      | 2017-18..... | 0    |
| 2012-13..... | 0      | 2018-19..... | 0    |
| 2013-14..... | 0      | 2019-20..... | 0    |

Under Act 1 of Special Session No. 1 of 2006, the Gaming Fund is required to repay the Lottery Fund for Property Tax and Rent Rebate program expansions under that act, which were initially paid by the Lottery Fund.

### Gaming Fund Transfers

| Actual       |           | Estimated    |            |
|--------------|-----------|--------------|------------|
| 2008-09..... | \$ 48,500 | 2014-15..... | \$ 162,800 |
| 2009-10..... | 136,700   | 2015-16..... | 166,800    |
| 2010-11..... | 156,000   | 2016-17..... | 167,700    |
| 2011-12..... | 164,100   | 2017-18..... | 157,300    |
| 2012-13..... | 166,800   | 2018-19..... | 156,100    |
| 2013-14..... | 166,500   | 2019-20..... | 156,100    |

Under Act 1 of Special Session No. 1 of 2006, the Gaming Fund is required to pay completely for Property Tax and Rent Rebate program expansion costs under that act beginning in 2009-10 and thereafter.

### Miscellaneous Revenue

| Actual       |            | Estimated    |          |
|--------------|------------|--------------|----------|
| 2008-09..... | \$ -27,314 | 2014-15..... | \$ 1,250 |
| 2009-10..... | 1,110      | 2015-16..... | 1,250    |
| 2010-11..... | 6,000      | 2016-17..... | 1,250    |
| 2011-12..... | 14,067     | 2017-18..... | 1,250    |
| 2012-13..... | 16         | 2018-19..... | 1,250    |
| 2013-14..... | 1,899      | 2019-20..... | 1,250    |

Miscellaneous revenue includes interest earned on securities, interest on deposits, premiums on sale of securities and refund of expenditures.



– THIS PAGE INTENTIONALLY LEFT BLANK –



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *TAX EXPENDITURES*

Tax credits, deductions, exemptions and exclusions are provided in law which result in a significant reduction in revenues that would otherwise be received at current tax rates. These reductions are tax expenditures. Proposed changes to current law tax expenditures are shown in Section C.

– THIS PAGE INTENTIONALLY LEFT BLANK –

## TAX EXPENDITURE ANALYSIS

The traditional budget process involves estimating commonwealth revenues and appropriating these moneys for numerous programs. The process is subject to intense scrutiny by interests inside and outside government. Constrained by available revenues, programs are initiated, expanded, limited, or deleted based on merit. To augment the traditional budget process, this budget includes an analysis of indirect expenditures that occur through special treatment within the tax structure. Various tax credits, deductions, exemptions, and exclusions are provided which result in reductions in revenue that would otherwise be received by the commonwealth at current tax rates. Cumulatively, they are referred to in this budget as “tax expenditures.”

The commonwealth’s tax structure contains many tax expenditures. Examples include items as diverse as the sales and use tax exemption for firewood to the S corporation exemption in the corporate net income tax. In general, they are characterized by the fact that they confer special treatment to specific taxpayers, specific activities, or specific goods or services. The tax expenditures listed in this budget are the accumulation of many prior legislative sessions, and the original intent of certain tax expenditures may no longer be valid or consistent with current policies. A comprehensive tax expenditure analysis permits an on-going evaluation of each tax expenditure.

Act 180 of 1992 revised the requirements for the Governor’s Executive Budget tax expenditure analysis. This act stipulated that the tax expenditure data be revised and updated every two years. Therefore, consistent with this provision, tax expenditures presented in this and subsequent budget documents will be updated and revised biennially. Exceptions include tax expenditures initiated, deleted, or amended by statute, expenditures where improved data allow significant revisions, or items of significant policy interest.

The 2015-16 Governor’s Executive Budget presents this tax expenditure analysis covering commonwealth taxes with annual receipts of at least \$20 million. A complete list of covered taxes is shown in the Table of Contents. The intended purposes of the current analyses are to:

- (1) Identify indirect sources of budgetary support for various activities
- (2) Present estimated costs associated with each tax expenditure
- (3) Present actual or estimated costs of administering each tax expenditure
- (4) Present actual or estimated numbers and descriptions of benefiting taxpayers
- (5) Allow for administration, legislative, and public scrutiny and facilitate discussion on each tax expenditure’s merits

For the purposes of this document, “tax expenditure” is defined as a reduction in revenue that would otherwise be collected by the commonwealth as the result of an exemption, reduction, deduction, limitation, exclusion, tax deferral, discount, refund, commission, credit, special rate, or special treatment. This definition provides a general framework within which to determine whether to classify certain items as tax expenditures. To facilitate this classification process, six specific criteria have been adopted to augment the general definition of tax expenditure:

- (1) Reduces state revenues
- (2) Confers special treatment
- (3) Is included in the defined tax base
- (4) Is not subjected to equivalent alternative taxation
- (5) Can be altered by a change in state law
- (6) Is not an appropriation

The following examples of several items not considered to be tax expenditures clarify the use of these criteria:

Purchases made by commonwealth agencies are not subject to sales and use tax. Were these transactions not exempted, tax revenues would increase, but increased commonwealth expenses would offset revenues. Therefore, no net budgetary change occurs. This item is not a tax expenditure.

The exclusion of a sale for resale from sales and use tax is not considered a tax expenditure because the tax is imposed on each separate sale at retail of tangible personal property or services.

Financial institutions and insurance companies are exempted from corporate net income tax (CNIT) and capital stock / foreign franchise tax (CS/FT). However, these corporations are subject to alternative taxes: the bank and trust company shares tax, mutual thrift institutions tax, or insurance premiums tax. The exemption of these corporations from the CNIT and CS/FT is not in itself a tax expenditure; however, to the extent that those taxes may not impose proportionate tax burdens on the exempted companies, the overall tax structure may involve some indirect tax expenditure.

The pro rata exclusion of U.S. securities from the bank and trust company shares tax was a state legislative response to a federal prohibition against direct taxation of these obligations or income derived from them. As this cannot be altered by changing state law, this exclusion is not a tax expenditure.

There are three primary limitations on the tax expenditure estimates. First, estimated revenue foregone due to a tax expenditure should not be construed as the revenue that could be gained if the tax expenditure provision were to be rescinded in legislation. The impact of any particular piece of legislation will vary depending on how the bill is drafted, how its terms are defined, when it becomes effective, and how it relates to other parts of the tax law. In contrast, tax expenditure estimates are often based on concepts that are defined by the way that government statistics on the subject are made available to the Department. Furthermore, no attempt has been made to account for changes in taxpayer behavior that may occur because of tax law changes. For example, if the sales and use tax exemptions were rescinded for equipment and utilities directly used in manufacturing, it is possible that capital investment in manufacturing would be reduced and that these sales and use tax receipts would be less than the tax expenditure estimate.

A second limitation is that individual estimates are not additive. It is not always possible to estimate each tax expenditure with regard to interactions with other provisions of that tax or other taxes. For example, certain exempt items qualify under multiple tax expenditures. If gasoline were to be included in the sales and use tax base, agricultural, political subdivision, and manufacturing/processing use would continue to be exempt under other provisions. Therefore, no bottom line can be presented similar to that shown for total revenues or expenditures in the current Governor's Executive Budget.

Third, these estimates are, in many cases, necessarily derived from data completely independent of taxpayer returns. Minor differences in data collection techniques among the various data sources used could introduce a small element of error into the estimates. Thus, these estimates are intended to represent the magnitude of each tax expenditure, not to provide pinpoint accuracy.

All estimates appear in millions of dollars. The word "nominal" is used when the estimated impact is less than \$100,000. Estimates of revenue loss or beneficiary count and description that are not available are represented by "NA." Costs incurred to administer tax expenditures are estimated by major tax category or, if available, by specific tax expenditure. Identified costs for a major tax category are provided at the beginning of the tax expenditure group. No administrative costs are reported for tax expenditures that provide incentives to implement or continue programs that replace or supplement efforts that would otherwise be the responsibility of state government.

This analysis is a general guide to tax expenditures in Pennsylvania. It is not intended to be a tax manual, and statements within it should not be construed as interpretations of the law or regulations.

## CREDIT PROGRAMS

NEIGHBORHOOD ASSISTANCE PROGRAMS

---

*Authorization:* Article XIX-A of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

*Description:* A tax credit is available to banks, thrift institutions, title insurance and trust companies, insurance companies (other than foreign fire/casualty insurance companies), corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock/foreign franchise tax, and pass-through entities subject to the personal income tax. Unused credits may also be sold or assigned to other taxpayers.

In order to qualify, the business entity must engage in certain assistance programs in impoverished areas or contribute to neighborhood organizations that run such programs. The programs must be approved by the Department of Community and Economic Development (DCED).

The amount of credit awarded to a taxpayer is 55 percent of the amount contributed by a business firm, while the amount contributed to special program priorities, as defined by DCED regulations, is 75 percent. For private companies, the amount is 25 percent of the amount of qualified investment, or 35 percent of the amount invested in special program priorities. A credit equal to 75 percent of the contributions made by a business firm during a taxable year for comprehensive service projects with a five-year commitment may be awarded. A credit equal to 80 percent of the contributions made by a business firm during a taxable year for comprehensive service projects with a six-year commitment may be awarded. The amount of the credits awarded annually to a taxpayer cannot exceed \$500,000 for contributions or investments in a single project or \$1,250,000 for contributions or investments in four or more projects.

The total amount of tax credit that can be awarded in a fiscal year has changed over the years. For fiscal year 2011-12 and forward, the total amount of credit that can be awarded is \$18 million, with \$2 million exclusively allocated for pass-through entities. Any of the \$2 million that is unused for pass-through entities is available to be awarded to other taxpayers.

The estimate for fiscal year 2013-14 reflects actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

*Purpose:* This program encourages taxpayers to contribute to neighborhood organizations and engage in activities that promote community economic development in impoverished areas.

*Administrative Costs:* Costs to administer the Neighborhood Assistance Program credits are borne by the Department of Community and Economic Development and the Department of Revenue. Estimated costs for both departments total \$0.3 million per year.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 18.0        | \$ 18.0        | \$ 18.0        | \$ 18.0        | \$ 18.0        | \$ 18.0        | \$ 18.0        |

*Beneficiaries:* Approximately 325 companies and 75 individuals doing business in Pennsylvania benefit from this tax expenditure.

## JOB CREATION TAX CREDIT

**Authorization:** Article XVIII-B of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

**Description:** A tax credit is available to businesses and individuals creating and sustaining jobs. The tax credit equals \$1,000 per job for each year in the approved term. The tax credit is available to an employer creating at least 25 new full-time equivalent jobs or increasing their workforce by 20 percent or more within three years from a given start date. Act 85 of 2012 created an extension of the tax credit to small businesses employing 100 or fewer employees. Additionally, small businesses can qualify for the tax credit if they increase the number of their employees by 10 percent or more within three years. Act 85 of 2012 created an additional tax credit award of \$2,500 per new job created if the newly created job is filled by an unemployed individual. Changes made by Act 85 of 2012 took effect in June 2012.

The tax credit may be applied to the corporate net income tax, capital stock/foreign franchise tax, insurance premiums tax, gross receipts tax, bank and trust company shares tax, mutual thrift institutions tax, title insurance company shares tax, personal income tax, or any combination thereof.

The total amount of tax credit that can be awarded in a fiscal year has changed over the years. For fiscal year 2011-12 and forward, the total amount of credit that can be awarded is \$10.1 million.

The estimate for fiscal year 2013-14 reflects actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

**Purpose:** This tax credit encourages job creation and preservation in the commonwealth.

**Administrative Costs:** Costs to administer the Job Creation Tax Credit are borne by the Department of Community and Economic Development and the Department of Revenue. Estimated costs for both departments total \$0.2 million per year.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 10.1        | \$ 10.1        | \$ 10.1        | \$ 10.1        | \$ 10.1        | \$ 10.1        | \$ 10.1        |

**Beneficiaries:** Approximately 120 companies and 115 individuals doing business in Pennsylvania benefit from this tax expenditure.

## RESEARCH AND DEVELOPMENT TAX CREDIT

**Authorization:** Article XVII-B of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

**Description:** Act 7 of 1997 established a Research and Development Tax Credit available equal to 10 percent of the increase in qualified research expenses for the current taxable year over a base period. For credits issued beginning in December 2006, the credit equals 20 percent of the increase in qualified research expenses for the current taxable year over a base period for small businesses only. The credit may be applied against the corporate net income tax, capital stock/foreign franchise tax, personal income tax, or any combination thereof. Unused credits may be carried forward 15 taxable years, or sold or assigned to other taxpayers. Act 85 of 2012 removed the sunset date for the Research and Development Tax Credit.

The total amount of tax credit that can be awarded in a fiscal year has changed over the years. For fiscal year 2011-12 and forward, the total amount of credit that can be awarded is \$55 million, with the small business set aside equal to \$11 million.

The estimate for fiscal year 2013-14 reflects actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

**Purpose:** This tax credit is intended to encourage businesses in the commonwealth to conduct research, especially research of a technological or scientific nature.

**Administrative Costs:** Costs to administer the Research and Development Tax Credit are borne by the Department of Revenue and the Department of Community and Economic Development. Estimated costs for both departments total \$0.2 million per year.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 55.0        | \$ 55.0        | \$ 55.0        | \$ 55.0        | \$ 55.0        | \$ 55.0        | \$ 55.0        |

**Beneficiaries:** Approximately 570 companies performing qualified research and development in Pennsylvania benefit from this tax expenditure.



## KEYSTONE OPPORTUNITY ZONE

**Authorization:** Act of October 6, 1998 (P.L. 702, No. 92), as amended.

**Description:** The Department of Community and Economic Development (DCED) has designated specific areas of deteriorated property as Keystone Opportunity Zones (KOZs), Keystone Opportunity Expansion Zones (KOEZs), and Keystone Opportunity Improvement Zones (KOIZs).

Economic activity occurring in these zones is exempt from most local taxation for a period of up to 15 years beginning with the creation of the particular zone. In addition to benefiting from a limited state sales and use tax exemption, zone residents and qualified businesses are exempt from the following state taxes: personal income, corporate net income, capital stock/foreign franchise, bank shares, and mutual thrift institutions taxes. In addition, qualified businesses may receive credits against insurance premiums tax for jobs created in a zone. The tax expenditure is the value of all the credits and the state taxes waived within the zone.

Several acts have changed the KOZ statute over the years. The most recent act, Act 16 of 2012, allowed communities to extend benefits to unoccupied parcels for seven to ten years in existing zones. Further, Act 16 provided for the expansion of four additional undesignated KOEZs and the creation of fifteen new zones for a ten year exemption period provided the 15 new zones meet certain criteria regarding underutilization, job creation or capital investment. Lastly, Act 16 permitted communities to expand parcels within an existing zone if the expansion is expected to increase job creation or capital investment. The benefits for expanded parcels are limited to 15 acres per zone for a period of 10 years. The extension of benefits under Act 16 became effective in calendar year 2013.

**Purpose:** This program provides tax relief to economically distressed urban and rural communities in an attempt to revive these areas.

**Administrative Costs:** Costs to administer the Keystone Opportunity Zone program are borne by the Department of Revenue and the Department of Community and Economic Development. Estimated costs for both departments total \$0.5 million annually.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 87.4        | \$ 87.5        | \$ 70.3        | \$ 70.7        | \$ 71.7        | \$ 72.4        | \$ 69.0        |

**Beneficiaries:** Qualified businesses and residents of the designated zones within this commonwealth benefit from this tax expenditure.

## EDUCATIONAL TAX CREDITS

**Authorization:** Article XVII-F of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

**Description:** Act 194 of 2014 created the Educational Tax Credits (ETC) program by consolidating both the Educational Improvement Tax Credit (EITC) and the Educational Opportunity Scholarship Tax Credit (EOSTC) in Article XVII-F of the Tax Reform Code. Act 194 of 2014 repealed Article XVII-G.1 of the Tax Reform Code containing the EOSTC. The total tax credits awarded under the ETC program are equal to the combined total of the EITC and EOSTC. The total tax credits that can be awarded in a fiscal year under the EITC is \$100 million, and the total tax credits that can be awarded in a fiscal year under the EOSTC is \$50 million, for a total combined tax credits that can be awarded under the ETC program of \$150 million per fiscal year. Act 194 of 2014 made numerous administrative changes to the ETC programs in order to make the program more flexible in awarding the tax credits and how they may be utilized. The tax credits awarded under the ETC program may be applied to the personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, insurance premiums tax, mutual thrift institutions tax, and malt beverage tax. In addition, the tax can be distributed through more than one level of pass-through entities and can be applied to the personal income tax of a spouse filing a joint return.

### Educational Improvement Tax Credit (EITC)

The Educational Improvement Tax Credit (EITC) is available to banks, thrift institutions, title insurance and trust companies, insurance companies, and corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock/foreign franchise tax, as well as S corporations and other pass-through entities that contribute to nonprofit scholarship organizations or educational improvement organizations approved by the Department of Community and Economic Development (DCED). The tax credit is granted to business firms providing proof of a contribution to a scholarship organization or an educational improvement organization equal to 75 percent of the total amount contributed during the taxable year. The tax credit must be applied in the taxable year the contribution is made. Any unused portion of the tax credit may not be carried forward or back, refunded, or transferred. A tax credit equal to 90 percent of the total amount contributed is granted if the business provides a written commitment to DCED to contribute the same amount for two consecutive tax years. The annual limit per taxpayer is \$750,000 per fiscal year for contributions to scholarship organizations and educational improvement organizations. The annual limit per taxpayer is \$200,000 per fiscal year for contributions to pre-kindergarten scholarship organizations. The tax credit shall not exceed the tax liability of a business for any given taxable year.

The estimate for fiscal year 2013-14 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap.

**Purpose:** This program encourages taxpayers to contribute to scholarship organizations, educational improvement organizations, or pre-kindergarten scholarship organizations in order to promote expanded educational opportunities for students in the commonwealth.

**Administrative Costs:** Costs to administer the Educational Improvement Tax Credit program are primarily borne by the Department of Community and Economic Development along with the Department of Revenue and the Department of Education. Estimated costs for all departments total \$0.2 million per year.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 100.0       | \$ 100.0       | \$ 100.0       | \$ 100.0       | \$ 100.0       | \$ 100.0       | \$ 100.0       |

**Beneficiaries** Approximately 2,285 companies, 1,700 individuals, and 1,075 scholarship organizations, educational improvement organizations, and pre-kindergarten scholarship organizations benefit from this tax expenditure.

## Educational Opportunity Scholarship Tax Credit (EOSTC)

Educational Opportunity Scholarship Tax Credit for business firms is equal to 75 percent of the amount contributed to a scholarship organization during a taxable year or 90 percent if the business firm provides a written commitment to provide the scholarship organization with the same amount of contribution for two consecutive tax years. Scholarship organizations providing financial assistance to eligible students in low-achieving schools must be approved by the Department of Community and Economic Development in order to participate in the program.

The credit may not exceed \$750,000 annually per business firm. The estimate for fiscal year 2013-14 reflects actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

*Purpose:* This program encourages taxpayers to contribute to scholarship organizations in order to promote expanded educational opportunities for students in low-achieving schools.

*Administrative Costs:* Costs to administer the Educational Opportunity Scholarship Tax Credit program are primarily borne by the Department of Community and Economic Development along with the Department of Revenue and the Department of Education. Estimated costs for all departments total \$0.2 million per year.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 29.5        | \$ 50.0        | \$ 50.0        | \$ 50.0        | \$ 50.0        | \$ 50.0        | \$ 50.0        |

*Beneficiaries:* Approximately 420 taxpayers will benefit from this tax expenditure.

## KEYSTONE INNOVATION ZONE

**Authorization:** Act of February 12, 2004 (P.L. 99, No. 12).

**Description:** Act 12 of 2004 created the Keystone Innovation Zone (KIZ) program to foster growth in targeted industry segments, namely research and development and other high technology businesses. The zones are defined parcels operated by a partnership of business groups and institutions of higher education.

Qualified businesses operating in a zone are entitled to priority consideration for assistance under a number of state programs, as well as a tax credit. A KIZ company may apply to the Department of Community and Economic Development for a tax credit equal to 50 percent of the increase in its gross revenues from the previous year attributable to its activities in a zone. A KIZ company may not claim in excess of \$100,000 in tax credits per year. No more than \$25 million in tax credits may be awarded in any taxable year.

KIZ companies may apply KIZ tax credits against personal income tax, corporate net income tax, or capital stock/foreign franchise tax liabilities.

KIZ companies may apply for KIZ tax credits beginning September 15, 2006, based on expenses from the prior taxable year. The Department of Community and Economic Development began awarding credits during fiscal year 2006-07. Act 16 of 2012 permits the expansion of an existing KIZ if the expansion is expected to increase job creation or capital investment. Benefits for expanded parcels are limited to 15 acres for a period of 10 years.

The estimate for fiscal year 2013-14 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap.

**Purpose:** This tax credit provides a financial incentive to foster growth of research and development and other high technology businesses in affiliation with institutions of higher education.

**Administrative Costs:** Cost to administer the KIZ program, including the review and award of KIZ tax credits, are borne by the Department of Community and Economic Development. The Department of Revenue is responsible for applying credits to taxpayer accounts. Estimated costs for both departments total \$0.2 million per year.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 15.1        | \$ 25.0        | \$ 25.0        | \$ 25.0        | \$ 25.0        | \$ 25.0        | \$ 25.0        |

**Beneficiaries:** Approximately 200 taxpayers will benefit from this expenditure.

## FILM PRODUCTION TAX CREDIT

**Authorization:** Article XVII-D of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

**Description:** Act 95 of 2004 created a tax credit equal to 20 percent of qualified film production expenses incurred in Pennsylvania after June 30, 2004. Under Act 95, the total amount of tax credits that could be awarded in any fiscal year was \$10 million. Beginning in fiscal year 2006-07, the credit program was replaced with a grant program.

Act 55 of 2007 created a new film tax credit in the amount of 25 percent of qualified film production expenses incurred in Pennsylvania after fiscal year 2006-07. A taxpayer is eligible for an additional tax credit of five percent if the production is filmed in a qualified production facility that meets all minimum stage filming requirements. The tax credit may be used to offset capital stock/foreign franchise tax, corporate net income tax, personal income tax, bank shares tax, or insurance premiums tax. To qualify, the expenses must have been incurred in the production of a film, television commercial, or certain television shows intended for a national audience. At least 60 percent of total production expenses must have been incurred in Pennsylvania; however, the Department of Community and Economic Development may waive this requirement under certain circumstances.

Under Act 55 of 2007, the total amount of tax credits that could be awarded in any fiscal year was \$75 million. Act 48 of 2009 reduced the amount of tax credits that could be awarded in fiscal years 2009-10 and 2010-11 to \$42 million and \$60 million respectively. Act 26 of 2011 permanently reduced that tax credit cap to \$60 million.

Act 52 of 2013 made clarifications and technical changes to the program. More specifically, it clarified the term "start date," and provided that credits purchased or assigned in 2013 or 2014 could be carried forward to 2014 and 2015, respectively.

The estimate for fiscal year 2013-14 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap, including the impact of Act 26 of 2011.

**Purpose:** This tax credit provides an incentive for filmmakers to produce films and television shows in Pennsylvania.

**Administrative Costs:** The Department of Community and Economic Development will incur the costs of awarding, reviewing, and approving the sale or transfer of credit. Estimated costs total \$0.1 million.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 60.0        | \$ 60.0        | \$ 60.0        | \$ 60.0        | \$ 60.0        | \$ 60.0        | \$ 60.0        |

**Beneficiaries:** Approximately 50 film projects will benefit from this expenditure.

## ALTERNATIVE ENERGY PRODUCTION TAX CREDIT

**Authorization:** Act 1 of the Special Session of July 9, 2008

**Description:** Act 1 of the Special Session of 2008 created the Alternative Energy Production Tax Credit. Taxpayers that develop or construct energy production projects located within the commonwealth, which have a useful life of at least four years, may apply to the Department of Environmental Protection for a tax credit beginning in September 2009. The amount of the tax credit may be up to 15 percent of the amount paid for the development and construction of alternative energy production projects but may not exceed \$1 million per taxpayer. Unused portions of the tax credit may be carried forward for up to five taxable years from the year in which the credit is awarded. Credits may not be carried back. Additionally, taxpayers may sell or assign unused portions of the tax credit upon approval by the Department of Revenue and the Department of Environmental Protection. The total amount of tax credit that can be awarded is from \$2 million to \$10 million per fiscal year, depending on the fiscal year.

The estimates for 2013-14 reflect actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

**Purpose:** The purpose of this tax credit is to create an incentive to develop alternative energy sources within the commonwealth.

**Administrative Costs:** Costs to administer the Alternative Energy Production Tax Credit program are borne by the Department of Environmental Protection and the Department of Revenue.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.0         | \$ 10.0        | \$ 2.0         | \$ --          | \$ --          | \$ --          | \$ --          |

**Beneficiaries:** An unknown number of taxpayers will benefit from this tax expenditure.

## STRATEGIC DEVELOPMENT AREAS

**Authorization:** Act 151 of November 20, 2006

**Description:** The Strategic Development Areas (SDA) program was established in 2006 to provide incentives for economic development in designated areas. Act 151 of 2006 created the program to provide tax relief and tax credits to qualified companies within the SDA. The designation would be effective for a 15 year period and must be approved by the political subdivision in which it is located. By waiving these taxes for a series of years, the program hopes to foster growth in those areas. The Department of Community and Economic Development administers the program for the commonwealth.

Among the state taxes waived by the program are corporate net income, capital stock/foreign franchise, and personal income. Insurance companies and certain regulated transportation companies may earn tax credits based on the number of jobs created in a zone. Businesses operating in a zone are exempted from paying sales and use tax on items purchased for consumption in the area. At the local level, property taxes, earned income and net profit taxes, mercantile license tax, and local sales and use tax are waived for area businesses. Tax benefits may not extend beyond December 31, 2022.

**Purpose:** This program provides incentives for economic development in designated areas to foster growth.

**Administrative Costs:** Costs to administer the Strategic Development Areas program are borne by the Department of Community and Economic Development and the Department of Revenue. Estimated costs for both departments total \$0.1 million per year.

|                   |                              |                |                |                |                |                |                |
|-------------------|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | (Dollar Amounts in Millions) |                |                |                |                |                |                |
| <b>Estimates:</b> | <u>2013-14</u>               | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal                      | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** A minimal number of taxpayers are expected to benefit from this credit program.

## RESOURCE ENHANCEMENT AND PROTECTION TAX CREDIT

**Authorization:** Article XVII-E of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

**Description:** Act 55 of 2007 created the Resource Enhancement and Protection (REAP) Tax Credit to encourage the development of riparian forest buffers and the remediation of legacy sediment on commonwealth farmland. Depending on the type of development, a taxpayer may receive a credit of up to 75 percent of cost of a project. A maximum of \$150,000 in tax credits may be awarded per eligible applicant, and the total amount of credits awarded in one fiscal year cannot exceed \$10 million. The tax credit may be used against personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company premiums tax, insurance premiums tax, and mutual thrift institutions tax. Credits for legacy sediment cannot be issued prior to July 1, 2008. Credits were first awarded in fiscal year 2007-08. Act 48 of 2009 reduced the amount of tax credits to be awarded in fiscal years 2009-10 and 2010-11 by 50 percent and 55 percent, respectively.

The estimate for fiscal year 2013-14 reflects actual credits awarded under the program for that period. The estimates for fiscal years reflect the program cap.

**Purpose:** This credit encourages private investment in the implementation of best management practices on agricultural operations, the planting of riparian forest buffers, and the remediation of legacy sediment.

**Administrative Costs:** Costs to administer the REAP Tax Credit are borne by the State Conservation Commission and the Department of Revenue. Estimated costs total \$0.1 million per year.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 6.8         | \$ 10.0        | \$ 10.0        | \$ 10.0        | \$ 10.0        | \$ 10.0        | \$ 10.0        |

**Beneficiaries:** Approximately 110 businesses and 230 individuals will benefit from this tax expenditure.



## KEYSTONE SPECIAL DEVELOPMENT ZONE TAX CREDIT

**Authorization:** Article XIX-C of the Tax Reform Code of 1971 (P.L. 6, No. 2) as amended.

**Description:** Act 26 of 2011 created the Keystone Special Development Zone Tax Credit. The tax credit is available only to taxpayers with operations located on parcels of real property certified as Brownfields pursuant to the Land Recycling and Environmental Remediation Standards Act. The tax credit is equal to \$2,100 for each full-time equivalent employee working in the zone beginning in tax year 2012. The tax credit is available for 10 consecutive tax years during the 15 year period the tax credit will be in existence, ending June 30, 2026. The tax credit may not exceed the qualified tax liability and may be carried forward for up to 10 years. Jobs used to claim this tax credit may not be used to claim the Keystone Opportunity Zone Tax Credit or the Job Creation Tax Credit. The tax credit can be used against personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance tax, insurance premiums tax, and gross receipts tax. Unused tax credits can be sold or assigned.

**Purpose:** This tax credit is intended to encourage businesses in the commonwealth to invest in remediated industrial sites and create jobs.

**Administrative Costs:** Costs to administer the Keystone Special Development Zone Tax Credit are borne by the Department of Revenue and the Department of Community and Economic Development.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** An unknown number of taxpayers will benefit from this tax expenditure.

## PENNSYLVANIA RESOURCE MANUFACTURING TAX CREDIT

**Authorization:** Article XVII-G of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

**Description:** Act 85 of 2012 created the Pennsylvania Resource Manufacturing Tax Credit for an entity purchasing ethane for use in an ethylene manufacturing facility in the commonwealth that has made a capital investment of at least \$1 billion and created at least 2,500 full-time jobs. The tax credit is equal to \$0.05 per gallon of ethane purchased (\$2.10/barrel) for the period from January 1, 2017 to December 31, 2042. The tax credit may be used to offset 20 percent of a taxpayer's liabilities for personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, gross premiums tax, and/or mutual thrift institutions tax. The tax credit may not be carried back, carried forward, or be used to obtain a refund. Within one year after the credit is approved, a taxpayer can apply to the Department of Community and Economic Development for approval to assign or sell eligible credits to another taxpayer. The eligible buyer of the credit may use the purchased credits to offset up to 50 percent of its Pennsylvania tax liabilities.

**Purpose:** This tax credit is intended to encourage the development of an ethane processing industry in the commonwealth.

**Administrative Costs:** Costs to administer the Pennsylvania Resource Manufacturing Tax Credit are borne by the Department of Revenue and the Department of Community and Economic Development.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ --          | \$ --          | \$ --          | \$ --          | \$ 0.0         | \$ 0.0         | \$ 0.0         |

**Beneficiaries:** An unknown number of taxpayers will benefit from this tax expenditure.

## HISTORIC PRESERVATION INCENTIVE TAX CREDIT

**Authorization:** Article XVII-H of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

**Description:** Act 85 of 2012 established the Historic Preservation Incentive Tax Credit for qualified taxpayers owning a Pennsylvania commercial building that qualifies as a certified historical structure according to the Internal Revenue Code. The tax credit is equal to 25 percent of the costs and expenses associated with a plan to rehabilitate a historic structure that is approved by the Pennsylvania Historical and Museum Commission or costs and expenses defined as qualified rehabilitation expenditures under the Internal Revenue Code. The tax credit may be applied to the personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, gross premiums tax, and/or mutual thrift institutions tax. The tax credit may not be carried back or used to obtain a refund, but it may be carried forward for up to seven taxable years following the first taxable year for which the taxpayer was entitled to claim the credit. A taxpayer without a qualified tax liability can apply to the Department of Community and Economic Development for approval to assign or sell eligible credits to another taxpayer. Purchasers and assignees of a tax credit must immediately claim the credit in the taxable year in which the purchase or assignment is made.

The tax credit is capped at \$3 million dollars annually and \$500,000 per taxpayer. The first and last years that the credit may apply to are fiscal years 2013-14 and 2020-21, respectively. The estimates for future fiscal years reflect the program cap.

**Purpose:** This program encourages taxpayers to rehabilitate and preserve commercial buildings with historical value.

**Administrative Costs:** Costs to administer the Historic Preservation Incentive Tax Credit program are primarily borne by the Department of Community and Economic Development along with the Pennsylvania Historical and Museum Commission and the Department of Revenue. Estimated costs for all departments total \$0.2 million per year.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.0         | \$ 3.0         | \$ 3.0         | \$ 3.0         | \$ 3.0         | \$ 3.0         | \$ 3.0         |

**Beneficiaries:** An unknown number of taxpayers will benefit from this tax expenditure.

## COMMUNITY- BASED SERVICES TAX CREDIT

**Authorization:** Article XVII-I of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

**Description:** Act 85 of 2012 established Community-Based Services Tax Credit for contributions made by business firms to providers of community-based services for individuals with intellectual disabilities, mental illness, or drug and alcohol addiction. Providers must be a nonprofit entity that provides community-based services to individuals exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code and be approved by the Department of Community and Economic Development.

The credit is equal to 50 percent of contributions made to a provider. This amount may be increased to 75 percent for business firms that contribute to a provider in two or more successive years. The tax credit may be applied to the personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, gross premiums tax, and/or mutual thrift institutions tax. Tax credits may not be carried forward, carried back, and are not refundable or transferable.

The total amount of credits per business firm cannot exceed \$100,000 annually and the total aggregate amount of all credits approved cannot exceed \$3 million in a fiscal year. The first and last years that the credit may apply to are fiscal years 2013-14 and 2020-21, respectively. The estimates for future fiscal years reflect the program cap.

**Purpose:** This program encourages taxpayers to contribute to providers community-based services.

**Administrative Costs:** Costs to administer the Community-Based Services Tax Credit program are primarily borne by the Department of Community and Economic Development along with the Department of Public Welfare and the Department of Revenue. Estimated costs for all departments total \$0.2 million per year.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.0         | \$ 3.0         | \$ 3.0         | \$ 3.0         | \$ 3.0         | \$ 3.0         | \$ 3.0         |

**Beneficiaries:** An unknown number of taxpayers will benefit from this tax expenditure.

## PROMOTING EMPLOYMENT ACROSS PENNSYLVANIA PROGRAM

**Authorization:** Act 206 of October 25, 2012.

**Description:** Act 206 of October 25, 2012 created the Promoting Employment Across Pennsylvania Program (PEP) for businesses located in the commonwealth who create 250 new jobs within five years from entering into the program. PEP allows qualified businesses to retain 95 percent of the qualified company's withholding taxes for individuals employed in the new jobs. The new employees must be compensated at a rate equal to at least 100 percent of the county average wage, and depending on the compensation rates, the company may retain the withholding for seven to ten years. In order to qualify, a company must offer health insurance to its employees and pay at least 50 percent of the premium. Certain industries are specifically excluded from participating in the program, including the gambling industry, religious organizations, retail trade, educational services, public administration, utilities, and food services and drinking places.

The Department of Community and Economic Development is charged with administering the program, which has an annual cap of \$5 million. The impact of the program is divided between General Fund revenues and refunds because the Act gives businesses the option of remitting withholding in its entirety to the Department of Revenue and then receiving the benefits under the Act as a refund. Those businesses that choose to remit all withholding to the Department of Revenue will be assessed a \$15 fee per employee. No new businesses may enter the program after January 1, 2018.

The estimate for fiscal year 2013-14 reflects actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

**Purpose:** This program provides an incentive to businesses to create new jobs within the commonwealth.

**Administrative Costs:** Costs to administer the Promoting Employment Across Pennsylvania Program are borne by the Department of Community and Economic Development and the Department of Revenue.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.0         | \$ 5.0         | \$ 5.0         | \$ 5.0         | \$ 5.0         | \$ 5.0         | \$ 5.0         |

**Beneficiaries:** An unknown number of businesses will benefit from this tax expenditure.

## MOBILE TELECOMMUNICATIONS BROADBAND INVESTMENT TAX CREDIT

**Authorization:** Article XVIII-E of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

**Description:** Act 52 of 2013 created the Mobile Telecommunications Broadband Investment Tax Credit. Taxpayers that are a provider of mobile communications services shall be allowed a tax credit against their corporate net income tax for investment in qualified broadband equipment placed into service in Pennsylvania.

The amount of the tax credit is five percent of the purchase price of qualified broadband equipment put into service during the taxable year. The maximum amount of approved tax credits shall not exceed \$5 million in any fiscal year, nor may they exceed 50 percent of a taxpayer's corporate net income tax liability.

Any credit claimed and not used in the taxable year may be carried forward for no more than 5 consecutive tax years. Affiliated shareholders, members, or partners of pass-through entities that receive unused credits from the pass-through entity are required to use the tax credit immediately. They are not allowed to carry forward, carry back, obtain a refund, or sell the tax credit.

The credit is first awarded for tax year 2014. The amounts shown below reflect the program cap.

**Purpose:** The tax credit is intended to encourage investment in mobile broadband services by the mobile telecommunications industry.

**Administrative Costs:** Costs to administer the Mobile Telecommunications Broadband Investment Tax Credit are borne by the Department of Revenue.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ --          | \$ --          | \$ 5.0         | \$ 5.0         | \$ 5.0         | \$ 5.0         | \$ 5.0         |

**Beneficiaries:** An unknown number of taxpayers will benefit from this tax expenditure.

## ORGAN AND BONE MARROW DONOR TAX CREDIT

**Authorization:** Article XVIII of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

**Description:** Act 193 of 2014 reestablished the Organ and Bone Marrow Donor Tax Credit as part of the Tax Reform Code retroactively for tax year 2011 and forward. Applications for tax credits must be filed by the 15<sup>th</sup> day of the fourth month following the close of the business firm's taxable year. Act 65 of 2006 created the original Organ and Bone Marrow Donor Tax Credit as a stand-alone act. It expired in 2010. The tax credit is available for business firms subject to the personal income tax, corporate net income tax, capital stock/franchise tax, bank and trust company shares tax, title insurance companies shares tax, insurance premiums tax, or mutual thrift institutions tax. The amount of the credit is equal to the employee compensation paid during the leave of absence, the cost of temporary replacement help, and any miscellaneous expenses authorized by regulation incurred with the leave of absence period. Credits cannot be applied against employer withholding tax under Article III. Credits can be carried forward for three taxable years; however, they cannot be carried back to previous taxable years, and they are not refundable. The credit against personal income tax may be passed through proportionately to the shareholders of S corporations, members of limited liability companies, or partners.

**Purpose:** The purpose of these provisions is to create a greater willingness to donate organs and/or bone marrow through employer tax credits and public education.

**Administrative Costs:** Costs to administer the Organ and Bone Marrow Tax Credit program are borne by the Department of Revenue. Estimated costs are expected to total \$0.1 million per year.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** A minimal number of taxpayers will benefit from this tax expenditure.

## EXEMPTIONS FOR OUT-OF-STATE ENTITIES DURING A DECLARED EMERGENCY

*Authorization:* Act 203 of October 31, 2014

*Description:* Act 203 of 2014 provides that out-of-state businesses responding to a disaster emergency declared by the Governor of Pennsylvania or the President of the United States would not be subject to: state or local business licensing or registration; PUC or regulatory requirements; state and local taxes/fees, such as unemployment insurance, sales and use tax, property tax on equipment brought in on a temporary basis, used or consumed in the commonwealth during the disaster emergency, and subsequently removed from the commonwealth, state or local occupational licensing fees or local service taxes; and state or local tax on or measured by, in whole or in part, net or gross income or receipts.

An out-of-state employee shall not be considered to have established residency that would require the individual or the employer to do the following: file and pay income taxes; be subjected to income tax withholding; or file and pay any other state or local tax or fee for disaster emergency-related work performed during the period designated.

These exemptions apply to an out-of-state business who performs work for a period of not more than ten days before and not more than 60 days after the end of a declared disaster emergency period, and the business must be in compliance with all applicable regulatory and licensing requirements in its state of domicile. The exemption period may be extended by the Governor for a period of not more than 30 days for each declared disaster emergency.

*Purpose:* These exemptions encourage out-of-state individuals and businesses to respond to declared disasters in Pennsylvania by making the tax administration process simpler.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | --             | NA             | NA             | NA             | NA             | NA             | NA             |

*Beneficiaries:* An unknown number of individuals and businesses will benefit from this expenditure.



## CORPORATION TAXES

**Administrative Costs:** Costs to administer various tax expenditures associated with the corporation taxes cannot be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and the increased complexity of such audits, as well as legal rulings, pronouncements, and bulletins. Tax expenditures also contribute significantly to the tax appeals process.

(Dollar Amounts in Millions)

|                                      |  |                |                |                |                |                |                |
|--------------------------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b>                    | <b>Corporate Net Income Tax and Capital Stock/Foreign Franchise Tax:</b> |                |                |                |                |                |                |
|                                      | <u>2013-14</u>   | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                                      | \$ 2.6   | \$ 2.7         | \$ 2.8         | \$ 2.8         | \$ 2.9         | \$ 3.0         | \$ 3.1         |
| <br><b>Selective Business Taxes:</b> |  |                |                |                |                |                |                |
|                                      | <u>2013-14</u>   | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                                      | Nominal  | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

## CORPORATE NET INCOME TAX

**Authorization:** Article IV of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The Pennsylvania corporate net income tax is imposed on domestic and foreign corporations for the privilege of doing business, carrying on activities, having capital or property employed or used, or owning property in Pennsylvania. Certain corporations are exempt from the tax.

The tax is based on federal taxable income before net operating loss deduction and special deductions (line 28 of page 1 of federal IRS form 1120) modified by additions and subtractions to arrive at Pennsylvania taxable income. Taxes based on income and certain tax items are added back to federal taxable income. The tax rate is 9.99 percent for tax years 1995 and thereafter.

Any deductions, exemptions, or types of special treatment that are reflected in line 28 on the IRS form 1120, and not modified or adjusted by Pennsylvania statute, are not included below.

## NONPROFIT CORPORATIONS

**Description:** Nonprofit corporations are exempt from the corporate net income tax. Act 7 of 1997 provided that any nonprofit corporation or entity that is an exempt organization as defined by section 501 of Internal Revenue Code of 1986 (P.L. 99-514, 26 U.S.C.) is exempt from the corporate net income tax. Corporations organized as a nonprofit but not operating as a nonprofit are excluded from this exemption. Act 4 of 1999 provided that insurance and travel agency activities carried on by an auto club are subject to the corporate net income tax. The same act restored exempt status to homeowners associations and membership organizations. The estimates below are based on unrelated business income taxed by the federal government.

**Purpose:** This exemption provides tax relief to nonprofit corporations including religious, charitable, educational, and scientific organizations that are perceived as providing social benefits.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 57.0        | \$ 57.8        | \$ 58.6        | \$ 59.4        | \$ 60.2        | \$ 61.0        | \$ 61.9        |

**Beneficiaries:** Approximately 2,400 nonprofit corporations operating in Pennsylvania with unrelated business income benefit from this tax expenditure.

## SALES FACTOR APPORTIONMENT WEIGHT

**Description:** Beginning in tax year 1995, corporations apportioned their net income using a three-factor formula (payroll, property, and sales) that double-weighted the sales factor. Beginning with Act 4 of 1999, there have been several acts that have steadily increased the weighting of the sales factor in the apportionment formula. Act 85 of 2012 increased the sales factor weight to 100 percent for tax years 2013 and after. Property and payroll are no longer factors in the apportionment formula.

Act 52 of 2013 modified the sourcing of sales for calculating the apportionment of income. Sales of real property, tangible property, and services will be sourced at the location of the customer instead of the location of the "income producing activity." The same act also established a new apportionment formula for providers of satellite television services based on the value of equipment used in generating, processing, or transmitting satellite telecommunications. Both provisions are effective January 1, 2014.

**Purpose:** Corporations with a higher percentage of property and payroll invested in Pennsylvania (compared to their percentage of sales in Pennsylvania) will have less taxable income apportioned to the commonwealth. Therefore, those corporations will have a reduced tax burden. This encourages business investment in Pennsylvania in the form of property and employment.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 413.0       | \$ 428.6       | \$ 436.5       | \$ 441.2       | \$ 446.0       | \$ 450.8       | \$ 455.6       |

**Beneficiaries:** More than 33,500 corporations are affected by this expenditure. Of those, 12,200 benefit (i.e., have their taxable income reduced) from the expenditure. The estimates shown above reflect the net impact and represent the change in corporate net income tax from corporations who have their taxable income reduced, as well as the impact on corporations that have their taxable income increased as a result of this tax expenditure.

## FICA TAX ON TIPS

**Description:** Eating and drinking establishments can claim a deduction from their Pennsylvania taxable income equal to the amount of FICA (Federal Insurance Contributions Act) tax on employees' tips.

**Purpose:** This deduction corrects for a change in federal law. In 1993, a credit for the amount of FICA tax paid on employees' tips was created in the Internal Revenue Code. Taxpayers taking the federal credit may not also take a deduction for tax paid. Pennsylvania does not permit the credit and instead allows this additional deduction from federal taxable income.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 2.4         | \$ 2.5         | \$ 2.5         | \$ 2.5         | \$ 2.6         | \$ 2.6         | \$ 2.7         |

**Beneficiaries:** Approximately 1,840 taxpayers representing eating and drinking establishments could benefit from this tax expenditure.

## NET OPERATING LOSS CARRYFORWARD

**Description:** Corporations may deduct from current taxable income the net losses from previous years to arrive at their tax liability. Beginning with Act 45 of 1998, the carryforward period has increased from three years to 20 years. Act 89 of 2002 increased the carryforward to 20 years for losses incurred in the 1998 taxable year and thereafter. Various acts have increased the annual cap on deductions. Most recently, Act 48 of 2009 amended the annual cap on deductions to \$3 million or 20 percent of taxable income, whichever is greater. Act 52 of 2013 further increased the annual amount for the cap on deductions. For tax year 2014, the annual cap on deductions is \$4 million or 25 percent of taxable income, whichever is greater. For tax year 2015 and beyond, the annual cap on deductions is \$5 million or 30 percent of taxable income, whichever is greater.

**Purpose:** This deduction reduces the tax burden for a period of time after an operating loss period, thereby aiding a corporation that has returned to economic viability as measured by taxable income.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 356.8       | \$ 411.5       | \$ 456.8       | \$ 479.6       | \$ 497.2       | \$ 510.4       | \$ 517.6       |

**Beneficiaries:** Approximately 16,800 businesses per year benefit from this tax expenditure.

## NON-PROFIT NONSTOCK COMMODITY OR STOCK EXCHANGE

**Description:** Act 40 of 2005 excluded non-profit nonstock commodity or stock exchanges from the definition of a corporation for corporate net income tax purposes. This provision applies retroactively to taxable years beginning after December 31, 1997.

**Purpose:** This exemption provides tax relief for non-profit nonstock commodity or stock exchanges.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** A minimal number of corporate taxpayers benefit from this tax expenditure.

## PENNSYLVANIA S CORPORATIONS

**Description:** Corporations with a valid Pennsylvania S corporation election in effect for the taxable year are subject to corporate net income tax only to the extent that they have net recognized built-in gains. Pennsylvania S corporation shareholders must include their distributive share of Pennsylvania S corporation income for Pennsylvania income tax purposes. The tax expenditure is the difference between what is paid by the shareholders under the personal income tax and what the corporations would have paid had they been fully subject to the corporate net income tax. Beginning with Act 7 of 1997, there have been several acts that have linked the Pennsylvania tax treatment of S corporations more closely with federal law.

**Purpose:** Sub-chapter S corporations are closely-held corporations and are believed to be major job creators. This provision allows tax treatment that is similar to that of the Internal Revenue Service and most other states for these businesses.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 912.4       | \$ 911.2       | \$ 906.4       | \$ 908.8       | \$ 913.5       | \$ 920.0       | \$ 929.2       |

**Beneficiaries:** Approximately 166,700 sub-chapter S corporations doing business in Pennsylvania could benefit from this tax expenditure.

## LIMITED LIABILITY COMPANIES (LLCs)

**Description:** Limited liability companies (LLCs) are hybrid business entities that combine the corporate characteristic of limited liability for all owners (members) with the tax treatment of a partnership. LLCs that are not taxed as corporations for federal purposes are exempt from the Pennsylvania corporate net income tax. Members of the LLC must include their share of the LLC's income for Pennsylvania personal income tax purposes or corporate net income tax (if a corporate member). The tax expenditure is the difference between what is paid by the members under the personal income tax and corporate net income tax and what the LLC entities would have paid under the corporate net income tax. Various acts through the years have clarified the tax treatment of LLCs and types of companies that can organize as LLCs.

**Purpose:** LLCs are a preferred type of business entity for start-up companies. They combine the limited liability of a corporation with the flexibility of a partnership. This provision allows tax treatment that is similar to that of the Internal Revenue Service and most other states for these businesses.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 581.5       | \$ 580.9       | \$ 579.6       | \$ 584.5       | \$ 590.7       | \$ 597.9       | \$ 606.8       |

**Beneficiaries:** As many as 132,300 companies doing business in Pennsylvania benefit from this tax expenditure.

## POWDERED METALLURGY NEXUS

*Description:* Act 55 of 2007 created a nexus exemption for the out-of-state customers of Pennsylvania powdered metallurgy parts manufacturers. This nexus exemption applies retroactively to taxable years beginning after December 31, 2004, as well as taxable years to which there is an appeal prior to the effective date.

*Purpose:* This nexus exemption ensures that Pennsylvania powdered metallurgy parts manufacturers will not lose business due to a concern that out-of-state customers may be unduly subject to Pennsylvania taxation only for contracting with such a company.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.6         | \$ 0.6         | \$ 0.6         | \$ 0.6         | \$ 0.6         | \$ 0.7         | \$ 0.6         |

*Beneficiaries:* A minimal number of corporate taxpayers benefit from this tax expenditure.

## CAPITAL STOCK/FOREIGN FRANCHISE TAX

**Authorization:** Article VI of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The capital stock tax is a property tax imposed on every domestic corporation with capital stock, every joint-stock association and limited partnership, and every other company organized or incorporated in Pennsylvania. The franchise tax is a privilege tax imposed on foreign corporations, joint-stock associations, limited partnerships, and other companies doing business and liable for taxation within Pennsylvania or having capital or property employed or used in Pennsylvania. Certain corporations are exempt from these taxes, and some corporations are afforded special treatment.

The capital stock/foreign franchise tax is based on capital stock value which is defined as one-half of the sum of the average net income capitalized at the rate of 9.5 percent plus 75 percent of the net worth, less \$160,000. Beginning with Act 7 of 1997, there have been several acts that have increased the valuation deduction from \$100,000 to \$160,000.

Act 89 of 2002 suspended the automatic transfer of 0.25 mills of the tax to the Hazardous Sites Cleanup Fund (HSCF). Beginning in fiscal year 2002-03, the HSCF transfer will only occur if the balance in the HSCF is expected to fall below \$5 million. Act 77 of 2007 amended the HSCF transfer, setting it at \$40 million per fiscal year, beginning in fiscal year 2008-09.

Beginning with Act 45 of 1998, there have been various acts that have decreased the capital stock/foreign franchise rate. The most recent legislation, Act 52 of 2013 delayed elimination of the capital stock/foreign franchise tax for two years. The rate for tax year 2014 is 0.67 mills. The rate is further reduced to 0.45 mills for tax year 2015. The tax is then eliminated for all tax years beginning after December 31, 2015.

The estimates in this analysis include only the General Fund portion of the tax and reflect the current phase-out of the tax. Various types of assets are exempt from tax. The valuation of capital stock is not affected by these exemptions, but the exemptions are reflected in apportionment formulas used to compute the percentage of the capital stock value base actually subject to tax.

### NONPROFIT CORPORATIONS

**Description:** Nonprofit corporations are exempt from the capital stock/foreign franchise tax. Act 7 of 1997 provided that any nonprofit corporation or entity that is an exempt organization as defined by section 501 of Internal Revenue Code of 1986 (P.L. 99-514, 26 U.S.C.) is exempt. Act 4 of 1999 provided that insurance and travel agency activities carried on by an auto club are subject to the capital stock/foreign franchise tax. The same act restored exempt status to homeowners associations and membership organizations. The estimates below are based on unrelated business income taxed by the federal government.

**Purpose:** This exemption provides tax relief to nonprofit corporations including religious, charitable, educational, and scientific organizations that are perceived as providing social benefits.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 4.3         | \$ 3.2         | \$ 1.9         | \$ 0.4         | \$ 0.1         | Nominal        | \$ --          |

**Beneficiaries:** Approximately 4,500 nonprofit corporations benefit from this tax expenditure.

## FAMILY FARM CORPORATIONS

**Description:** Family farm corporations are exempt from the capital stock/foreign franchise tax. A family farm corporation is one that devotes at least 75 percent of its assets to agriculture and at least 75 percent of its stock is owned by members of the same family.

Act 45 of 1998 specifically defined LLCs and business trusts as corporations for capital stock/foreign franchise tax purposes. As a result, LLCs and business trusts are eligible for the family farm exemption, if appropriate.

**Purpose:** This exemption provides tax relief to family farm corporations thereby recognizing the importance of family-owned farms.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | \$ --          |

**Beneficiaries:** Approximately 760 family farm corporations operating in Pennsylvania could benefit from this tax expenditure.

## ASSETS USED IN MANUFACTURING, PROCESSING, AND RESEARCH AND DEVELOPMENT

**Description:** Corporations (except those which enjoy the right of eminent domain, i.e., utilities) organized for manufacturing, processing, or research and development purposes may claim an exemption for capital stock invested in such activities within Pennsylvania. Pollution control assets are included for these corporations. This exemption is reflected in computing the percentage of the capital stock value actually subject to tax and applies to both single-factor and three-factor apportionment.

Act 63 of 1999 modified the manufacturing exemption by disallowing the exemption provided for manufacturing, processing, or research and development activities from the numerator of the sales factor and expanding the exemption by excluding property and payroll attributable to manufacturing, processing, or research and development activities outside of the commonwealth from the numerator of the property and payroll factors.

**Purpose:** This exemption encourages investment in manufacturing, processing, and research and development activities that improves the commonwealth's economic position.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 87.3        | \$ 64.5        | \$ 38.1        | \$ 8.1         | \$ 1.9         | Nominal        | \$ --          |

**Beneficiaries:** Approximately 4,100 corporations operating in Pennsylvania benefit from this tax expenditure.

## APPORTIONMENT FORMULA

**Description:** Corporations that have multistate operations have the option of using either a single-factor or a three-factor formula to compute the portion of the capital stock value that is subject to tax. The single-factor formula is based on the ratio of the book value of taxable assets to the book value of total assets. The three-factor formula is based on property, payroll, and sales within and without Pennsylvania. Historically, only domestic corporations were permitted to choose the single-factor apportionment method until the Pennsylvania Supreme Court ruled that foreign corporations must be allowed the same option.

Act 52 of 2013 modified the sourcing of sales for calculating the apportionment of income. Sales of real property, tangible property, and services will be sourced at the location of the customer instead of the location of the "income producing activity."

**Purpose:** This option provides tax relief to those corporations with considerable tangible investment in the commonwealth and thereby encourages corporate investment in Pennsylvania.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 60.3        | \$ 44.6        | \$ 26.3        | \$ 5.6         | \$ 1.3         | Nominal        | \$ --          |

**Beneficiaries:** Approximately 7,200 corporations doing business in Pennsylvania benefit from this tax expenditure.

## POLLUTION CONTROL DEVICES

**Description:** Equipment, machinery, facilities, and other tangible property used during the tax year within Pennsylvania for water or air pollution control or abatement devices utilized for the benefit of the general public are exempt from the capital stock/foreign franchise tax. This exemption is reflected as an exclusion from the numerator of the single asset apportionment fraction or the numerator of the property factor when the three-factor apportionment formula is used. However, for manufacturing, processing, or research and development corporations, these assets are included as exempt equipment and shown in the expenditure for assets used in manufacturing, processing, and research and development.

**Purpose:** This exemption provides tax relief to corporations required to install pollution control devices and encourages investment in pollution control assets.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.1         | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | \$ --          |

**Beneficiaries:** A minimal number of companies doing business in Pennsylvania benefit from this tax expenditure.



## DEDUCTION FROM THE FIXED FORMULA

**Description:** Act 48 of 2009 establishes that for tax years beginning in 2010 and thereafter, corporations may deduct \$160,000 from the capital stock value which is then subject to apportionment to determine the taxable base. The valuation deduction was \$150,000 for tax years 2007 through 2009. The valuation deduction for tax years 1997 through 2006 was \$125,000. The valuation deduction was \$100,000 for tax years 1995 and 1996.

**Purpose:** This exemption provides a tax-free portion of capital stock value for corporations, particularly beneficial to new businesses realizing little or no profit during their early years.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 19.1        | \$ 14.2        | \$ 8.2         | \$ 1.6         | \$ 0.3         | Nominal        | \$ --          |

**Beneficiaries:** Approximately 276,700 corporations doing business in Pennsylvania benefit from this tax expenditure.

## HOLDING COMPANIES

**Description:** Holding companies may elect, in lieu of a standard apportionment formula, a special apportionment formula that computes the taxable portion of capital stock value by taking 10 percent of the total capital stock value. The single-factor apportionment formula was used as the standard apportionment formula in the estimating process. Holding companies are corporations (1) which derive at least 90 percent of their income from stock or securities and the rendering of administrative or management services to subsidiary corporations and (2) whose assets are at least 60 percent comprised of securities or indebtedness of subsidiary corporations. Act 45 of 1998 clarified that limited liability companies and business trusts are eligible to receive holding company tax treatment.

**Purpose:** This special treatment is intended to provide tax relief to those holding companies with considerable intangible assets that otherwise are not exempt under the single assets apportionment fraction.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 70.2        | \$ 51.9        | \$ 30.6        | \$ 6.5         | \$ 1.5         | Nominal        | \$ --          |

**Beneficiaries:** Approximately 680 companies doing business in Pennsylvania benefit from this tax expenditure.

## REGULATED INVESTMENT COMPANIES/REAL ESTATE INVESTMENT TRUSTS

**Description:** Regulated investment companies (RICs) are subject to special valuation for capital stock/foreign franchise tax purposes. Their tax is computed by adding the net asset value multiplied by \$75 and divided by one million to the apportioned undistributed personal income multiplied by the personal income tax rate. Undistributed taxable personal income is apportioned to Pennsylvania by a fraction, the numerator of which is all income distributed during the taxable year to resident shareholders and the denominator of which is all income distributed to all shareholders.

There is a potential revenue loss from regulated investment companies and real estate investment trusts (REITs) organized as business trusts. These entities are not subject to capital stock/foreign franchise tax. No cost estimate is available.

There is also a potential revenue loss associated with corporations that conduct Pennsylvania business activity through an investment in business trust RICs, REITs, and certain other related entities. Generally, a corporation's interest in an entity that is not a corporation is considered to be a direct ownership interest in the assets of the entity rather than an intangible interest. Act 232 of 2002 created exceptions to this general rule for RICs, REITs, and certain other related entities that are organized as business trusts. No cost estimate is available.

**Purpose:** RICs are corporations that derive at least 90 percent of their income from dividends, interest, and gains on disposition of stock and securities. REITs are corporations that own real estate investments and must distribute at least 90 percent of their income as dividends. This special treatment provides tax relief to these companies thereby allowing them to earn higher rates of return on their investments that, in turn, are passed on to their shareholders. The higher earnings rates may result in higher investment in the economy that is channeled through these companies.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | \$ 0.3         | \$ 0.3         | \$ 0.1         | Nominal        | Nominal        | Nominal        | \$ --          |

**Beneficiaries:** At least 200 RICs, REITs, and other related entities doing business in Pennsylvania benefit from this tax expenditure. In addition, an unknown number of corporations may benefit from the provisions of Act 232 of 2002.

## RESTRICTED PROFESSIONAL COMPANIES

**Description:** Restricted professional companies (RPCs) are limited liability companies (LLCs) performing restricted professional services. LLCs are hybrid business entities that combine the corporate characteristic of limited liability for all owners (members) with the tax treatment of a partnership. Restricted professional services include chiropractic, dentistry, law, medicine and surgery, optometry, osteopathic medicine, podiatry medicine, public accounting, psychology, and veterinary medicine. These types of businesses give members the protection of limited liability for the neglect of another member. RPCs are exempt from the capital stock/foreign franchise tax. However, an annual fee of \$380 per resident member is imposed under the Associations Code, \$25 of which is credited to the Corporation Bureau's restricted account. Act 67 of 2006 eliminated single member restricted professional companies from being subject to the capital stock and franchise tax unless they are classified as a corporation for federal income tax purposes, effective for tax years beginning after December 31, 2005.

The cost estimates shown below only reflect the cost of the single member RPC exemption.

**Purpose:** RPCs perform valuable professional services for citizens of the commonwealth.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 2.7         | \$ 2.0         | \$ 1.2         | Nominal        | Nominal        | Nominal        | \$ --          |

**Beneficiaries:** Approximately 2,700 companies doing business in Pennsylvania benefit from this tax expenditure.

## EXEMPTION FOR STUDENT LOAN ASSETS

**Description:** Act 45 of 1998 provided that student loan related assets owned or held by a trust or other entity formed for the securitization of student loans are exempt from capital stock/foreign franchise tax. This provision is effective for tax years beginning on or after January 1, 1998.

**Purpose:** This program exempts student loan related assets held by loan securitization trusts from the capital stock/foreign franchise tax to conform with the commonwealth public policy of promoting higher education.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | \$ --          |

**Beneficiaries:** A minimal number of business trusts and other entities formed for the securitization of student loan assets benefit from this tax expenditure.

## FINANCIAL INSTITUTION BUSINESS TRUSTS

**Description:** Act 23 of 2000 created an exemption from tax for a domestic or foreign business trust that is created or managed by an entity subject to bank shares or mutual thrifts tax, or an 80 percent affiliate thereof. The trust must also be created and managed to facilitate the securitization of intangible assets. For federal tax purposes it is classified as a partnership or disregarded entity. This exemption applies to taxable years beginning after December 31, 1999.

**Purpose:** This exemption acts as an incentive for these trusts to form and operate in the commonwealth.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | \$ --          |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## NON-PROFIT NONSTOCK COMMODITY OR STOCK EXCHANGE

**Description:** Non-profit nonstock commodity or stock exchanges are excluded from the definition of a corporation for capital stock/foreign franchise tax purposes. This provision applies to taxable years beginning after December 31, 1997.

**Purpose:** This exemption provides tax relief for non-profit nonstock commodity or stock exchanges.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | \$ --          |

**Beneficiaries:** A minimal number of corporate taxpayers benefit from this tax expenditure.

## POWDERED METALLURGY NEXUS

**Description:** Act 55 of 2007 created a nexus exemption for the out-of-state customers of Pennsylvania powdered metallurgy parts manufacturers. This nexus exemption applies retroactively to taxable years beginning after December 31, 2004, as well as taxable years to which there is an appeal prior to the effective date.

**Purpose:** This nexus exemption ensures that Pennsylvania powdered metallurgy parts manufacturers will not lose business due to a concern that out-of-state customers may be unduly subject to Pennsylvania taxation only for contracting with such a company.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | \$ --          |

**Beneficiaries:** A minimal number of corporate taxpayers benefit from this tax expenditure.

## GROSS RECEIPTS TAX

**Authorization:** Article XI of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The gross receipts tax is imposed on the following companies conducting business in Pennsylvania: pipeline, conduit, steamboat, canal, slack water navigation and transportation companies; freight or oil transporters; telephone and telegraph companies; express service, palace car or sleeping car companies; and electric light, water power and hydroelectric energy companies and managed care organizations. The tax collected from managed care organizations is not deposited in the General Fund. Municipalities are entitled to exemptions.

A tax is levied at 50 mills on gross receipts from passengers, baggage, freight, and oil transported within the commonwealth; as well as intrastate and interstate telephone and telegraph messages transmitted on land line or cellular systems. A tax is levied at 44 mills on the sale of electric energy. The 44 mill tax rate on sales of electric energy was subject to change based on the revenue neutral reconciliation (RNR) tax rate calculated annually pursuant to Act 138 of 1996, which governs the restructuring of the electric utility industry in Pennsylvania. Act 89 of 2002 established the permanent RNR tax rate at 15 mills for tax years beginning January 1, 2003 and thereafter. The sale of natural gas was subject to the gross receipts tax before Act 4 of 1999 repealed these provisions, effective January 1, 2000.

### MUNICIPALLY-OWNED PUBLIC UTILITIES

**Description:** Gross receipts of public utilities owned or operated by a municipality are exempt from tax to the extent the gross receipts are derived from business done inside the limits of the municipality. The figures for this expenditure are at the statutory utilities gross receipts tax rates applicable to the appropriate tax year.

**Purpose:** This tax relief encourages municipalities to develop and invest in public utility services and supplemental energy sources including cogeneration facilities. It also benefits residents to the extent the tax relief is reflected through lower utility rates.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 10.5        | \$ 10.6        | \$ 10.7        | \$ 10.9        | \$ 11.0        | \$ 11.1        | \$ 11.2        |

**Beneficiaries:** The 35 municipally-owned utilities operating in the commonwealth benefit from this tax expenditure.

### NUCLEAR GENERATING FACILITY DAMAGE

**Description:** Gross receipts derived from the sale of electricity by an electric light company which are attributable to the recovery of purchased energy costs, clean-up costs, and investment write-off costs due to damage to a nuclear generating facility are exempt from tax.

**Purpose:** This tax relief alleviates the financial hardship faced by the public utility as a result of damage caused by an accident or natural disaster. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** Ninety electric suppliers could potentially benefit from this tax expenditure.

## ELECTRIC COOPERATIVES

*Description:* Gross receipts of electric cooperatives are exempt from the tax. The figures for this expenditure are at the statutory utility gross receipts tax rates applicable to the appropriate tax year.

*Purpose:* These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide public benefit. This exemption permits this service to be rendered at a reduced cost to the rate payers.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 17.2        | \$ 17.3        | \$ 17.5        | \$ 17.7        | \$ 17.9        | \$ 18.0        | \$ 18.1        |

*Beneficiaries:* The 13 cooperatives in the commonwealth benefit from this tax expenditure.

## PUBLIC UTILITY REALTY TAX

**Authorization:** Article XI-A of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The public utility realty tax (PURTA) is imposed on public utilities furnishing services under the jurisdiction of the Pennsylvania Public Utility Commission or a regulatory body of another state or the United States.

Act 4 of 1999 fundamentally overhauled PURTA for tax year 1998 and thereafter. The tax rate is annually calculated by the Department of Revenue in order to raise an amount of tax revenue equal to the realty tax equivalent. The commonwealth imposes this tax on public utility realty in lieu of local real estate taxes and distributes revenue to local taxing authorities based on the realty tax equivalent.

Beginning with PURTA tax year 1998, utilities are taxed on the basis of the property's fair market value, which is the local assessed value adjusted by the common level ratio. After December 31, 1999, assets used in the generation of electricity are excluded from the PURTA tax base and the realty tax equivalent.

For fiscal years prior to 2003-04, an additional 7.6 mills of the PURTA tax base was transferred to the Public Transportation Assistance Fund. Beginning in fiscal year 2003-04, the additional 7.6 mills of the PURTA tax base has remained in the General Fund. The estimates in this portion of the analysis include the variable tax as well as the additional 7.6 mill levy.

### PROPERTY SUBJECT TO LOCAL TAXATION

**Description:** Property subject to local real estate taxation under any law in effect on April 23, 1968, is excluded from the PURTA base.

**Purpose:** The Constitution of Pennsylvania was amended April 23, 1968, to provide for state taxation of public utility realty property; however, any law in effect which subjected real property of a public utility to local real estate taxation was left in full force. This provision prevents the double taxation of such property.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | \$ 3.0         | \$ 3.2         | \$ 3.3         | \$ 3.5         | \$ 3.7         | \$ 4.0         | \$ 4.2         |

**Beneficiaries:** The 290 public utilities could benefit from this tax expenditure.

### EASEMENTS

**Description:** Easements or similar interests are excluded from the PURTA base. An easement is an interest in land owned by another entity that entitles the public utility company to limited use related to the provision of utility service.

**Purpose:** PURTA is intended as a tax on real property and not as a tax on property such as these rights.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | \$ 2.7         | \$ 2.8         | \$ 3.0         | \$ 3.1         | \$ 3.3         | \$ 3.5         | \$ 3.7         |

**Beneficiaries:** The 290 public utilities could benefit from this tax expenditure.

## RAILROAD RIGHTS-OF-WAY

**Description:** Railroad rights-of-way and superstructures thereon are excluded from the PURTA base. Railroad rights-of-way are limited ownership of land to be used exclusively for the provision of rail transportation service.

**Purpose:** PURTA is intended as a tax on real property and not as a tax on property such as these rights. This tax relief may encourage the development of our railroad network that benefits the economy.

(Dollar Amounts in Millions)

| Estimates: | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|            | \$ 6.2         | \$ 6.5         | \$ 6.9         | \$ 7.3         | \$ 7.7         | \$ 8.2         | \$ 8.6         |

**Beneficiaries:** The 75 railroad public utilities could benefit from this tax expenditure.

## SEWAGE SERVICES

**Description:** Public utilities furnishing sewage services are exempt from tax.

**Purpose:** This provides tax relief to companies that are in the business of sewage treatment and encourages investment in sewage treatment facilities that provide public environmental benefits. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

| Estimates: | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|            | \$ 5.5         | \$ 5.8         | \$ 6.1         | \$ 6.4         | \$ 6.8         | \$ 7.2         | \$ 7.6         |

**Beneficiaries:** The 60 public utilities that provide sewage services benefit from this tax expenditure.

## MUNICIPALITIES

**Description:** Municipalities or municipal authorities furnishing electric, natural gas, telephone, or water public utility services are exempt from tax.

**Purpose:** The realty used for municipally-furnished utility services is public property used for public purposes. Moreover, taxing such property would result in the municipal government funding the realty tax equivalent distributed to local taxing authorities.

(Dollar Amounts in Millions)

| Estimates: | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|            | \$ 3.4         | \$ 3.5         | \$ 3.7         | \$ 4.0         | \$ 4.2         | \$ 4.4         | \$ 4.6         |

**Beneficiaries:** The 500 municipal authorities and the 35 municipal public utilities benefit from this tax expenditure.



## ELECTRIC GENERATION FACILITIES

**Description:** After December 31, 1999, land and improvements indispensable to the generation of electricity are subject to local real estate tax and are excluded from the PURTA tax base and the realty tax equivalent.

**Purpose:** Electric generation facilities were removed from the PURTA tax base because electric generation is no longer regulated as a public utility function. The electric competition statute, Act 138 of 1996, changed the definition of public utility, and generation facilities can be owned by unregulated entities. This exemption allows a level playing field for participants in electricity supply.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 25.0        | \$ 26.4        | \$ 27.8        | \$ 29.4        | \$ 31.1        | \$ 32.9        | \$ 34.8        |

**Beneficiaries:** The 22 electric utilities owning generating assets in Pennsylvania benefit from this tax expenditure.

## TRANSITION CREDIT

**Description:** During the transition years 1998 through 2001, the liability of a public utility under PURTA is limited to 250 percent of its immediate prior year's liability with any reduction in the liability capped at \$100,000 per taxable year. The cost of the transition credit in current fiscal years depends on the calculation of the compensating adjustments for the affected tax years.

**Purpose:** The PURTA transition credit provides limited relief to taxpayers having a significant increase in their PURTA tax base as a result of Act 4 of 1999.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** Approximately 60 taxpayers benefit from this tax expenditure.

## INSURANCE PREMIUMS TAX

**Authorization:** Article IX of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The insurance premiums tax is imposed on domestic and foreign insurance companies that transact business in Pennsylvania. Certain types of insurance companies are exempt from the tax.

The tax is levied on gross premiums received from business done within Pennsylvania during each calendar year. A retaliatory tax is also imposed on taxable insurance companies incorporated in other states that impose a higher burden on Pennsylvania companies doing business there.

The basic tax rate is two percent of gross premiums plus any retaliatory tax. A three percent rate is imposed on insurance premiums for policies written with unlicensed insurers by a surplus lines agent when the insured's home state is Pennsylvania. Marine insurance companies are subject to a five percent tax on their underwriting profits in lieu of the insurance premiums tax.

The estimates in this analysis include the full amount of revenues and the retaliatory charges that would be received from affected insurance companies.

## MUTUAL BENEFICIAL ASSOCIATIONS

**Description:** Purely mutual beneficial associations, whose funds benefit members, families, or heirs and are made up entirely of member contributions and accumulated interest, are exempt from the insurance premiums tax. For the purpose of this tax expenditure, these associations are treated as life insurance companies.

**Purpose:** Mutual beneficial associations are charitable and benevolent organizations that provide life, accident, and health benefits for their members. The exemption indirectly benefits subscribers to the extent that it is reflected in reduced premiums.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 15.4        | \$ 15.9        | \$ 16.7        | \$ 17.4        | \$ 18.3        | \$ 19.2        | \$ 20.0        |

**Beneficiaries:** The 60 mutual beneficial associations doing business in Pennsylvania benefit from this tax expenditure.

## NONPROFIT HOSPITAL AND MEDICAL CARE SERVICE ORGANIZATIONS

**Description:** Companies organized under the Nonprofit Hospital Plan Act (Act of June 21, 1937, P.L. 1948, No. 378) and the Nonprofit Medical, Osteopathic, Dental and Podiatry Service Corporation Act (Act of June 27, 1939, P.L. 1125, No. 399) are exempt from the insurance premiums tax. Those exempt include, for example, Capital Blue Cross, Hospital Service Association of Northeastern Pennsylvania, Highmark Inc., Geisinger Health Plan, and Inter-County Health Plan, Inc.

**Purpose:** These companies are deemed to be charitable and benevolent institutions that provide hospital and/or medical care to their subscribers. The exemption provides indirect tax relief to subscribers to the extent that it is reflected in lower premiums.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 82.8        | \$ 86.0        | \$ 92.3        | \$ 99.2        | \$ 105.7       | \$ 111.1       | \$ 116.5       |

**Beneficiaries:** The 14 nonprofit hospital and medical care service organizations doing business in Pennsylvania benefit from this tax expenditure.

## EXTRAORDINARY MEDICAL BENEFIT

**Description:** An exemption is allowed for premiums collected by automobile insurance companies for optional extraordinary medical benefit coverage from \$100,000 to \$1,100,000. This exemption applies only to premiums collected in association with policies written after June 1, 1989.

**Purpose:** This exemption benefits private insurance companies that are required to provide the extraordinary medical coverage as a result of the repeal of Pennsylvania's Catastrophic Loss Trust Fund. This exemption also indirectly benefits subscribers to the extent that it is reflected in reduced premiums.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         |

**Beneficiaries:** Approximately 820 automobile insurance companies licensed to do business in Pennsylvania may benefit from this tax expenditure.

## LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION CREDIT

**Description:** A tax credit is available to companies that are members of the Pennsylvania Life and Health Insurance Guaranty Association. These companies may offset a proportionate part of assessment payments made to the association against the insurance premiums tax. The credit is for the portion of the assessment that is unrecoverable through premiums and must be taken over five years.

**Purpose:** The Pennsylvania Life and Health Insurance Guaranty Association protects policyholders and claimants by providing for the payment of benefits and the continuation of coverage under life, health, and accident, and annuity policies under certain circumstances. Members are assessed to provide funds to carry out the purpose of the association. This credit provides relief to member companies by allowing them to recoup a portion of their assessment payments in the form of tax credits. This credit also provides indirect relief to subscribers to the extent that lower premium rates are maintained.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** Approximately 450 life, accident, and health insurance companies doing business in Pennsylvania may benefit from this tax expenditure.

## PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION (PP&CIGA) CREDIT

**Description:** A tax credit is available to companies that are members of the Pennsylvania Property and Casualty Insurance Guaranty Association (PP&CIGA). Companies may claim a credit for assessments paid to the association in a calendar year that exceed one percent of gross premiums collected from policyholders. The credit must be taken proportionately over five years, beginning the year after the assessment is paid. This tax credit was enacted as part of Act 23 of 2000 to allow member companies to recoup a portion of assessments paid to the association in the form of tax credits.

**Purpose:** The Pennsylvania Property and Casualty Insurance Guaranty Association protects policyholders and claimants by providing for the payment of benefits and claims for property and casualty policies under certain circumstances. Members are assessed to provide funds to carry out the purpose of the association. This credit also provides indirect relief to property and casualty policyholders to the extent that lower premium rates are maintained.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | \$ 1.1         | \$ 2.1         | \$ 3.2         | \$ 4.3         | \$ 5.5         |

**Beneficiaries:** Approximately 1,000 property and casualty insurers doing business in Pennsylvania benefit from this tax expenditure.

## INNOVATE IN PA TAX CREDIT

**Authorization:** Article XVIII-F of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

**Description:** Act 52 of 2013 created the Innovate in PA Tax Credit. A total of \$100 million in tax credits may be sold to qualified insurance companies beginning October 1, 2013. Insurance companies may purchase the credits via a bidding process and claim them beginning in calendar year 2017 against insurance premiums tax (IPT) liabilities incurred for a taxable year beginning on or after January 1, 2016. The total amount of credits applied against IPT liability by all qualified taxpayers in a fiscal year may not exceed \$20 million, nor may they exceed a taxpayer's IPT liability for that year. Credits may be carried forward for any taxable year that begins prior to January 1, 2026. No tax credits may be sold if the bidding process has failed to yield at least \$40 million in revenue.

The amounts shown below reflect the program cap.

**Purpose:** The tax credit encourages funding of early-stage venture capital investment through the Ben Franklin Technology Partners, the Venture Investment Program, and the Life Sciences Greenhouses.

**Administrative Costs:** Costs to administer the Innovate in PA Tax Credit are borne by the Department of Community and Economic Development and the Department of Revenue. Estimated costs total \$0.1 million per year.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ --          | \$ --          | \$ --          | \$ 20.0        | \$ 20.0        | \$ 20.0        | \$ 20.0        |

**Beneficiaries:** An unknown number of taxpayers will benefit from this tax expenditure.

## BANK AND TRUST COMPANY SHARES TAX

*Authorization:* Article VII of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The bank and trust company shares tax is imposed on every bank and trust company having capital stock and doing business in Pennsylvania.

The tax is imposed annually on the value of shares as of January 1. Beginning January 1, 2014, the taxable value of shares is computed on the most recent year-end value of an institution's total bank equity capital, adjusted to exclude the value of United States obligations. The tax rate on the dollar value of each taxable share of stock is 0.89 percent.

## GOODWILL DEDUCTION

*Description:* Act 55 of 2007 allows for goodwill generated by a combination to be subtracted from a bank's book value of total bank equity capital when calculating its taxable shares.

*Purpose:* This deduction removes from the tax base the intangible value assigned to goodwill under purchase accounting rules as the result of a combination with another bank.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 78.8        | \$ 72.8        | \$ 75.3        | \$ 78.2        | \$ 81.6        | \$ 85.5        | \$ 89.7        |

*Beneficiaries:* Any Pennsylvania bank involved in combination activity could benefit from this tax expenditure.

**MUTUAL THRIFT INSTITUTIONS TAX**

*Authorization:* Article XV of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The mutual thrift institutions tax is imposed on the net income of savings institutions, savings banks without capital stock, savings and loan associations, and building and loan associations conducting business in Pennsylvania.

The tax is based on net income determined in accordance with generally accepted accounting principles with the following major exceptions: income earned from United States obligations or Pennsylvania state and local obligations is excluded; the interest expense associated with tax exempt interest income is disallowed as a deduction; and net operating losses from previous years may be carried forward for a maximum of three years. Taxable net income is apportioned to Pennsylvania by a three-factor formula comprised of payroll, receipts, and deposits.

The current tax rate is 11.5 percent.

**NET OPERATING LOSS CARRYFORWARD**

*Description:* Thrift institutions may deduct from current taxable income the net losses from previous taxable years. A net loss for a taxable year may be carried over three years and must be carried to the earliest allowable tax year. There is no carryback of losses to prior years.

*Purpose:* This deduction reduces the tax burden for a period of time after an operating loss period, thereby aiding the thrift institution after it has attained economic health as measured by its taxable income.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.6         | \$ 0.6         | \$ 0.6         | \$ 0.6         | \$ 0.6         | \$ 0.6         | \$ 0.6         |

*Beneficiaries:* The 138 mutual thrift companies could benefit from this tax expenditure.

**CREDIT UNIONS**

*Description:* Credit unions are exempt from taxation. The tax expenditure is determined by applying the appropriate mutual thrift institutions tax rate to their net earnings.

*Purpose:* Credit unions are cooperative associations incorporated to promote thrift and to provide a source of credit for their members. This program provides tax relief to credit unions as well as their members to the extent that it is reflected in higher rates earned on savings and lower rates charged for loans.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 22.2        | \$ 24.2        | \$ 26.3        | \$ 28.3        | \$ 31.0        | \$ 33.7        | \$ 36.6        |

*Beneficiaries:* The 527 state and federal credit unions operating in Pennsylvania benefit from this tax expenditure.

## SALES AND USE TAX

**Authorization:** Article II of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

**Administrative Costs:** Costs incurred to administer the multiple tax expenditures associated with the sales and use tax cannot be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and the increased complexity of compliance audits. These audits contribute significantly to the volume of appeals processed by the Department of Revenue.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 13.3        | \$ 13.5        | \$ 13.7        | \$ 13.9        | \$ 14.1        | \$ 14.3        | \$ 14.5        |

**Beneficiaries:** Information provided under the sales and use tax "Beneficiaries" heading represent an actual or estimated number and description of Pennsylvania residents, households, or businesses benefiting from that specific tax expenditure. An unreported number of non-Pennsylvania entities may also benefit from the tax expenditure.

## GENERAL/PERSONAL EXPENDITURES

### FOOD

**Description:** Generally, food and beverages intended for human consumption are exempt from taxation. These foods may be purchased from a bakery, pastry shop, donut shop, delicatessen, grocery store, supermarket, farmer's market, convenience store, or vending machine. Sales of ready-to-eat foods are not exempt from tax and include the sale of meals, sandwiches, food from salad bars, hand-dipped or hand-served iced based products including ice cream and yogurt, hot soup, hot pizza and other hot food items, brewed coffee, and hot beverages. In addition, the exemption does not apply to soft drinks, alcoholic beverages, or food purchased from an establishment from which ready-to-eat food and beverages are sold.

**Purpose:** Food is considered to be a basic necessity of life. Additionally, this provision reduces the regressive nature of the tax and eases the tax burden on families who spend a disproportionate share of income on these products.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$1,322.6      | \$1,349.7      | \$1,382.6      | \$1,418.7      | \$1,454.4      | \$1,489.2      | \$1,523.3      |

**Beneficiaries:** Virtually all 5.0 million households benefit from this tax expenditure.

# General Fund Tax Expenditures

## CANDY AND GUM

**Description:** The purchase at retail or use of candy and gum, regardless of where sold, is exempt from taxation.

**Purpose:** Candy and gum are considered to be food. Exempting candy and gum regardless of where sold provides for uniformity in the taxation of these items.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 97.2        | \$ 99.2        | \$ 101.6       | \$ 104.2       | \$ 106.9       | \$ 109.4       | \$ 111.9       |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## PERSONAL HYGIENE PRODUCTS

**Description:** The purchase at retail or use of disposable diapers, incontinence products, toilet paper, feminine hygiene products, toothpaste, toothbrushes, and dental floss are exempt from taxation.

**Purpose:** These products are considered essential for maintaining a basic standard of life.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 49.3        | \$ 50.5        | \$ 52.1        | \$ 53.9        | \$ 55.9        | \$ 57.8        | \$ 59.7        |

**Beneficiaries:** Virtually all 5.0 million households benefit from this tax expenditure.

## NEWSPAPERS

**Description:** The purchase or use of newspapers or publications containing information of general interest and reports of current events that qualify as a "newspaper of general circulation qualified to carry a legal advertisement," not including magazines, is exempt from taxation.

**Purpose:** The purpose of this tax exemption is to encourage citizens to be well informed.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 21.8        | \$ 21.3        | \$ 21.0        | \$ 20.7        | \$ 20.5        | \$ 20.3        | \$ 20.2        |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.



## MAGAZINES

**Description:** The purchase at retail or use of subscriptions for magazines is exempt from taxation. A "magazine" is a periodical published at regular intervals not exceeding three months and circulated among the general public. The exclusion includes any printed advertising material circulated with the periodical. This tax expenditure became effective July 1, 1994, under Act 48 of 1994.

**Purpose:** The purpose of this tax exemption is to encourage citizens to be well informed.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 10.2        | \$ 10.4        | \$ 10.7        | \$ 10.9        | \$ 11.2        | \$ 11.4        | \$ 11.6        |

**Beneficiaries:** Approximately 2.5 million households benefit from this tax expenditure.

## CLOTHING AND FOOTWEAR

**Description:** The purchase at retail or use of wearing apparel, footwear, and other articles of clothing worn on the human body is exempt from taxation. Additionally, the purchase at retail or use of clothing patterns and other items that are to be a component part of clothing is exempt from tax. Accessories, ornamental wear, formal day or evening apparel, furs, and sporting goods are taxable.

**Purpose:** Clothing and footwear are considered essential for maintaining a basic standard of life. This provision reduces the regressive nature of the tax and eases the tax burden on families who spend a disproportionate share of income purchasing these products.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 816.8       | \$ 848.5       | \$ 876.5       | \$ 904.5       | \$ 930.8       | \$ 955.1       | \$ 977.8       |

**Beneficiaries:** Virtually all 5.0 million households benefit from this tax expenditure.

## PRESCRIPTION DRUGS AND ORTHOPEDIC EQUIPMENT

**Description:** The purchase at retail or use of prescription drugs and orthopedic equipment is exempt from taxation. Such equipment includes crutches, wheelchairs, false teeth and dental materials, eyeglasses, artificial limbs and eyes, hearing devices, braces, and supports. Also included are devices to alleviate a physical incapacity such as a hospital bed or dialysis machine.

**Purpose:** Prescription drugs and orthopedic equipment are considered essential for maintaining a basic standard of life. This provision reduces the regressive nature of the tax and eases the tax burden on families who must spend a disproportionate share of income on these products.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 778.9       | \$ 835.9       | \$ 907.0       | \$ 987.6       | \$1,069.7      | \$1,156.0      | \$1,250.0      |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## NON-PRESCRIPTION DRUGS

**Description:** The purchase at retail or use of non-prescription drugs such as antiseptics, aspirin, milk of magnesia, castor oil, cold capsules, eyewashes, and vitamins is exempt from taxation.

**Purpose:** Non-prescription drugs are considered essential for maintaining a basic standard of life. This provision reduces the regressive nature of the tax and eases the tax burden on families who spend a disproportionate share of income on these products.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 115.2       | \$ 123.8       | \$ 134.5       | \$ 146.7       | \$ 159.1       | \$ 172.1       | \$ 186.3       |

**Beneficiaries:** Virtually all 5.0 million households benefit from this tax expenditure.

## LIQUOR OR MALT BEVERAGE PURCHASED FROM RETAIL DISPENSER

**Description:** Alcoholic beverages purchased in a drinking place or bar are exempt from taxation. Purchases from a state liquor store or a beer distributor are taxed, despite the wholesale nature of a portion of these sales. The estimates represent the difference in the tax that would be collected at the retail level and the tax presently collected on the bulk sale.

**Purpose:** Taxing container sales rather than per drink sales reduces overall administrative and reporting burdens for vendors and audit efforts by the Department of Revenue.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 155.0       | \$ 161.6       | \$ 169.0       | \$ 176.5       | \$ 184.0       | \$ 191.6       | \$ 199.5       |

**Beneficiaries:** Approximately 5.8 million people benefit from this tax expenditure.

## CHARGES FOR RETURNABLE CONTAINERS

**Description:** Separately stated deposit charges for returnable containers are excluded from the purchase price and are exempt from taxation.

**Purpose:** Deposit charges usually represent a security in the event a container is not returned. For this reason, a true exchange of property is not considered to have occurred.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 9.1         | \$ 9.3         | \$ 9.6         | \$ 10.0        | \$ 10.3        | \$ 10.7        | \$ 11.1        |

**Beneficiaries:** Approximately 275,000 business establishments and an unknown number of households may benefit from this tax expenditure.

## CASKETS AND BURIAL VAULTS

**Description:** The purchase or use of caskets, burial vaults, markers, cremation urns, and tombstones for human graves, including foundations, is exempt from taxation.

**Purpose:** These items are considered to be the final basic necessity of life. Additionally, this exemption reduces the regressive nature of the tax and eases the burden on low-income families.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 16.8        | \$ 17.5        | \$ 18.3        | \$ 19.1        | \$ 20.0        | \$ 20.8        | \$ 21.7        |

**Beneficiaries:** As many as 128,000 households benefit from this tax expenditure annually.

## FLAGS

**Description:** The purchase or use of Pennsylvania and United States flags is exempt from taxation.

**Purpose:** The exemption of flags may be based on the perception that governmental support of national and state symbols is a worthy public policy objective.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 2.2         | \$ 2.3         | \$ 2.3         | \$ 2.4         | \$ 2.4         | \$ 2.5         | \$ 2.5         |

**Beneficiaries:** Approximately 2.5 million households and numerous businesses and organizations benefit from this tax expenditure.

## TEXTBOOKS

**Description:** The purchase or use of textbooks for use in schools, colleges, and universities is exempt from taxation. The purchase must be on behalf of or through schools recognized by the Department of Education as institutions of learning.

**Purpose:** The education of the commonwealth's citizens is a major policy objective of state government. This exemption helps to reduce the overall cost of obtaining an education.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 29.1        | \$ 29.9        | \$ 30.5        | \$ 31.1        | \$ 31.7        | \$ 32.3        | \$ 32.8        |

**Beneficiaries:** As many as 758,000 college students may benefit from this tax expenditure.

## FOOD STAMP PURCHASES

**Description:** The purchase at retail or use of tangible personal property in accordance with the federal Food Stamp Act of 1977 is exempt from taxation. Primarily, exempt items are soft drinks, certain drink mixes, vegetable and fruit seeds and plants, and certain prepared cold foods.

**Purpose:** This provision is mandated by federal law for continued state participation in the federally funded food stamp program.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 8.9         | \$ 9.4         | \$ 9.7         | \$ 10.0        | \$ 10.4        | \$ 10.8        | \$ 11.4        |

**Beneficiaries:** Approximately 880,000 households benefit from this tax expenditure.

## GRATUITIES

**Description:** Any amount paid, in excess of charges and tax, for service relating to the purchase of food or beverages or hotel or motel accommodations is an exempt gratuity.

**Purpose:** Gratuities or tips are not included in the cost of the meal or accommodation acquired by the purchaser but are considered costs of the accompanying non-taxable services.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 90.1        | \$ 93.8        | \$ 97.8        | \$ 101.8       | \$ 105.8       | \$ 109.9       | \$ 113.9       |

**Beneficiaries:** Approximately 3.9 million households and an unknown number of businesses benefit from this tax expenditure.

## FUELS AND UTILITIES

### COAL

**Description:** The purchase or use of coal is exempt from taxation.

**Purpose:** This exemption provides special tax treatment of coal versus alternative energy forms. Other major energy sources are exempt only when used directly by the purchaser for residential use. Encouragement of coal consumption may have been perceived as providing or preserving employment when mining was a major employer within the commonwealth.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 87.5        | \$ 89.8        | \$ 92.2        | \$ 94.4        | \$ 96.7        | \$ 98.9        | \$ 100.8       |

**Beneficiaries:** Approximately 70,000 households and 4,000 businesses benefit from this tax expenditure.

## FIREWOOD

**Description:** The purchase or use of firewood cut into lengths for burning or wood pellets is exempt from taxation when used as fuel for cooking, or for heating water or residential dwellings.

**Purpose:** Alternative energy sources such as heating oil, natural gas, coal, and electricity are exempt when used for residential purposes. The extension of this exemption to firewood provides consistency among all major energy sources.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.3         |

**Beneficiaries:** Approximately 1.0 million households that use firewood or wood pellets as a heat source benefit from this tax expenditure. Of those, there are an estimated 550,000 households with usable, wood burning fireplaces.

## RESIDENTIAL UTILITIES

**Description:** As defined by law, "tangible personal property" specifies taxable items. Specifically omitted from this definition are electricity, steam, natural, manufactured and bottled gas and fuel oil, basic local telecommunications service when purchased directly by the user solely for his residential use, and charges for coin-operated telephone calls. Court decisions have expanded the electricity exemption to include purchases for residential use through an agent, where there is no commercial interest.

**Purpose:** Residential utilities are considered essential for maintaining a basic standard of life. Additionally, this provision reduces the regressive nature of the tax and reduces the tax burden on families who spend a disproportionate share of income on these services.

(Dollar Amounts in Millions)

|                   |                  |                |                |                |                |                |                |
|-------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <b>Electric:</b> |                |                |                |                |                |                |
|                   | <u>2013-14</u>   | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 407.8         | \$ 420.5       | \$ 434.1       | \$ 450.7       | \$ 467.8       | \$ 484.8       | \$ 511.6       |

**Fuel Oil/Gas:**

|                |                |                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
| \$ 394.9       | \$ 385.9       | \$ 390.6       | \$ 397.5       | \$ 399.2       | \$ 403.3       | \$ 416.0       |

**Telephone:**

|                |                |                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
| \$ 102.4       | \$ 103.4       | \$ 104.1       | \$ 105.7       | \$ 108.4       | \$ 110.0       | \$ 109.1       |

**Beneficiaries:** Approximately 4.9 million households (electricity), 3.7 million households (fuel oil/gas), and 3.7 million households (telephone) benefit from this tax expenditure.

## WATER AND SEWAGE SERVICES

**Description:** The purchase at retail or use of water (including ice) or sewage services is exempt from taxation.

**Purpose:** Water is a basic necessity of life. Additionally, this provision reduces the regressive nature of the tax and reduces the tax burden on families who spend a disproportionate share of income on this product.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 132.2       | \$ 135.7       | \$ 139.5       | \$ 144.0       | \$ 148.8       | \$ 153.6       | \$ 158.4       |

**Beneficiaries:** Approximately 4.5 million households and about 296,000 businesses benefit from this tax expenditure.

## GASOLINE AND MOTOR FUELS

**Description:** The purchase or use of gasoline and other motor fuels, taxed under the Liquid Fuels and Fuels Tax Act, is exempt from the sales and use tax.

**Purpose:** Because these items are already subject to fuels taxes, the legislature has provided for their exemption from the sales and use tax.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$1,434.5      | \$1,403.4      | \$1,378.4      | \$1,388.6      | \$1,438.3      | \$1,480.5      | \$1,504.7      |

**Beneficiaries:** Approximately 4.5 million households and owners of more than 1.5 million heavy trucks, buses, etc., benefit from this tax expenditure.

## MOTOR VEHICLES/VESSELS

### AIRCRAFT

**Description:** An exemption is provided for the sale at retail or use of aircraft parts, services to aircraft, and aircraft components. In addition, there is an exemption for the sale at retail of repair and replacement parts for helicopters and similar rotorcraft, including the installation of those parts. The exemption was expanded to cover fixed-wing aircraft starting October 1, 2013.

**Purpose:** This exclusion places Pennsylvania aircraft manufactures at a competitively neutral position relative to manufacturers in those states allowing this exemption.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 3.9         | \$ 5.6         | \$ 5.6         | \$ 5.6         | \$ 5.7         | \$ 5.7         | \$ 5.7         |

**Beneficiaries:** Approximately 510 companies may benefit from this expenditure.

## COMMON CARRIERS

**Description:** Vehicles purchased by a public utility, engaged in business as a common carrier, to be used in rendering utility services are exempt from taxation. Since the enactment of the Federal Aviation Act, effective January 1, 1995, Pennsylvania has recognized contract carriers as common carriers. Household goods carriers and private carriers remain taxable.

**Purpose:** Without this exemption, the tax would be built into the rate base of public utility services and, ultimately, passed on to consumers. Therefore, this exemption reduces the overall cost of utility services that are considered to be basic necessities.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 95.4        | \$ 100.0       | \$ 104.9       | \$ 110.0       | \$ 115.4       | \$ 121.0       | \$ 126.9       |

**Beneficiaries:** Approximately 8,300 common carriers could benefit from this tax expenditure.

## COMMERCIAL VESSELS (Construction and Repair)

**Description:** The purchase or use of commercial vessels of 50 tons or larger is exempt from taxation if delivery is taken in Pennsylvania.

**Purpose:** This exclusion places Pennsylvania shipbuilders at a competitively neutral position relative to shipbuilders in those states allowing this exemption.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 6.2         | \$ 6.4         | \$ 6.6         | \$ 6.8         | \$ 7.1         | \$ 7.4         | \$ 7.6         |

**Beneficiaries:** As many as 12 establishments may benefit from this tax expenditure.

## COMMERCIAL VESSELS (Equipment and Maintenance)

**Description:** The purchase or use of fuel, supplies, equipment, ships or sea stores, and cleaning or maintenance supplies is exempt from taxation. This exemption applies to vessels of 50 tons or more designed for commercial use.

**Purpose:** Imposition of the tax at the point of sale would place Pennsylvania vendors at a competitive disadvantage relative to those vendors operating in other states that allow this exemption.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 4.4         | \$ 4.6         | \$ 4.8         | \$ 4.9         | \$ 5.1         | \$ 5.3         | \$ 5.5         |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## MOTOR VEHICLES (Out-of-State Purchasers)

**Description:** The purchase or use of a motor vehicle by a non-resident, to be used outside Pennsylvania, which is registered in another state within twenty days of delivery is exempt from taxation. Delivery must be taken outside of Pennsylvania.

**Purpose:** The exemption protects the participation of Pennsylvania car dealers in the out-of-state market while preventing potential abuses of such an exemption by Pennsylvania residents.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## SCHOOL BUSES

**Description:** The purchase at retail or use of school buses is exempt from taxation. These buses must be used exclusively for the transportation of children for school purposes. The provision is extended to persons who have contracts with school districts to transport children.

**Purpose:** The costs of transporting school children are directly borne by school districts and indirectly by state government through subsidy programs. This exemption, while limiting state sales and use tax revenues, also decreases state educational subsidy costs.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 19.7        | \$ 19.7        | \$ 19.7        | \$ 19.8        | \$ 19.8        | \$ 19.8        | \$ 19.9        |

**Beneficiaries:** Approximately 700 private contractors and 6,300 schools benefit from this tax expenditure.

## PRODUCTION EXPENDITURES

### MANUFACTURING EXEMPTION (Manufacture and Processing)

**Description:** An exemption is provided for the purchase or use of machinery, equipment, parts and supplies or the use of services or utilities used directly in the manufacturing and processing of personal property. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonoperational activities or materials, supplies, or equipment used relative to real estate, obtaining disinfecting or pest control services, or building maintenance and cleaning services.

**Purpose:** Exemption of manufacturing equipment and supplies prevents the multiple taxation that could occur in the production of a finished good for consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$1,047.9      | \$1,078.6      | \$1,121.7      | \$1,167.0      | \$1,210.2      | \$1,250.6      | \$1,290.9      |

**Beneficiaries:** Approximately 14,000 manufacturers and an unknown number of processors and remanufacturers benefit from this tax expenditure.



## MANUFACTURING EXEMPTION (Agriculture)

**Description:** An exemption is provided for the purchase or use of machinery, equipment, parts and supplies or the use of services or utilities used directly in farming, dairying, horticulture, floriculture, or aquaculture. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonoperational activities or materials, supplies, or equipment used relative to real estate, obtaining disinfecting or pest control services, or building maintenance and cleaning services.

**Purpose:** Exemption of agricultural equipment and supplies prevents the multiple taxation that could occur in the production of an agricultural commodity for sale and consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 90.6        | \$ 93.0        | \$ 95.5        | \$ 97.7        | \$ 99.6        | \$ 101.0       | \$ 101.8       |

**Beneficiaries:** Approximately 62,100 farm operators benefit from this tax expenditure.

## MANUFACTURING EXEMPTION (Public Utility)

**Description:** An exemption is provided for the purchase or use of machinery, equipment, parts and supplies or the use of services or utilities used directly in producing, delivering, or rendering a public utility service. This exemption does not apply to motor vehicles (except those used as common carriers), maintenance facilities, managerial or other nonoperational activities or materials, supplies, or equipment used relative to real estate, obtaining disinfecting or pest control services, or building maintenance and cleaning services.

**Purpose:** Exemption of equipment and supplies used in producing and delivering a public utility service prevents the multiple taxation that could occur in providing the service. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 64.1        | \$ 65.6        | \$ 66.7        | \$ 67.7        | \$ 68.8        | \$ 70.0        | \$ 71.1        |

**Beneficiaries:** Approximately 7,000 public utilities could benefit from this tax expenditure.

## MANUFACTURING EXEMPTION (Foundations for Machinery and Equipment)

**Description:** Foundations for machinery and equipment used directly in manufacturing, farming, dairying, agriculture, horticulture, floriculture, aquaculture, processing or producing, and delivering or rendering a public utility service are exempt from taxation. Included for a public utility are sand, gravel, crushed rock, concrete, or similar material used as bedding or surrounding pipe used directly to render sewer or water service.

**Purpose:** Exemption of foundations for manufacturing equipment prevents the multiple taxation that could occur in the production of a finished good for consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 2.1         | \$ 2.2         | \$ 2.3         | \$ 2.4         | \$ 2.5         | \$ 2.6         | \$ 2.6         |

**Beneficiaries:** Approximately 83,000 entities benefit from this tax expenditure.

## CONTRACT FARMING

**Description:** The purchase or use of tangible personal property or services that are directly used in farming, dairying, or agriculture for the production of food are exempt from tax even if the purchaser is not the entity directly involved in the agricultural activity. This exemption applies to machinery, equipment, parts, supplies, and utilities used in the production of food.

**Purpose:** Exemption of agricultural equipment and supplies prevents the multiple taxation that could occur in the production of an agricultural food commodity for sale and consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 49.1        | \$ 51.0        | \$ 53.0        | \$ 55.1        | \$ 57.2        | \$ 59.5        | \$ 61.8        |

**Beneficiaries:** An unknown number of businesses engaged in contract farming benefit from this tax expenditure.

## OTHER

### AIRLINE CATERING

**Description:** Airline purchases of catered food and non-alcoholic beverages served to passengers in connection with the airline service are exempt from tax.

**Purpose:** This tax exemption lowers the cost of catered food and non-alcoholic beverages purchased by airlines, which may also reduce the cost of airline travel for consumers.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 1.5         | \$ 1.5         | \$ 1.6         | \$ 1.6         | \$ 1.7         | \$ 1.7         | \$ 1.8         |

**Beneficiaries:** Approximately 30 airlines may benefit from this expenditure.

### COIN-OPERATED FOOD AND BEVERAGE VENDING MACHINES

**Description:** The tax on food and beverages dispensed from coin-operated vending machines is derived from total receipts collected from the machines rather than from the price of individual items sold.

**Purpose:** This provision eases reporting and administrative burdens on the vendor and reduces audit efforts required by the Department of Revenue.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 1.6         | \$ 1.6         | \$ 1.6         | \$ 1.6         | \$ 1.6         | \$ 1.6         | \$ 1.6         |

**Beneficiaries:** As many as 500 vending machine operators may benefit from this tax expenditure.

## HOTEL-PERMANENT RESIDENT

**Description:** An exemption is provided, under the hotel occupancy tax, for a person occupying or having the right to occupy a room in a hotel, inn, tourist home, lodging house, rooming house, summer camp, apartment hotel, resort lodging, or cabin for 30 consecutive days or more. This exemption does not extend to prepared meals or other taxable items.

**Purpose:** Residency of this length is felt to approximate permanent dwelling rental, which is non-taxable as a basic necessity of life.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 4.9         | \$ 5.1         | \$ 5.3         | \$ 5.4         | \$ 5.6         | \$ 5.7         | \$ 5.9         |

**Beneficiaries:** Approximately 42,100 persons benefit from this tax expenditure.

## COMMISSION

**Description:** A licensed vendor is permitted a one percent discount as a credit against the gross amount of tax collected provided that a tax return, with full payment due the department, is postmarked on or before the due date. Nearly all tax returns are due 20 days after the end of a collection period.

**Purpose:** This provision is intended to defray the vendor's cost of collecting and remitting the sales and use tax.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 79.7        | \$ 82.2        | \$ 85.0        | \$ 87.9        | \$ 90.8        | \$ 93.8        | \$ 97.0        |

**Beneficiaries:** Approximately 192,700 vendors benefit from this tax expenditure.

## OUT-OF-STATE CREDIT

**Description:** A credit is allowed for the purchase of personal property or taxable services for use outside Pennsylvania equal to the sales tax paid in the applicable state. The state must grant substantially similar tax relief as provided by Pennsylvania.

**Purpose:** Allowing a credit for tax paid in another state prevents double taxation.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## TRADE-IN VALUE

**Description:** A deduction is allowed against the gross purchase price for the value of personal property actually taken in trade or exchange. The trade-in property does not have to be of like kind to the purchased property. The reduction in purchase price is considered to be the value of the trade-in.

**Purpose:** Tangible personal property taken as a trade-in is usually resold. Therefore, it is treated as a sale for resale.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 331.8       | \$ 341.6       | \$ 352.6       | \$ 364.0       | \$ 375.5       | \$ 387.4       | \$ 410.0       |

**Beneficiaries:** Approximately 55 purchasers of aircraft, 11,300 purchasers of computers, 11,000 purchasers of boats, and 609,300 purchasers of cars and trucks annually benefit from this tax expenditure.

## ISOLATED SALES

**Description:** Infrequent personal property sales of a non-recurring nature by persons not in the business of selling such items are exempt from taxation. By regulation, exempt entity sales can occur no more than three times nor more than a total of seven days in a year. These sales may include the sale of a lawn mower to a neighbor, liquidation of an estate, sale of a used typewriter by an insurance company, or yard sale items. Motor vehicles and property that must be registered or licensed are not granted this exemption.

**Purpose:** The exclusion of isolated sales from taxation greatly reduces compliance and administration burdens for the seller and the commonwealth.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 103.3       | \$ 106.5       | \$ 110.1       | \$ 113.8       | \$ 117.6       | \$ 121.5       | \$ 125.6       |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## TEMPORARY USAGE

**Description:** Property purchased outside Pennsylvania by a nonresident and temporarily used in Pennsylvania for seven days or less or any length of time by a tourist or vacationer is exempt from taxation. If the property is consumed in the state it becomes taxable.

**Purpose:** Providing an exemption for temporary usage of taxable property in Pennsylvania does not discourage entry into the state by vacationers, tourists, or others who attend, or are involved in specific short term events or activities.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## HORSES

**Description:** The sale of a horse is exempt from taxation if the seller is directed to deliver the horse to an out-of-state location. A horse may be temporarily delivered to a resident or agent prior to being delivered out-of-state.

**Purpose:** This exemption provides preferential treatment of horses relative to other tangible personal property by permitting temporary location in Pennsylvania before being delivered out-of-state.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 3.0         | \$ 3.1         | \$ 3.1         | \$ 3.1         | \$ 3.1         | \$ 3.1         | \$ 3.1         |

**Beneficiaries:** Approximately 2,000 Standard bred horse purchasers and an unknown number of purchasers of other types of horses benefit from this tax expenditure.

## YOUTH SPORTS PROGRAMS

**Description:** The purchase of food and beverages from nonprofit associations which support sports programs for participants aged 18 or younger or for persons with a physical or mental handicap regardless of age is exempt from taxation.

**Purpose:** The exemption of these items encourages such organizations to support programs that provide activities beneficial to young people and the handicapped.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## PURELY PUBLIC CHARITIES

**Description:** The sale of personal property or services to or for use by any institution of purely public charity as defined by Act 55 of 1997 is exempt from taxation. Act 45 of 1998 extended this exemption to include the purchase or use of certain machinery and equipment used in a construction contract with an exempt entity. The purchase or use may be made by a construction contractor or the exempt entity. Transactions unrelated to the trade or business of such organizations are taxable as are certain materials and supplies purchased for use in connection with real estate.

**Purpose:** These organizations provide public and charitable services that are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

|                   |  |                |                |                |                |                |                |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <b>Charitable Organizations:</b>                     |                |                |                |                |                |                |
|                   | <u>2013-14</u>                                       | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 162.2   | \$ 167.3       | \$ 173.8       | \$ 180.3       | \$ 186.5       | \$ 192.4       | \$ 197.4       |
|                   | <b>Volunteer Firemen's Organizations:</b>            |                |                |                |                |                |                |
|                   | <u>2013-14</u>                                       | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 62.9  | \$ 64.9        | \$ 67.2        | \$ 69.5        | \$ 71.9        | \$ 74.1        | \$ 76.0        |
|                   | <b>Nonprofit Educational Institutions:</b>           |                |                |                |                |                |                |
|                   | <u>2013-14</u>                                       | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 158.3   | \$ 163.3       | \$ 168.1       | \$ 173.3       | \$ 178.8       | \$ 183.8       | \$ 188.5       |
|                   | <b>Religious Organizations:</b>                      |                |                |                |                |                |                |
|                   | <u>2013-14</u>                                       | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 93.5  | \$ 96.5        | \$ 100.2       | \$ 104.0       | \$ 107.6       | \$ 111.0       | \$ 113.9       |
|                   | <b>Health &amp; Social Assistance Organizations:</b> |                |                |                |                |                |                |
|                   | <u>2013-14</u>                                       | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 578.1   | \$ 594.7       | \$ 614.8       | \$ 634.6       | \$ 652.2       | \$ 670.3       | \$ 690.6       |

**Beneficiaries:** Approximately 47,000 organizations currently benefit from this tax expenditure.

## EXEMPT GOVERNMENTAL UNITS

**Description:** The sale of tangible personal property or services to or for use by the federal government, the commonwealth or its instrumentalities, or political subdivisions is exempt from taxation. Act 45 of 1998 extended this exemption to include the purchase or use of certain machinery or equipment used in a construction contract with a governmental unit. The purchase or use may be by a contractor or governmental unit. Based on the criteria adopted to define tax expenditures, federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent the tax on local government expenditures and construction contractors.

**Purpose:** This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 416.8       | \$ 426.8       | \$ 439.5       | \$ 454.8       | \$ 472.6       | \$ 491.3       | \$ 510.3       |

**Beneficiaries:** Approximately 3,100 governmental units benefit from this tax expenditure.

## SUBSTITUTED TAX BASE

**Description:** The tax on tangible personal property purchased at least six months prior to the first taxable use in Pennsylvania may be based on the prevailing market price at the time of the taxable use. This substituted base would be in lieu of taxing the original purchase price.

**Purpose:** This alternative tax base permits taxpayers to pay tax relative to the current market value of such assets that most closely approximates current taxable value.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## OUT-OF-STATE PURCHASES

**Description:** Tangible personal property purchased and used outside the state by a nonresident who later brings the property into Pennsylvania while establishing a permanent residence or business is exempt from taxation. This property must be purchased more than six months prior to the first taxable use in Pennsylvania.

**Purpose:** This provision eases administrative costs for the commonwealth and compliance costs for the taxpayer and prevents a substantial tax liability from being imposed when a person moves to Pennsylvania.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## RAIL TRANSPORTATION EQUIPMENT

**Description:** The purchase or use of rail transportation equipment by a business in the movement of its own personal property is exempt from taxation.

**Purpose:** Exemption of rail equipment provides preferential treatment benefiting specific users of this transportation mode. Were these items not exempt, this additional cost may be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 17.9        | \$ 18.5        | \$ 19.1        | \$ 19.7        | \$ 20.2        | \$ 20.9        | \$ 21.6        |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## FISH FEED

**Description:** The purchase or use of fish feed by sportsmen's clubs, fish cooperatives, or nurseries approved by the Pennsylvania Fish Commission is exempt from taxation.

**Purpose:** The exemption provides special treatment benefiting organizations that raise fish intended for human consumption.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** An unknown number of entities benefit from this tax expenditure.

## TOURIST PROMOTION AGENCIES

**Description:** The purchase or use of supplies and materials by tourist promotion agencies for distribution to the public is exempt from taxation. To be permitted this exemption, an agency must receive grants from the state.

**Purpose:** Excluding supplies and materials used by tourist promotion agencies that receive state grants reduces the cost of performing promotional activities. The need for direct support to these agencies is decreased by providing this exemption.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** All 49 tourist promotion agencies benefit from this tax expenditure.

## TROUT

**Description:** The purchase or use of brook trout, brown trout, or rainbow trout is exempt from taxation.

**Purpose:** Special treatment is conferred to those involved in the raising or sale of trout intended for human consumption.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** Approximately 60 entities benefit from this tax expenditure.



## CONSTRUCTION OF MEMORIALS

**Description:** The purchase or use of materials used in the construction or erection of objects commemorating or memorializing historical events is exempt from taxation. These objects must be purchased by not-for-profit organizations and erected on publicly owned property.

**Purpose:** This exemption has been provided because these memorials are presumably erected for public benefit and gratification.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## STORAGE

**Description:** Charges for storage, other than for self-storage, of tangible personal property are exempt from taxation.

**Purpose:** Commercial storage services may be considered an integral part of the production and distribution of tangible personal property.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 115.0       | \$ 118.3       | \$ 122.3       | \$ 126.2       | \$ 130.0       | \$ 133.7       | \$ 137.3       |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## STAIR LIFT DEVICES

**Description:** The purchase or use of property or services used in installing or repairing stair lift devices is exempt from taxation when the device is installed or used in the residence of a physically disabled person requiring the device to ascend or descend stairs. The physical disability must be certified by a physician.

**Purpose:** Stair lift devices could be considered essential for people with a physical disability that prevents them from ascending or descending stairs. This exemption reduces the regressive nature of the tax and eases the tax burden on people requiring the devices.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         |

**Beneficiaries:** As many as 850,000 residents who have difficulty ascending and descending stairs may benefit from this tax expenditure.

## BAD DEBTS

**Description:** Sales tax vendors may apply for a refund equal to 100 percent of bad debts associated with sales tax paid to the state for sales written off by the vendor and deducted for federal income tax purposes because the vendor did not receive full payment from the purchaser. Act 55 of 2007 provided that the refund for sales tax remitted and attributable to bad debt is now expanded to private label credit cards. This change will apply to amounts deducted as bad debts on federal income tax returns required to be filed after January 1, 2008. No refund is granted for interest, finance charges, or expenses incurred in attempting to collect receivables.

**Purpose:** The bad debt refund provision lessens the economic impact experienced by vendors when they extend credit to customers for taxable purchases and subsequently incur uncollectible accounts receivable (bad debts).

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 8.0         | \$ 8.4         | \$ 8.9         | \$ 9.3         | \$ 9.8         | \$ 10.3        | \$ 10.8        |

**Beneficiaries:** Any of the 245,000 licensed vendors could benefit from this tax expenditure, if they extend credit or accept checks for payment.

## UNIFORM COMMERCIAL CODE FILING FEES

**Description:** Separately stated Uniform Commercial Code (UCC) filing fees, copy requests, and certification fees paid to a state or local agency are exempt from tax.

**Purpose:** UCC filing legally identifies the lien holder for personal property collateral. These fees may be perceived as incidental to the purchase or use of the tangible personal property and, as such, are exempt from tax.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 2.0         | \$ 2.0         | \$ 2.1         | \$ 2.2         | \$ 2.2         | \$ 2.3         | \$ 2.4         |

**Beneficiaries:** As many as 130,000 entities benefit from this tax expenditure annually.

## RENTAL OF FILMS FOR COMMERCIAL EXHIBITION

**Description:** The purchase at retail or use of motion picture films rented or licensed from a distributor for the purpose of commercial exhibition are exempt from taxation.

**Purpose:** This provision allows the entertainment services associated with these films to be delivered to the public at a reduced cost. Were these films not exempt, the additional cost would likely be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 37.3        | \$ 38.5        | \$ 39.9        | \$ 41.2        | \$ 42.6        | \$ 43.7        | \$ 44.6        |

**Beneficiaries:** Approximately 180 motion picture and video exhibition companies, 70 television broadcasting stations, and 15 cable and subscription programming companies benefit from this expenditure.

## COPIES OF AN OFFICIAL DOCUMENT

**Description:** The sale at retail or use of copies of an official document sold by a government agency or court are exempt from taxation. Included in copies of official documents are any copies in tangible form, including compact discs, microfilm, and similar forms of electronic media. Examples of such documents include notes of court testimony, deposition transcripts, driving records, accident reports, birth and death certificates, deeds, divorce decrees, and other similar documents.

**Purpose:** This provision eases reporting and administrative burdens on state, county, and local governments, including courts and political subdivisions.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.6         | \$ 0.6         | \$ 0.7         | \$ 0.7         | \$ 0.7         | \$ 0.7         | \$ 0.7         |

**Beneficiaries:** An unknown number of individuals and businesses benefit from this tax expenditure.

## INVESTMENT METAL BULLION AND INVESTMENT COINS

**Description:** The purchase or use of investment metal bullion and investment coins are exempt from taxation. This exemption includes the purchase or use of precious metals, where the value of the metal is primarily a function of the metal content, or a coin, where the market value exceeds the face value. This exemption does not include jewelry, works of art made from coins, or medallions.

**Purpose:** These purchases are generally for investment purposes only and, as such, are exempt from tax.

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 9.3         | \$ 10.6        | \$ 12.2        | \$ 14.0        | \$ 16.0        | \$ 18.4        | \$ 21.1        |

**Beneficiaries:** An unknown number of individuals and businesses engaged in the purchase and sale of investment bullion and coins benefit from this tax expenditure.

## CATALOGS AND DIRECT MAIL ADVERTISING

**Description:** The purchase or use of a mail order catalog or direct mail advertising literature and materials is exempt from taxation. Effective July 1, 1998, this exemption was extended to the purchase or use of electoral literature or material and certain mailing lists.

**Purpose:** The purchase of these items may be perceived as incidental to the advertising service being provided.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 3.5         | \$ 3.5         | \$ 3.5         | \$ 3.6         | \$ 3.6         | \$ 3.7         | \$ 3.9         |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## WRAPPING AND PACKING SUPPLIES

**Description:** The purchase or use of wrapping paper, twine, bags, cartons, tape, rope, labels, nonreturnable containers, and all other wrapping supplies which are incidental to the delivery of personal property is exempt from taxation. This exclusion applies to retailers only. A separately stated charge for wrapping or packaging is taxable.

**Purpose:** Exemption of these items prevents double taxation since the cost of wrapping supplies, as a final input of the product, is included in the price charged by the retailer.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** Approximately 59,200 retail and wholesale establishments benefit from this tax expenditure.

# General Fund Tax Expenditures

## SERVICES

**Description:** Expenditures for services are not taxable under the sales and use tax except when specifically taxed by law.

**Purpose:** Because the primary basis for the sales and use tax is tangible personal property, the majority of services are not taxed unless they are related to taxable property. Legislation adopted in 1991 imposed the tax on charges for selected business services. Act 7 of 1997 removed computer services from the list of taxable services.

(Dollar Amounts in Millions)

| <i>Estimates:</i>   | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>LODGING</b>  |                |                |                |                |                |                |                |
| Recreational parks, camps & campgrounds .....                                 | \$ 63.6        | \$ 66.6        | \$ 69.0        | \$ 71.0        | \$ 73.2        | \$ 75.5        | \$ 77.8        |
| <b>PERSONAL SERVICES</b>  |                |                |                |                |                |                |                |
| Dry-cleaning & laundry services .....   | \$ 42.6        | \$ 44.2        | \$ 46.0        | \$ 48.0        | \$ 49.9        | \$ 51.8        | \$ 53.7        |
| Personal care services .....  | 137.5          | 143.2          | 149.5          | 156.3          | 163.2          | 170.2          | 177.1          |
| Funeral parlors, crematories & death care services....                        | 54.4           | 56.6           | 59.1           | 61.8           | 64.6           | 67.3           | 70.0           |
| Other: personal services. ....  | 49.3           | 51.3           | 53.6           | 55.9           | 58.4           | 60.8           | 63.2           |
| <b>BUSINESS SERVICES</b>  |                |                |                |                |                |                |                |
| Advertising, public relations, & related services.....                        | \$ 693.2       | \$ 715.0       | \$ 740.7       | \$ 765.9       | \$ 790.4       | \$ 813.1       | \$ 833.7       |
| Services to buildings and dwellings.....                                      | 171.8          | 177.2          | 183.4          | 189.6          | 195.5          | 201.3          | 206.7          |
| Consulting (scientific, environmental, & technical).....                      | 327.7          | 337.6          | 349.3          | 360.8          | 371.7          | 381.9          | 391.7          |
| Scientific research & development services .....                              | 198.2          | 204.6          | 213.0          | 221.9          | 230.8          | 239.7          | 248.9          |
| Information services.....   | 16.0           | 16.6           | 17.4           | 18.3           | 19.2           | 20.1           | 21.2           |
| Administrative services .....   | 464.6          | 479.1          | 496.1          | 513.0          | 529.2          | 544.9          | 559.9          |
| <b>COMPUTER SERVICES</b>  |                |                |                |                |                |                |                |
| Custom programming, design & data processing .....                            | \$ 333.8       | \$ 344.2       | \$ 356.3       | \$ 368.1       | \$ 379.4       | \$ 389.9       | \$ 399.6       |
| <b>AUTOMOTIVE SERVICES</b>  |                |                |                |                |                |                |                |
| Parking lots & garages .....  | \$ 84.2        | \$ 87.7        | \$ 91.5        | \$ 95.5        | \$ 99.7        | \$ 103.8       | \$ 107.9       |
| <b>RECREATION SERVICES</b>  |                |                |                |                |                |                |                |
| Spectator sports admissions (excludes schools) .....                          | \$ 67.0        | \$ 75.7        | \$ 85.6        | \$ 96.8        | \$ 109.5       | \$ 123.8       | \$ 140.0       |
| Theater, dance, music & performing arts admissions ..                         | 16.8           | 18.0           | 19.3           | 20.7           | 22.1           | 23.7           | 25.4           |
| Amusement & recreation industries.....  | 240.1          | 249.8          | 260.7          | 272.2          | 284.1          | 295.9          | 307.5          |
| Museums, historical sites, zoos & parks .....                                 | 25.1           | 26.1           | 27.1           | 28.2           | 29.3           | 30.5           | 31.7           |
| <b>HEALTH SERVICES</b>  |                |                |                |                |                |                |                |
| Home health care, nursing care, & other ambulatory health care services ..... | \$ 511.9       | \$ 537.2       | \$ 566.6       | \$ 597.9       | \$ 627.9       | \$ 658.4       | \$ 690.2       |
| Hospitals .....   | 994.8          | 1,044.7        | 1,102.9        | 1,164.9        | 1,224.2        | 1,284.6        | 1,347.6        |
| Physician & dental services.....  | 1,065.8        | 1,119.3        | 1,181.6        | 1,248.0        | 1,311.5        | 1,376.3        | 1,443.8        |
| Social assistance including day care .....                                    | 181.2          | 190.3          | 200.9          | 212.2          | 223.0          | 234.0          | 245.5          |
| <b>PROFESSIONAL SERVICES</b>  |                |                |                |                |                |                |                |
| Legal.....  | \$ 598.8       | \$ 621.2       | \$ 646.3       | \$ 671.6       | \$ 696.6       | \$ 721.0       | \$ 744.3       |
| Architectural, engineering, & related services.....                           | 236.7          | 246.9          | 258.6          | 268.3          | 276.1          | 282.4          | 287.2          |
| Accounting, auditing and bookkeeping services .....                           | 275.0          | 284.1          | 294.6          | 304.9          | 314.8          | 324.1          | 332.8          |
| Specialized design .....  | 61.0           | 62.8           | 65.0           | 67.3           | 69.4           | 71.4           | 73.3           |
| All other professional and technical services .....                           | 161.7          | 166.7          | 172.5          | 178.3          | 183.8          | 189.0          | 194.1          |
| <b>TRANSPORTATION SERVICES</b>  |                |                |                |                |                |                |                |
| Transit & ground transportation .....   | \$ 43.2        | \$ 45.2        | \$ 47.1        | \$ 49.0        | \$ 50.8        | \$ 52.3        | \$ 53.8        |
| Air transportation.....   | 10.5           | 11.0           | 11.5           | 11.9           | 12.4           | 12.8           | 13.1           |
| Truck transportation .....  | 34.7           | 36.1           | 37.5           | 38.9           | 40.2           | 41.5           | 42.6           |
| Other transportation .....  | 0.6            | 0.6            | 0.7            | 0.7            | 0.7            | 0.7            | 0.7            |
| <b>MISCELLANEOUS SERVICES</b>   |                |                |                |                |                |                |                |
| Basic television .....  | \$ 237.6       | \$ 242.0       | \$ 246.3       | \$ 251.7       | \$ 258.5       | \$ 263.4       | \$ 264.5       |
| Tuition (college, vocational training & instruction).....                     | 700.3          | 729.2          | 761.2          | 795.3          | 830.5          | 865.9          | 900.6          |
| Electrical, plumbing, heating & AC service fees.....                          | NA             | NA             | NA             | NA             | NA             | NA             | NA             |
| Veterinary fees.....  | 48.7           | 50.7           | 52.9           | 55.3           | 57.8           | 60.2           | 62.6           |
| Financial institution fees.....   | 193.9          | 204.0          | 216.3          | 231.1          | 248.6          | 263.7          | 277.3          |
| Waste management and remediation services .....                               | 127.6          | 131.8          | 136.6          | 141.4          | 146.1          | 150.7          | 155.2          |

**Beneficiaries:** Virtually all 5.0 million households and all 296,000 business establishments benefit from one or more of these service tax expenditures.

## CIGARETTE TAX

**Authorization:** Article XII of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The cigarette tax is an excise tax, based on a rate of 8 cents per cigarette, levied on the sale or possession of cigarettes in Pennsylvania. Prior to November 1, 2009, the tax rate was 6.75 cents per cigarette. Effective November 1, 2009, the cigarette tax will also be imposed on little cigars weighing no more than four pounds per thousand sticks. Only one sale of cigarettes, whether individual cigarettes, packages, cartons, or cases, is taxable. Beginning in fiscal year 2002-03, fixed annual amounts of \$30.73 million and \$20.485 million of cigarette tax receipts are transferred to the Children's Health Insurance Program (CHIP) and the Agricultural Conservation Easement Purchase (ACEP) Fund, respectively. Transfers of cigarette tax receipts to CHIP began in fiscal year 1992-93 at the rate of two thirty-firsts of receipts. After January 1, 1997, the transfer amount was increased to three thirty-firsts of receipts. Transfers of cigarette tax receipts to the ACEP fund began in fiscal year 1993-94 at the rate of two thirty-firsts of receipts. Beginning January 7, 2004, 18.52 percent of cigarette tax receipts are transferred to the Health Care Provider Retention Account (HCPRA). The HCPRA transfer was repealed beginning November 1, 2009. The analyses below reflect only the General Fund portion of the tax expenditures.

**Administrative Costs:** Costs to administer the cigarette tax expenditures are nominal.

## STATE VETERANS HOMES

**Description:** Sales to retail dealers located in state veterans homes for resale to residents in such homes are exempt. Federal veterans hospitals are exempt under federal law.

**Purpose:** It is perceived to be good public policy to reduce taxes for veterans who have served their country and are now residing in a veteran's home or hospital.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** Residents in six state veteran's homes benefit from this tax expenditure.

## UNSTAMPED CIGARETTES (200 AND UNDER)

**Description:** Vacationers or tourists crossing state lines with one carton or less of unstamped cigarettes are not required to pay tax on those cigarettes. The carton (200 cigarettes) cannot be resold and must be for personal use only.

**Purpose:** Persons crossing state lines with one carton or less of cigarettes are presumed to possess such cigarettes for personal use rather than intentionally avoiding payment of the cigarette tax. This expenditure helps to relieve administration and enforcement burdens as well as promote tourism.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## COMMISSIONS ON SALES OF STAMPS

*Description:* Cigarette stamping agents are permitted a commission of 0.87 percent of the value of all cigarette tax stamps purchased from the Department of Revenue or its authorized agents to be affixed to cigarettes for sale within the commonwealth. Prior to November 1, 2009, the commission was equal to 0.98 percent. The commission does not apply to purchases of stamps by a cigarette-stamping agent in amounts of less than one hundred dollars (\$100).

*Purpose:* This commission is paid to the cigarette-stamping agent as compensation for services and expenses incurred while acting as an agent of the commonwealth in affixing tax stamps.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 9.2         | \$ 8.9         | \$ 8.7         | \$ 8.5         | \$ 8.3         | \$ 8.1         | \$ 8.1         |

*Beneficiaries:* Approximately 90 cigarette stamping agents may benefit from this tax expenditure.

## MALT BEVERAGE TAX

*Authorization:* Article XX of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The malt beverage tax is levied on malt and brewed beverages manufactured, sold, and used in Pennsylvania or manufactured outside of Pennsylvania but sold for importation and use in Pennsylvania. The tax is borne by the consumer, but manufacturers, distributors, and importers remit the tax to the commonwealth.

The malt beverage tax contains no tax expenditures as defined for this tax expenditure analysis.

## LIQUOR TAX

*Authorization:* The Liquor Code, Act of June 29, 1987 (P.L. 32, No. 14) and the Emergency Liquor Sales Tax Act, Act of June 9, 1936 (Special Session, P.L. 13).

The liquor tax is imposed on all liquor sold by the Pennsylvania Liquor Control Board. The tax is assessed, since 1968, at the rate of 18 percent of the net price paid by the consumer.

The liquor tax contains no tax expenditures as defined for this tax expenditure analysis.



## PERSONAL INCOME TAX

**Authorization:** Article III of the Tax Reform Code of 1971 (P.L. 6 No. 2), as amended.

The personal income tax is levied against the taxable income of resident and nonresident individuals, estates and trusts, partnerships, S corporations, business trusts, and limited liability companies that are not taxed as corporations for federal purposes. Pennsylvania taxes eight classes of income: (1) compensation; (2) net profits from the operation of a business, profession, or farm; (3) net gains on income less net losses from dispositions of property; (4) net gains on income from rents, royalties, patents, and copyrights; (5) dividends; (6) interest; (7) gambling and lottery winnings; and (8) net gains on income derived through estates or trusts.

**Administrative Costs:** Costs to administer the various tax expenditures associated with the personal income tax cannot be separately identified. Additionally, administrative costs for inheritance tax are included in these estimates. The existence of tax expenditures may result in taxpayer uncertainties, which create an administrative burden on the department relative to additional compliance audits, letter rulings, pronouncements, and bulletins.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 2.5         | \$ 2.6         | \$ 2.7         | \$ 2.8         | \$ 2.9         | \$ 2.9         | \$ 3.0         |

## EXCLUSIONS FROM INCOME

### RETIREMENT INCOME

**Description:** Payments commonly recognized as old age or retirement benefits paid to persons retired from service after reaching a specific age or after a stated period of service are exempt from taxation.

**Purpose:** The exemption limits the impact of the tax on retired persons. It also prevents taxation of previously taxed employee contributions to retirement plans.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$2,552.7      | \$2,661.2      | \$2,774.3      | \$2,892.2      | \$3,015.1      | \$3,143.2      | \$3,276.8      |

**Beneficiaries:** As many as 2.7 million retired residents and their survivors benefit from this tax expenditure.

## RETIREMENT CONTRIBUTIONS BY EMPLOYERS

**Description:** Payments made by employers for programs covering employee retirement and employer social security contributions are exempt from taxation.

**Purpose:** This provision lessens the burden of the tax on Pennsylvania wage earners and maintains fairness since the employee often does not have the right to possess the funds in the retirement plan except upon retirement or separation from the company after a set number of years of service.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$1,056.3      | \$1,100.3      | \$1,147.3      | \$1,194.7      | \$1,241.3      | \$1,288.0      | \$1,335.8      |

**Beneficiaries:** As many as 5.8 million employees benefit from this tax expenditure.

## NONQUALIFIED DEFERRED COMPENSATION

**Description:** Following the federal constructive receipt rule, Act 40 of 2005 stipulated that deferrals to nonqualified deferred compensation plans are not includible in compensation. This change applies to appeals which arise prior to or after the effective date of this act, July 7, 2005, and applies to taxable years beginning after December 31, 2002.

**Purpose:** With certain significant exceptions, Pennsylvania's constructive receipt rules were generally made consistent with the federal constructive receipt rules used to determine when compensation is received by a cash basis taxpayer.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 27.8        | \$ 28.6        | \$ 29.5        | \$ 30.4        | \$ 31.3        | \$ 32.2        | \$ 33.2        |

**Beneficiaries:** Approximately 43,000 residents benefit from this tax expenditure.

## HEALTH SAVINGS ACCOUNTS/ARCHER MEDICAL SAVINGS ACCOUNTS (ARCHER MSAs)

**Description:** Act 67 of 2006 provided a personal income tax exemption for contributions made to Health Savings Accounts and Archer Medical Accounts, consistent with the federal treatment of such accounts. Distributions that are not used for qualified medical expenses are taxable as interest income. These changes apply to tax years beginning after December 31, 2005.

**Purpose:** This provision reduces the cost and could improve the quality and availability of health care to Pennsylvanians.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 7.7         | \$ 8.2         | \$ 8.7         | \$ 9.2         | \$ 9.8         | \$ 10.3        | \$ 10.7        |

**Beneficiaries:** Individuals filing approximately 92,000 returns are estimated to benefit from this tax expenditure. This number is expected to rise over time.

## EMPLOYEE BENEFIT PROGRAM EMPLOYER CONTRIBUTIONS

**Description:** Payments made by employers or labor unions for programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, group life insurance, and strike benefits are exempt from taxation. Effective January 1, 1998, this expenditure also includes personal use of employer provided property and services.

**Purpose:** This provision lessens the burden of the tax upon Pennsylvania wage earners, along with maintaining fairness, since these payments are not usually based on actual use by each wage earner.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$1,233.3      | \$1,266.5      | \$1,315.9      | \$1,394.0      | \$1,481.8      | \$1,574.2      | \$1,667.6      |

**Beneficiaries:** As many as 5.8 million employees benefit from this tax expenditure.

## CAFETERIA PLANS

**Description:** Payments made by employers, on behalf of employees, into a qualifying cafeteria plan are exempt from taxation if the program does not discriminate in favor of highly compensated individuals. This exemption parallels the limited exemption treatment of employee benefit programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, or strike benefits. Effective January 1, 1998, this expenditure also includes payments made on behalf of employees for personal use of employer provided property and services.

**Purpose:** This provision lessens the burden of the tax upon Pennsylvania wage earners, along with maintaining fairness, since these payments are not usually based on actual use by each wage earner.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 61.7        | \$ 64.3        | \$ 67.0        | \$ 69.8        | \$ 72.5        | \$ 75.2        | \$ 78.0        |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## LIFE INSURANCE PROCEEDS

**Description:** Amounts paid to beneficiaries or the estate of a decedent due to the death of the decedent are exempt from tax.

**Purpose:** Life insurance proceeds are not considered compensation for services rendered. Also, premiums are often paid with after-tax dollars.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 132.6       | \$ 135.9       | \$ 139.4       | \$ 143.0       | \$ 146.7       | \$ 150.4       | \$ 154.3       |

**Beneficiaries:** The death payment beneficiaries of approximately 217,000 life insurance policies benefit from this tax expenditure.

## SICKNESS OR DISABILITY PROCEEDS

**Description:** Payments, other than regular wages or salary, received for periods of sickness or disability are excluded from compensation.

**Purpose:** These payments are excluded because they do not take the place of an employee's regular wages or salary. However, sick pay in the form of regular wages or salary is taxable.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## UNEMPLOYMENT AND SUPPLEMENTAL UNEMPLOYMENT COMPENSATION

**Description:** Amounts received as unemployment compensation or supplemental unemployment compensation are excluded from taxable income.

**Purpose:** This exemption assists unemployed persons in providing the basic necessities of life.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 77.2        | \$ 73.8        | \$ 69.1        | \$ 64.8        | \$ 61.4        | \$ 58.6        | \$ 56.6        |

**Beneficiaries:** Approximately 640,000 people benefit from this tax expenditure.

## WORKER'S COMPENSATION

**Description:** Disability, retirement, or other payments arising under workmen's compensation acts, occupational disease acts, and similar legislation are exempt from taxation.

**Purpose:** These benefits are not related to services rendered and are intended to provide income or subsistence during periods of disability when the taxpayer was injured on the job and also to pay workers' medical bills for injuries sustained on the job. These benefits more closely resemble insurance payments, which are not taxable.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 90.0        | \$ 91.0        | \$ 91.9        | \$ 92.9        | \$ 93.9        | \$ 94.9        | \$ 95.9        |

**Beneficiaries:** As many as 85,100 residents benefit from this tax expenditure.

## STRIKE BENEFITS

*Description:* Amounts designated as strike benefits are exempt from tax.

*Purpose:* These benefits are not considered compensation for services rendered and are thus excluded from tax.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

## PUBLIC ASSISTANCE

*Description:* Public assistance payments from governmental entities are excluded from taxable income.

*Purpose:* This provision limits the impact of the tax on the poor and increases the effectiveness of state payments under this program.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | \$ 6.4         | \$ 6.4         | \$ 6.4         | \$ 6.4         | \$ 6.4         | \$ 6.4         | \$ 6.4         |

*Beneficiaries:* Approximately 185,000 people benefit from this tax expenditure.

## SALE OF A PRINCIPAL RESIDENCE

*Description:* Beginning January 1, 1998, the gain from a sale of principal residence is excludable from income. Prior to January 1, 1998, this expenditure was a once in a lifetime exclusion of up to \$100,000 for those 55 and over.

*Purpose:* A principal residence is typically sold to meet the changing needs of the taxpayer and not in an effort to recognize a capital gain.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | \$ 113.4       | \$ 115.0       | \$ 116.8       | \$ 118.8       | \$ 120.8       | \$ 122.9       | \$ 125.0       |

*Beneficiaries:* The owners of approximately 215,000 principal residences that are sold each year in Pennsylvania benefit from this tax expenditure.

## COMPENSATION FOR MILITARY SERVICE

**Description:** Compensation for military service by a Pennsylvania resident in a combat zone is excludable from tax. Income received for military service outside the commonwealth (whether or not it is in a combat zone) while on active duty as a member of the armed forces is excludable from compensation. Income received for active state duty for an emergency within or outside Pennsylvania is excludable from compensation.

**Purpose:** This provision reduces tax on members of the armed forces while on active duty in service of the country.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 121.6       | \$ 125.8       | \$ 130.9       | \$ 136.4       | \$ 141.8       | \$ 147.1       | \$ 150.6       |

**Beneficiaries:** Approximately 58,000 residents benefit from this tax expenditure.

## SCHOLARSHIPS, GRANTS, FELLOWSHIPS, AND STIPENDS

**Description:** Scholarships, grants, fellowships, and stipends awarded on the basis of need or academic achievement for the purpose of encouraging or allowing the recipient to further their educational development are not taxable. Fellowships and stipends are taxable if they are awarded as compensation for past, present, or future services.

**Purpose:** Awards made on the basis of detached generosity are considered to be gifts and are not taxable as income.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 141.8       | \$ 147.6       | \$ 153.9       | \$ 160.4       | \$ 166.9       | \$ 173.2       | \$ 179.7       |

**Beneficiaries:** The recipients of approximately 292,000 state and federal grants and scholarships, and an unknown number of private scholarships, grants, fellowships, and stipends benefit from this tax expenditure.

## REIMBURSEMENTS FOR ACTUAL EXPENSES

**Description:** Payments by an employer to an employee to reimburse actual expenses incurred by the employee in the conduct of the employer's business are excludable from compensation.

**Purpose:** This provision ensures that employees incurring business expenses, for which they are later reimbursed in the actual amount of the expenses, are not taxed on the reimbursements. Such expenses and reimbursements are treated as if the employer had made the expenditure directly.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## UNREIMBURSED EXPENSES

**Description:** Unreimbursed expenditures made by employees are excludable from compensation if they are necessary to enable the taxpayer to properly perform the duties of employment, reasonable in amount, directly related to the taxpayer's occupation, and customary in the taxpayer's occupation.

**Purpose:** This provision enhances the fairness of the tax for those employees who incur expenses for the benefit of the employer, in order to properly perform a job, or to retain a rate of compensation.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 85.7        | \$ 86.5        | \$ 87.3        | \$ 88.0        | \$ 88.8        | \$ 89.6        | \$ 90.3        |

**Beneficiaries:** Individuals filing approximately 1.2 million returns benefit from this tax expenditure.

## BUSINESS INCOME DEDUCTIONS

**Description:** Ordinary and reasonable expenses necessary to operate a business or profession may be deducted from the gross receipts of that business or profession. This expenditure does not measure the cost of sales and operations or wages and salaries deductions.

**Purpose:** Businesses and professions are taxed on "net" profits; therefore, expenses necessary to produce the income may be deducted before tax is computed.

(Dollar Amounts in Millions)

|                   |                             |                |                |                |                |                |                |                |
|-------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <b><u>Depreciation:</u></b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   |                             | \$ 180.9       | \$ 190.5       | \$ 201.5       | \$ 212.8       | \$ 219.3       | \$ 228.2       | \$ 237.6       |
|                   | <b><u>Other:</u></b>        | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   |                             | \$2,084.2      | \$2,187.8      | \$2,314.5      | \$2,444.1      | \$2,518.9      | \$2,621.0      | \$2,729.4      |

**Beneficiaries:** Approximately 1.2 million businesses and professions benefit from this tax expenditure.

## FOSTER CARE

**Description:** Payments received by foster parents are explicitly excluded from the definition of compensation.

**Purpose:** This exemption provides an incentive for families to bear the burden of caring for foster children.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 1.0         | \$ 1.0         | \$ 1.0         | \$ 1.0         | \$ 1.0         | \$ 1.0         | \$ 1.0         |

**Beneficiaries:** The foster parents of approximately 15,000 children benefit from this tax expenditure.

## QUALIFIED TUITION PROGRAMS

**Description:** Act 67 of 2006 provided a personal income tax deduction for qualified tuition program contributions. Rollovers, undistributed earnings, and distributions used for qualified higher education expenses are not taxable. This applies to taxable years beginning after December 31, 2005.

**Purpose:** These provisions lessen the burden of tax on families saving for college education.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 25.6        | \$ 28.8        | \$ 32.5        | \$ 36.7        | \$ 41.5        | \$ 47.0        | \$ 53.4        |

**Beneficiaries:** At least 99,000 taxpayers benefit from this tax expenditure.

## EXEMPTION FOR ELECTION OFFICIALS

**Description:** Compensation and other payments received by county election officials are exempt from taxation.

**Purpose:** This exemption provides an incentive to serve as a county election official.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.9         | \$ 0.9         | \$ 0.9         | \$ 0.9         | \$ 0.9         | \$ 1.0         | \$ 1.0         |

**Beneficiaries:** As many as 101,400 election officials benefit from this tax expenditure.

## PENNSYLVANIA LOTTERY WINNINGS

**Description:** Prizes of the Pennsylvania Lottery are exempt from the state personal income tax. Prior to fiscal year 1999-00, an amount equal to total Lottery prizes paid multiplied by the current PIT rate was transferred from the Lottery Fund to the General Fund. Since the General Fund was reimbursed for the exemption of Lottery prizes, this transfer was considered a Lottery expenditure. Act 4 of 1999 eliminated the transfer, creating an actual General Fund expenditure.

**Purpose:** This provision provides an additional benefit to individuals winning lottery prizes.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 12.4        | \$ 13.2        | \$ 13.4        | \$ 14.6        | \$ 15.7        | \$ 16.8        | \$ 17.8        |

**Beneficiaries:** Approximately 53,200 residents benefit from this expenditure.



## STATE/LOCAL OBLIGATIONS

**Description:** State and local governments and authorities may issue bonds to raise funds in order to finance a variety of public projects, including infrastructure improvement or construction, and provide essential services. When a bond is issued, the issuer is obligated to repay the borrowed bond proceeds, at a specified rate of interest, by some future date. Interest paid on Pennsylvania government-issued municipal bonds is exempt from Pennsylvania state income taxes.

**Purpose:** Because of this tax exempt feature, investors will usually accept lower interest payments than on other types of borrowing, lowering the overall cost for the government bond issuer.

(Dollar Amounts in Millions)

| Estimates: | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|            | \$ 92.3        | \$ 102.4       | \$ 105.9       | \$ 113.6       | \$ 123.8       | \$ 125.1       | \$ 125.1       |

**Beneficiaries:** Approximately 290,000 Pennsylvanians benefit from this expenditure.

## START-UP BUSINESS DEDUCTION

**Description:** Beginning with tax year 2014, Pennsylvania aligned with federal rules allowing for a \$5,000 deduction from net income for business start-up costs for personal income tax purposes. Start-up costs include any amounts paid or incurred in connection with creating an active trade or business, or investigating the creation or acquisition of an active trade or business. They may include advertising, travel, surveys, consultant fees, and training.

**Purpose:** This deduction gives businesses the same opportunity they have at the federal level and will encourage small business development, attract entrepreneurs and encourage existing businesses to expand and create new jobs.

| Estimates: | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|            | \$ --          | \$ 4.3         | \$ 4.0         | \$ 3.7         | \$ 3.4         | \$ 3.1         | \$ 2.8         |

**Beneficiaries:** Approximately 32,000 new businesses will benefit from this tax expenditure.

## INTANGIBLE DRILLING COSTS

**Description:** Effective tax year 2014, a taxpayer may recover intangible drilling costs (IDCs), as defined by federal rules, by using either a ten-year amortization period, or elect to immediately expense up to one-third of the allowable costs and recover the remaining costs over a 10 year period beginning in the taxable year the costs are incurred.

**Purpose:** IDCs can be significant for a business, and this expenditure allows entities to deduct more costs immediately, instead of spreading all of the costs over the life of the well.

| Estimates: | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|            | \$ 1.1         | \$ 3.3         | \$ 4.2         | \$ 4.7         | \$ 5.5         | \$ 6.1         | \$ 6.7         |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## CREDITS

### SPECIAL POVERTY PROVISIONS (TAX FORGIVENESS)

**Description:** Special tax forgiveness provisions allow eligible claimants to reduce their tax liability depending on the amount of their eligibility income. For tax year 2013, a taxpayer with no dependents and with eligibility income of \$8,750 or less will qualify for some amount of forgiveness. A married couple with no dependents and with eligibility income of \$15,250 or less will also qualify for some amount of forgiveness. The eligibility income limits increase by \$9,500 for each dependent.

**Purpose:** This provision provides tax relief for taxpayers with low incomes.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 287.8       | \$ 279.1       | \$ 270.8       | \$ 262.6       | \$ 254.8       | \$ 247.1       | \$ 239.7       |

**Beneficiaries:** Individuals filing approximately 1.4 million returns benefit from this tax expenditure.

### RESIDENT CREDIT

**Description:** Pennsylvania residents who have income which is subject to both Pennsylvania personal income tax and the income or wage tax of another state (excluding compensation earned in states with reciprocal agreements) may claim the lesser of the actual tax paid to the other state, or the tax calculated using Pennsylvania taxable income earned in the other state, multiplied by the current Pennsylvania tax rate as a credit against the personal income tax. Prior to Act 52 of 2013, Pennsylvania residents could also claim the resident credit for income from a foreign country.

**Purpose:** This provision prevents the double taxation of income earned by a Pennsylvania resident in another state.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 336.3       | \$ 357.3       | \$ 374.4       | \$ 390.4       | \$ 406.0       | \$ 422.0       | \$ 438.2       |

**Beneficiaries:** Individuals filing approximately 162,000 returns benefit from this tax expenditure.

## ESTIMATED TAXES

### ESTIMATED TAXES FOR FIDUCIARIES

*Description:* Act 40 of 2005 stated that fiduciaries are allowed to adopt the federal annualization rules for calculating estimated payments. This change may lower or eliminate one or more estimated payments. These provisions apply to payments made after June 30, 2006.

*Purpose:* The adoption of annualized federal rules for calculating estimated payments for estates and trusts allow fiduciaries to have consistent payments between state and federal laws.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | \$ 6.1         | \$ 6.6         | \$ 6.9         | \$ 5.9         | \$ 6.2         | \$ 6.6         | \$ 6.1         |

*Beneficiaries:* Approximately 43,700 fiduciaries are estimated to benefit from this tax expenditure.

### ESTIMATED TAXES FOR FARMERS

*Description:* Individuals having an estimated gross income from farming which is at least two-thirds of their total gross income may file an estimated tax declaration any time on or before January 15 of the succeeding year. If such an individual files a final return and pays the entire tax due by March 1, the return may be considered the declaration due on or before January 15. The estimates measure the interest lost due to delayed estimated payments.

*Purpose:* This provision provides assistance to farmers by allowing more liberal estimated payment rules, enhancing the farmers' cash flow.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

*Beneficiaries:* Farmers operating approximately 62,100 farms benefit from this tax expenditure.

### ESTIMATED PAYMENTS FOR SMALL AMOUNTS

*Description:* Individuals with taxable income of \$8,000 or less not subject to withholding are not required to pay estimated taxes. The threshold was changed from \$2,500 effective January 1, 2000.

*Purpose:* These provisions reduce paperwork for the Department of Revenue and taxpayers with small amounts of income not subject to withholding.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

*Beneficiaries:* Approximately 1.5 million Pennsylvania residents benefit from this tax expenditure.

## ESTIMATED TAXES FOR PRIOR YEAR TAX FORGIVENESS RECIPIENTS

**Description:** Act 85 of 2012 allows taxpayers who make estimated tax payments equal to the amount of the taxpayer's tax liability for the preceding tax year to take into account a calculation for the special provisions for poverty (tax forgiveness). A taxpayer who received tax forgiveness during the prior tax year, but did not qualify for tax forgiveness in the current tax year and is required to make estimated payments, may avoid a penalty for underpayment of estimated taxes. This provision applies to tax years beginning on or after January 1, 2013. The estimates measure interest foregone on quarterly tax payments and from lost fees and penalties.

**Purpose:** This legislation is intended to give taxpayers who qualified for tax forgiveness a safe harbor from estimated payments.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** Taxpayers filing nearly 42,000 returns benefit from this expenditure.

## REALTY TRANSFER TAX

**Authorization:** Article XI-C of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The realty transfer tax is a documentary stamp tax on the value of any interest in real estate transferred by deed. The tax rate is one percent of the value of the real estate transferred. Each party to a document is jointly and severally liable for the tax imposed, unless the party is an excluded party or the document evidences an excludable transaction. The excluded status of a party does not relieve the other parties to a transaction from the entire tax due. The amounts below represent the General Fund portion of the realty transfer tax expenditures only and do not include expenditures for the portion transferred to the Keystone Recreation, Park, and Conservation Fund pursuant to Act 50 of 1993, as amended by Act 89 of 2002. Prior to Act 89 of 2002, 15 percent of the state levied realty transfer tax was transferred to the Keystone Recreation, Park, and Conservation Fund. Act 89 of 2002 lowered the transfer to 10 percent for January 2002 through June 2002 and to 7.5 percent for July 2002 through June 2003. In July 2003 the transfer rate returned to 15 percent. Act 67 of 2006 lowered the transfer rate to 2.1 percent for fiscal year 2006-07 only. For July 2007 and thereafter the transfer rate returned to 15 percent.

**Administrative Costs:** Costs to administer the realty transfer tax expenditures are approximately \$0.3 million annually.

### TRANSFERS TO GOVERNMENTAL UNITS

**Description:** A transfer to the commonwealth, the federal government or their agencies, political subdivisions, or instrumentalities by gift, dedication, condemnation, or in lieu of condemnation is exempt from taxation.

**Purpose:** This exemption provides tax relief to the grantor of property to a governmental entity. Without an exemption, the grantor would be required to pay the tax. The exemption may encourage donation of property to a governmental entity.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 3.2         | \$ 3.9         | \$ 4.5         | \$ 4.5         | \$ 4.4         | \$ 4.3         | \$ 4.2         |

**Beneficiaries:** Approximately 3,200 local governmental units could benefit from this tax expenditure.

### PARTITION OF REALTY BY CO-TENANTS

**Description:** A partition of realty, passed by testate or intestate succession and held by co-tenants, into two or more distinctive portions with each party taking shares equal to their undivided interest, is an excluded transaction.

**Purpose:** Tax relief is given to the heirs to assist in the equitable settlement of the estate. Heirs to realty do not always want joint ownership in the realty willed to them as co-tenants. This exemption enables the parties to partition the realty into two or more distinct portions with each party taking shares equal to their undivided interest without incurring tax.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## TRANSFERS AMONG FAMILY MEMBERS

**Description:** Transfers between husband and wife, parent and child or the spouse of such child, stepparent and a stepchild or the spouse of such child, siblings and/ or the spouse of a sibling, and a grandparent and grandchild or the spouse of such a grandchild are exempt from taxation.

**Purpose:** This exemption reduces the tax burden on families by exempting transfers to family members.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 58.0        | \$ 70.9        | \$ 82.0        | \$ 81.6        | \$ 79.7        | \$ 77.8        | \$ 75.9        |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## TRANSFERS TO SHAREHOLDERS OR PARTNERS

**Description:** A transfer from a corporation or association to its shareholder or member, where the grantee owns stock or holds an interest in the same proportion as his interest in the real estate being conveyed, is an excluded transaction. The stock or interest must be held by the grantee for more than two years.

**Purpose:** This exemption recognizes that the grantee has an ownership interest in the realty conveyed to him in the same proportion as stock owned in the corporation or interest in the association.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 1.4         | \$ 1.8         | \$ 2.0         | \$ 2.0         | \$ 2.0         | \$ 1.9         | \$ 1.8         |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## TRANSFERS TO OR FROM A NONPROFIT INDUSTRIAL DEVELOPMENT AGENCY

**Description:** A transfer to a nonprofit industrial development agency or authority is an excluded transaction. A transfer from a nonprofit industrial development agency or authority to a grantee purchasing directly from it is an excluded transaction if (1) the grantee uses such real estate for the primary purpose of manufacturing, fabricating, compounding, processing, publishing, research and development, transportation, energy conversion, energy production, pollution control, warehousing, or agriculture and (2) the authority has full ownership interest in the real estate transferred.

**Purpose:** These exemptions encourage transfers of realty to nonprofit organizations for industrial development and from nonprofit organizations for use in various activities that may contribute to economic development in the commonwealth.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 3.1         | \$ 3.8         | \$ 4.4         | \$ 4.4         | \$ 4.3         | \$ 4.2         | \$ 4.1         |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## TRANSFERS BETWEEN RELIGIOUS ORGANIZATIONS

**Description:** A transfer between religious organizations or persons holding title for a religious organization, with both parties possessing tax-exempt status under the Internal Revenue Code, is an excluded transaction. The real estate cannot have been used by such transferor for commercial purposes.

**Purpose:** This exemption provides tax relief to religious organizations that are perceived to provide social benefits.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 1.2         | \$ 1.5         | \$ 1.7         | \$ 1.7         | \$ 1.6         | \$ 1.6         | \$ 1.5         |

**Beneficiaries:** Approximately 16,400 religious organizations could benefit from this tax expenditure.

## TRANSFERS TO A CONSERVANCY

**Description:** A transfer to or from a conservancy that possesses a tax-exempt status pursuant to the Internal Revenue Code and which has as its primary purpose preservation of land for historic, recreational, scenic, agricultural, or open space opportunities is an excluded transaction.

**Purpose:** This exemption encourages the preservation of realty with historic, recreational, scenic, or agricultural value.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         |

**Beneficiaries:** Approximately 100 land conservancies could benefit from this tax expenditure.

## REAL ESTATE DEVOTED TO AGRICULTURE

**Description:** A transfer of real estate devoted to the business of agriculture to a family farm business by a member of the same family is an excluded transaction. The family must own at least 75 percent of each class of stock in a family farm business. The family farm may also lease the farmland as long as it is used for farming.

**Purpose:** This exemption provides tax relief for the establishment or expansion of the family farm business thereby recognizing the importance of the family-owned farm.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** Approximately 4,070 family farm businesses could benefit from this tax expenditure.

## OWNERSHIP INTEREST IN REAL ESTATE COMPANY OR FAMILY FARM

**Description:** A transfer between members of the same family of an ownership interest in a real estate company or family farm business is an excluded transaction.

**Purpose:** A transfer of ownership interest between members of the same family is not considered a change in ownership of the business. This exemption encourages the preservation of family farm businesses and family-owned real estate businesses by allowing transfers of ownership interests between members of the same family not to count toward the corporation becoming an acquired company.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** Approximately 4,070 family farm corporations or partnerships and an unknown number of real estate companies could benefit from this tax expenditure.

## TRANSFERS OF REALTY VALUED AT \$100 OR LESS

**Description:** A transaction where the tax due is one dollar (\$1.00) or less is an excluded transaction.

**Purpose:** The administrative costs of collecting the revenue from a transfer of realty valued at one hundred dollars or less are thought to be greater than the revenue.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## PRODUCTION OR EXTRACTION OF COAL, OIL, NATURAL GAS, OR MINERALS

**Description:** Leases for the production or extraction of coal, oil, natural gas, or minerals and assignments thereof are excluded transactions.

**Purpose:** This exemption gives tax relief to the mining and extracting industries to produce and extract coal, oil, natural gas, and minerals at a lower cost.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** Approximately 1,375 companies may benefit from this tax expenditure.



## PUBLIC UTILITY EASEMENTS

**Description:** A transfer of an easement to a person furnishing public utility service is an excluded transaction if the easement is used in, or useful for, furnishing public utility services.

**Purpose:** Public utility easements are numerous and the majority of them are conveyed for a small consideration. The administrative costs of collecting the revenue from an easement to a provider of public utility services are thought to be greater than the revenue.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** The 290 public utilities could benefit from this tax expenditure.

## STANDING TIMBER OR CROPS

**Description:** Standing timber and crops are not deemed to actually pass with the conveyance of realty when the instrument provides for severance and removal within an immediate ascertainable date.

**Purpose:** Timber and crops are personal property in this instance, the transfer of which is not subject to realty transfer tax.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## TRANSFERS TO VOLUNTEER RESCUE COMPANY

**Description:** A transfer from the commonwealth or any of its agencies, political subdivisions, or instrumentalities for no or nominal consideration to a volunteer emergency medical services agency, volunteer fire company or volunteer rescue company is an excluded transaction.

**Purpose:** This exemption provides tax relief to volunteer emergency agencies. Without the exemption, they would be required to pay the tax. The exemption should aid volunteer emergency agencies in being able to better serve their communities.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** Approximately 1,980 taxpayers could benefit from this tax expenditure.

## TRANSFERS BETWEEN VOLUNTEER AGENCIES

*Description:* A transfer between two or more volunteer emergency medical services agencies, volunteer fire companies or volunteer rescue companies is an excluded transaction.

*Purpose:* This exemption provides tax relief to volunteer emergency agencies. Without the exemption, both the grantor and the grantee would be required to pay the tax. The exemption should aid volunteer emergency agencies in being able to better serve their communities.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

*Beneficiaries:* Approximately 1,980 taxpayers could benefit from this tax expenditure.

## INHERITANCE TAX

*Authorization:* Article XXI of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

*Administrative Costs:* Costs to administer the inheritance tax expenditures are included in the personal income tax administrative cost estimates. Costs incurred to administer the multiple tax expenditures associated with inheritance tax cannot be separately identified.

## FAMILY RELATED EXEMPTIONS AND EXCLUSIONS

### PREFERENTIAL RATE FOR TRANSFERS TO LINEAL BENEFICIARIES

*Description:* Effective July 1, 2000, assets transferred to lineal beneficiaries are taxed at a 4.5 percent rate rather than the 15 percent rate for assets transferred to non-lineal heirs. Lineal beneficiaries include grandparents, parents, and lineal descendants (including adopted or step children). Prior to July 1, 2000, transfers to lineal beneficiaries were taxed at a rate of six percent.

*Purpose:* This provision reduces the tax burden on the immediate family members of the decedent.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$1,101.2      | \$1,148.9      | \$1,199.6      | \$1,251.1      | \$1,304.6      | \$1,361.2      | \$1,420.5      |

*Beneficiaries:* Approximately 35,400 estates benefit from this tax expenditure.

### TRANSFERS OF PROPERTY TO SPOUSE

*Description:* Property passing to a spouse of a decedent is exempt from inheritance tax. This estimate is based on the difference between taxing all assets transferred between spouses at the lineal rate of 4.5 percent and the spousal rate of zero percent.

*Purpose:* This provision prevents an undue tax burden on a surviving spouse especially when assets cannot be jointly owned. It allows spouses to maintain homes and other assets without being subject to inheritance tax.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$1,584.8      | \$1,653.4      | \$1,726.4      | \$1,800.4      | \$1,877.4      | \$1,959.0      | \$2,044.3      |

*Beneficiaries:* Approximately 34,000 estates benefit from this tax expenditure.

## EXEMPTION FOR TRANSFERS OF PROPERTY FROM A CHILD TO PARENT

**Description:** Property passing from a child twenty-one years of age or younger to a parent is subject to a zero percent tax rate. This estimate measures the difference between taxing child to parent transfers at the lineal rate of 4.5 percent and the child to parent rate of zero percent.

**Purpose:** This provision reduces the tax burden on families receiving assets due to the untimely death of a child. The transfer of assets to parents was previously taxed as a lineal transfer. This rate change, authorized by Act 23 of 2000, is effective for decedents dying July 1, 2000 or later.

(Dollar Amounts in Millions)

| Estimates: | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|            | \$ 0.9         | \$ 1.0         | \$ 1.0         | \$ 1.1         | \$ 1.1         | \$ 1.2         | \$ 1.2         |

**Beneficiaries:** Approximately 80 estates benefit from this tax expenditure.

## PREFERENTIAL RATE FOR TRANSFERS TO SIBLINGS

**Description:** Effective July 1, 2000, assets transferred to siblings, defined as brothers or sisters with at least one parent in common, by blood or adoption, are taxed at a rate of 12 percent rather than the rate of 15 percent for assets transferred to non-lineal heirs. Prior to July 1, 2000, transfers to siblings were taxed at a rate of 15 percent.

**Purpose:** This provision reduces the tax burden on estates that transfer assets to a sibling of the decedent. It recognizes that a sibling is often a decedent's closest relative and that transfers to siblings should be taxed at a lower rate than transfers to unrelated beneficiaries.

(Dollar Amounts in Millions)

| Estimates: | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|            | \$ 23.1        | \$ 24.1        | \$ 25.1        | \$ 26.2        | \$ 27.3        | \$ 28.5        | \$ 29.7        |

**Beneficiaries:** Approximately 4,700 estates benefit from this tax expenditure.

## LIFE INSURANCE PROCEEDS

**Description:** Life insurance proceeds, whether or not payable to the estate of the decedent, are exempt from inheritance tax.

**Purpose:** This provision lessens the tax burden on the insurance beneficiaries of the decedent, who are likely to be family members. A common reason for purchasing life insurance is to assist with the payment of inheritance and estate taxes.

(Dollar Amounts in Millions)

| Estimates: | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|            | \$ 117.9       | \$ 122.2       | \$ 126.7       | \$ 131.4       | \$ 136.3       | \$ 141.3       | \$ 146.6       |

**Beneficiaries:** Estates of the decedents associated with approximately 76,000 life insurance policies benefit from this expenditure.

## FEDERAL WAR RISK INSURANCE AND NATIONAL SERVICE LIFE INSURANCE PROCEEDS

**Description:** Proceeds of federal war risk insurance, national service life insurance, or other similar governmental insurance are exempt from inheritance tax.

**Purpose:** This provision lessens the tax burden on beneficiaries of U.S. military personnel and dependents who receive increased insurance when stationed in an area where military conflict is possible.

(Dollar Amounts in Millions)

| Estimates: | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|            | \$ 0.1         | \$ 0.1         | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The families of fallen Pennsylvanians benefit from this tax expenditure.

## FAMILY EXEMPTION

**Description:** A \$3,500 family exemption from inheritance tax is permitted for the decedent's surviving spouse, children, or parents living in the decedent's household at the time of death.

**Purpose:** This provision allows a small tax-free transfer of property to immediate family members residing with the decedent. Smaller taxable estates benefit to a greater extent.

(Dollar Amounts in Millions)

| Estimates: | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|            | \$ 1.6         | \$ 1.6         | \$ 1.7         | \$ 1.8         | \$ 1.9         | \$ 1.9         | \$ 2.0         |

**Beneficiaries:** Approximately 7,700 families benefit from this tax expenditure.

## PERSONAL EXCLUSIONS AND DEDUCTIONS

### EMPLOYMENT BENEFITS

**Description:** Employment benefits that the decedent did not have the right to possess, enjoy, assign, or anticipate before death are exempt from inheritance tax. Exempt benefits include pensions, stock-bonuses, profit-sharing plans, Keoghs, Individual Retirement Accounts, and other retirement plans. If the decedent did have the right to possess, enjoy, assign, or anticipate the benefits, they are exempt from Pennsylvania inheritance tax only to the same extent they are exempt from the federal estate tax.

**Purpose:** This provision limits inheritance tax on employment benefits to which the decedent did not have full rights. An individual is presumed to have full rights to these employment benefits after age 59 ½, the age at which someone may utilize at least a portion of these funds without penalty under the Internal Revenue Code.

(Dollar Amounts in Millions)

| Estimates: | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|            | \$ 7.2         | \$ 7.5         | \$ 7.8         | \$ 8.1         | \$ 8.5         | \$ 8.8         | \$ 9.2         |

**Beneficiaries:** Estates of the approximately 7,000 decedents of working age and under 59½ at death may benefit from this tax expenditure.

## ESTATE ADMINISTRATION EXPENSES

**Description:** Expenses for attorney fees, funeral and burial expenses, tombstones and grave markers, and other expenses incurred in administering the estate are deductible from the taxable estate.

**Purpose:** This provision allows for the deduction of reasonable and necessary expenses associated with managing the estate.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | \$ 62.6        | \$ 65.4        | \$ 68.2        | \$ 71.2        | \$ 74.3        | \$ 77.5        | \$ 80.9        |

**Beneficiaries:** Approximately 47,100 estates benefit from this tax expenditure.

## DEBTS AND LIABILITIES OF THE DECEDENT

**Description:** A deduction from the gross estate is allowed for debts and liabilities of the decedent.

**Purpose:** This provision increases the fairness of the tax by ensuring that property is included in the taxable estate based on its net value. For example, a mortgage is deducted from the value of real property to properly value the decedent's interest in that property.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | \$ 67.1        | \$ 70.0        | \$ 73.0        | \$ 76.2        | \$ 79.5        | \$ 83.0        | \$ 86.6        |

**Beneficiaries:** Approximately 34,500 estates benefit from this tax expenditure.

## SOCIAL SECURITY DEATH PAYMENTS

**Description:** The lump-sum social security death benefit is exempt from inheritance tax.

**Purpose:** This provision helps limit the impact of the tax on poorer beneficiaries. The social security death benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | \$ 1.0         | \$ 1.0         | \$ 1.0         | \$ 1.0         | \$ 1.0         | \$ 1.0         | \$ 1.0         |

**Beneficiaries:** As many as 60,300 estates may benefit from this tax expenditure.

## RAILROAD RETIREMENT BURIAL BENEFITS

**Description:** The lump-sum railroad retirement burial benefit is exempt from inheritance tax.

**Purpose:** This provision helps limit the impact of the tax on poorer beneficiaries. The railroad retirement burial benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** An estimated 200 estates receive lump sum benefit payments from the U.S. Railroad Retirement Board.

## ADVANCEMENTS

**Description:** Transfers made as an advancement of or on account of an intestate share or in satisfaction or partial satisfaction of a gift by will are exempt unless the gift was made within one year of death and gifts to the transferee exceeded \$3,000 during that calendar year.

**Purpose:** Gifts, as long as they are not made within one year of the date of death, are exempt from inheritance tax. This provision provides that these advancements be treated as gifts that are not intended to avoid the tax.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** Approximately 60,300 estates might benefit from this tax expenditure.

## PROPERTY SUBJECT TO POWER OF APPOINTMENT

**Description:** Property left to a trust by the decedent (grantor) subject to a power of appointment (by a grantee), whether or not exercised and notwithstanding any blending of such property with property of the grantee, is exempt from inheritance tax in the estate of the grantee.

**Purpose:** Pennsylvania taxes the transfer of these assets subject to a power of appointment at the time the interest is created (when the grantor dies). The grantee may have a life interest in the estate with any remainder passing to some other person. This provision prevents taxation when the property is subsequently distributed upon the death of the grantee, having already been taxed in the estate of the grantor.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The number of taxpayers benefiting from this expenditure is unknown.

## NOMINAL OWNERSHIP OF PROPERTY

*Description:* Property held in the name of a decedent who held no beneficial interest in the property is exempt from inheritance tax.

*Purpose:* This provision prevents property in which the decedent had no real interest from being included in the taxable estate.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

## BUSINESS RELATED EXCLUSIONS AND DEDUCTIONS

### PREFERENTIAL VALUATION OF FARMLAND

*Description:* Farmland which was devoted to agricultural use for the three years preceding the death of the decedent, and is not less than 10 contiguous acres or has an anticipated yearly gross income derived from agricultural use of \$2,000 or more, is valued based on its current use rather than its highest use.

*Purpose:* This provision helps to maintain family farms since land currently devoted to agricultural use is often more valuable if developed.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

### SMALL BUSINESS INTEREST TRANSFER EXTENDED PAYMENT SCHEDULE

*Description:* The inheritance tax due on the transfer of a qualified small business interest may be paid in twenty consecutive quarterly installments beginning nine months after the decedent's death. Each installment payment bears interest of nine percent per annum.

*Purpose:* This provision helps protect small businesses upon the death of the owner from a sudden tax burden. Payments are spread out over time so that asset sales can be avoided.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.



## PREFERENTIAL VALUATION OF AGRICULTURAL CONSERVATION EASEMENTS

**Description:** An agricultural conservation easement is a deed restriction landowners voluntarily place on their property to protect productive agricultural land. They are used to authorize a qualified conservation organization or public agency to monitor and enforce the restrictions set forth in the agreement. Act 67 of 2006 provided that the value of an agricultural conservation easement is set at 50 percent of what the land would otherwise be valued for purposes of inheritance tax assessments.

**Purpose:** This provision helps to maintain family farms and increase participation in the preservation of the commonwealth's farmland.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.4         | \$ 0.4         | \$ 0.5         | \$ 0.5         | \$ 0.5         | \$ 0.5         | \$ 0.6         |

**Beneficiaries:** The owners of 62,100 farms might benefit from this tax expenditure.

## AGRICULTURAL TRANSFERS TO FAMILY MEMBERS

**Description:** Effective July 1, 2012, a transfer of real estate devoted to the business of agriculture between members of the same family is exempt from inheritance tax, provided that after the transfer the real estate continues to be devoted to the business of agriculture for a period of seven years beyond the decedent's date of death and the real estate derives a yearly gross income of at least \$2,000. A transfer of an agricultural commodity, agricultural conservation easement, agricultural reserve, agricultural use property or a forest reserve to lineal descendants or siblings is also exempt from inheritance tax.

**Purpose:** This provision helps to maintain family farms and increase participation in the preservation of the commonwealth's farmland.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 4.9         | \$ 5.4         | \$ 5.6         | \$ 5.8         | \$ 6.1         | \$ 6.4         | \$ 6.7         |

**Beneficiaries:** The owners of 62,100 farms might benefit from this tax expenditure.

## FAMILY-OWNED BUSINESS TRANSFERS TO FAMILY MEMBERS

**Description:** Effective July 1, 2013, a transfer of a family-owned, small business interest to members of the same family is exempt from inheritance tax, provided that after the transfer, the family-owned business interest continues to be owned by a family member for a minimum of seven years beyond the decedent's date of death. The exemption is limited to qualified family-owned business interests, defined as having fewer than 50 full-time equivalent employees, a net book value of assets less than \$5 million, and being in existence for at least five years, as of the decedent's date of death. The exemption does not apply to property transferred into the business within one year of the decedent's date of death.

**Purpose:** This provision helps to maintain family-owned, small businesses.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 3.8         | \$ 6.7         | \$ 7.5         | \$ 8.0         | \$ 8.3         | \$ 8.6         | \$ 9.0         |

**Beneficiaries:** The owners of 271,000 family-owned, small businesses might benefit from this tax expenditure.

## OTHER EXCLUSIONS

### TRANSFERS TO GOVERNMENTS

**Description:** Intervivos transfers and bequests to governments are exempt from inheritance tax.

**Purpose:** This exemption is an indirect means of assistance to governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.4         | \$ 0.4         | \$ 0.4         | \$ 0.4         | \$ 0.5         | \$ 0.5         | \$ 0.5         |

**Beneficiaries:** Approximately 3,500 governmental units could benefit from this tax expenditure.

### TRANSFERS TO CHARITABLE AND FRATERNAL ORGANIZATIONS

**Description:** Intervivos transfers and bequests to charitable and fraternal organizations are exempt from inheritance tax.

**Purpose:** Charitable and fraternal organizations provide public services that are believed to benefit citizens. This exemption represents an indirect means of assistance to these entities and may increase the money available for charitable purposes.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 106.6       | \$ 111.2       | \$ 116.1       | \$ 121.1       | \$ 126.4       | \$ 131.9       | \$ 137.7       |

**Beneficiaries:** An estimated 32,400 charitable and fraternal organizations might benefit from this tax expenditure.

## TABLE GAME TAXES

*Authorization:* Chapter 13A of Title 4 of the Pennsylvania Consolidated Statutes.

Act 1 of January 7, 2010, (P.L. 1, No. 1) imposed table game taxes on gross table game revenue of licensed gaming entities in Pennsylvania.

The table game taxes are imposed on gross table game revenue, which is defined as total cash or cash equivalents received in the playing of table games, contest or tournament fees or payments, and total amount of rakes collected minus cash or cash equivalents paid out, paid to purchase annuities to fund prizes, and paid for personal property distributed to patrons as a result of playing a table game.

The tax rates are 14 percent of gross table game revenue for two years following commencement of table game operations at the facility and 12 percent thereafter, and an additional 34 percent of gross table game revenue from table games played on fully automated electronic gaming tables.

Table game taxes contain no tax expenditures as defined for this tax expenditure analysis.

## LIQUID FUELS AND FUELS TAX

**Authorization:** Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes.

Act 89 of 2013 (HB 1060, PN 2697) eliminated the permanent trust fund tax of 12 cents per gallon established by the Act of April 17, 1997 (P.L. 1531, No. 3) on all taxable liquid fuels and fuels used or sold and delivered by distributors of the commonwealth, effective January 1, 2014. Aviation gasoline and jet fuel are also taxed under Chapter 90. However, separate tax rates are set for these fuels. Effective January 1, 2015, the tax rate for aviation gasoline is 5.9 cents per gallon, and the tax rate for jet fuels is 2 cents per gallon.

## OIL COMPANY FRANCHISE TAX

**Authorization:** Chapter 95 of Title 75 of the Pennsylvania Consolidated Statutes.

The Act of April 17, 1997 (P.L. 1531, No. 3) imposed a tax of 153.5 mills for all taxable liquid fuels and 208.5 mills for all taxable fuels on oil companies conducting business in Pennsylvania. Act 89 of 2013 (HB 1060, PN 2697) added an additional 64 mills in 2014, 49 mills in 2015, 48 mills in 2016, 41 mills in 2017, and 39 mills in 2018 and each calendar year thereafter on all taxable liquid fuels and fuels. The oil company franchise tax is calculated annually by multiplying the average wholesale price (established by the Department of Revenue) by the millage rates above. The resulting product is the effective tax rate that is multiplied by the total taxable gallons of fuels and liquid fuels. Act 89 of 2013 set the average wholesale price at \$1.87 in 2014, \$2.48 in 2015 and 2016, and in 2017 the average wholesale price will be uncapped. There is also a statutory average wholesale price floor set at \$2.99 for 2017 and each year thereafter. Prior to Act 89, the Act of July 22, 1983 (P.L. 122, No. 32) set minimum and maximum average wholesale prices at \$0.90 and \$1.25 per gallon, respectively. The tax rate for calendar year 2015 is 50.5 cents per gallon for liquid fuels and 64.2 cents per gallon for fuels. Receipts from 57 mills of the tax on liquid fuels and fuels are deposited as unrestricted Motor License Fund revenue, along with the mills added by Act 89 of 2013. However, 4.17 percent of the mills added by Act 89 are transferred to the Liquid Fuels Tax Fund.

## ALTERNATIVE FUELS TAX

**Authorization:** Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes.

The Act of April 17, 1997 (P.L. 1531, No. 3) imposed a tax on alternative fuels used to propel vehicles on public highways. Alternative fuels include natural gas, compressed natural gas, liquid propane gas and liquefied petroleum gas, alcohols, gasoline-alcohol mixtures containing at least 85 percent alcohol by volume, hydrogen, electricity, and any other fuel not taxable as liquid fuels or fuels. The tax rate applied to each gasoline gallon equivalent of alternative fuel equals the current liquid fuels tax and oil company franchise tax applicable to one gallon of gasoline.

**Administrative Costs:** Costs to administer the multiple tax expenditures associated with the liquid fuels and fuels, oil company franchise, and alternative fuels taxes cannot be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and the increased complexity of such audits.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.5         | \$ 0.5         | \$ 0.5         | \$ 0.5         | \$ 0.5         | \$ 0.5         | \$ 0.5         |

# Motor License Fund Tax Expenditures

## POLITICAL SUBDIVISIONS

**Description:** Fuels purchased by political subdivisions of the commonwealth are exempt from the tax.

**Purpose:** This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

|                   |  |                |                |                |                |                |                |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <b>Liquid Fuels:</b>                     |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 2.5                                   | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|                   | <b>Jet Fuel &amp; Aviation Gasoline:</b> |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal                                  | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |
|                   | <b>Fuels:</b>                            |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 3.4                                   | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|                   | <b>Oil Company Franchise:</b>            |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 27.8                                  | \$ 43.7        | \$ 48.9        | \$ 52.3        | \$ 57.1        | \$ 57.3        | \$ 57.8        |

**Beneficiaries:** Approximately 3,130 governmental units benefit from these tax expenditures.

## VOLUNTEER EMERGENCY VEHICLES

**Description:** Fuel purchased by a volunteer fire company, volunteer ambulance service, or volunteer rescue squad, and used solely in official vehicles, is exempt from the tax.

**Purpose:** Volunteer emergency organizations provide public services that are perceived to benefit citizens. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

|                   |  |                |                |                |                |                |                |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <b>Liquid Fuels:</b>                     |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.2                                   | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|                   | <b>Jet Fuel &amp; Aviation Gasoline:</b> |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal                                  | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |
|                   | <b>Fuels:</b>                            |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 1.5                                   | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|                   | <b>Oil Company Franchise:</b>            |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 9.0                                   | \$ 14.2        | \$ 15.9        | \$ 17.0        | \$ 18.6        | \$ 18.6        | \$ 18.8        |

**Beneficiaries:** Approximately 2,300 volunteer fire departments and an unknown number of other volunteer organizations benefit from these tax expenditures.

# Motor License Fund Tax Expenditures

## NONPROFIT NONPUBLIC SCHOOLS

**Description:** Fuel purchased by any nonprofit nonpublic school in which a commonwealth resident may legally fulfill compulsory school attendance requirements is granted an exemption from the tax.

**Purpose:** Since state government indirectly subsidizes transporting public school children, this exemption provides similar treatment to nonprofit nonpublic schools.

(Dollar Amounts in Millions)

|            |  |                |                |                |                |                |                |
|------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Estimates: | <b>Liquid Fuels:</b>                     |                |                |                |                |                |                |
|            | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|            | Nominal                                  | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|            | <b>Jet Fuel &amp; Aviation Gasoline:</b> |                |                |                |                |                |                |
|            | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|            | Nominal                                  | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |
|            | <b>Fuels:</b>                            |                |                |                |                |                |                |
|            | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|            | Nominal                                  | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|            | <b>Oil Company Franchise:</b>            |                |                |                |                |                |                |
|            | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|            | \$ 0.3                                   | \$ 0.4         | \$ 0.5         | \$ 0.5         | \$ 0.5         | \$ 0.5         | \$ 0.5         |

**Beneficiaries:** As many as 3,000 nonprofit nonpublic schools may benefit from these tax expenditures.

## SECOND CLASS COUNTY PORT AUTHORITIES

**Description:** Purchases of fuel by second class county port authorities are exempt from the tax.

**Purpose:** This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

|            |  |                |                |                |                |                |                |
|------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Estimates: | <b>Liquid Fuels:</b>                     |                |                |                |                |                |                |
|            | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|            | NA                                       | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|            | <b>Jet Fuel &amp; Aviation Gasoline:</b> |                |                |                |                |                |                |
|            | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|            | NA                                       | NA             | NA             | NA             | NA             | NA             | NA             |
|            | <b>Fuels:</b>                            |                |                |                |                |                |                |
|            | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|            | NA                                       | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|            | <b>Oil Company Franchise:</b>            |                |                |                |                |                |                |
|            | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|            | NA                                       | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** One second class county port authority benefits from this tax expenditure.

# Motor License Fund Tax Expenditures

## ELECTRIC COOPERATIVES

**Description:** Fuel purchases for vehicles operated by electric cooperatives are exempt from the tax.

**Purpose:** These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide a public benefit. This exemption permits this service to be rendered at a reduced cost.

(Dollar Amounts in Millions)

Estimates:

| <b>Liquid Fuels:</b>                     |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
| Nominal                                  | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
| <b>Jet Fuel &amp; Aviation Gasoline:</b> |                |                |                |                |                |                |
| <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
| Nominal                                  | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |
| <b>Fuels:</b>                            |                |                |                |                |                |                |
| <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
| Nominal                                  | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
| <b>Oil Company Franchise:</b>            |                |                |                |                |                |                |
| <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
| \$ 0.1                                   | \$ 0.2         | \$ 0.2         | \$ 0.3         | \$ 0.3         | \$ 0.3         | \$ 0.3         |

**Beneficiaries:** There are 13 electric cooperative in the commonwealth that benefit from these tax expenditures.

## AGRICULTURAL USE

**Description:** A full refund of tax paid is granted for fuel consumed in agricultural use relating to the actual production of farm products. Fuel used in farm machinery or equipment engaged in the production or harvesting of agricultural products is exempt from taxation under these provisions.

**Purpose:** This exemption allows farmers to provide agricultural products at a reduced cost.

(Dollar Amounts in Millions)

|            |  |                |                |                |                |                |                |
|------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Estimates: | <b>Liquid Fuels:</b>                     |                |                |                |                |                |                |
|            | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|            | \$ 0.4                                   | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|            | <b>Jet Fuel &amp; Aviation Gasoline:</b> |                |                |                |                |                |                |
|            | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|            | Nominal                                  | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |
|            | <b>Fuels:</b>                            |                |                |                |                |                |                |
|            | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|            | \$ 0.1                                   | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|            | <b>Oil Company Franchise:</b>            |                |                |                |                |                |                |
|            | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|            | \$ 2.5                                   | \$ 3.9         | \$ 4.3         | \$ 4.6         | \$ 5.1         | \$ 5.1         | \$ 5.1         |

**Beneficiaries:** Individuals operating approximately 63,200 farms benefit from these tax expenditures.

# Motor License Fund Tax Expenditures

## TRUCK REFRIGERATION UNITS

**Description:** A full refund of tax paid is granted for undyed diesel fuel used in truck refrigeration units when the tank that fuels the refrigeration unit is used solely for that purpose and is separate from that which powers the vehicle.

**Purpose:** This provision allows a refund for fuel consumed in an off-road manner when such use can be clearly documented.

(Dollar Amounts in Millions)

|                   |                                      |                |                |                |                |                |                |
|-------------------|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <b><i>Liquid Fuels:</i></b>          |                |                |                |                |                |                |
|                   | <u>2013-14</u>                       | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA                                   | NA             | NA             | NA             | NA             | NA             | NA             |
|                   | <b><i>Fuels:</i></b>                 |                |                |                |                |                |                |
|                   | <u>2013-14</u>                       | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.5                               | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|                   | <b><i>Oil Company Franchise:</i></b> |                |                |                |                |                |                |
|                   | <u>2013-14</u>                       | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 2.6                               | \$ 4.0         | \$ 4.5         | \$ 4.8         | \$ 5.3         | \$ 5.3         | \$ 5.3         |

**Beneficiaries:** Approximately 330 entities benefit from these tax expenditures.

## POWER TAKE-OFF

**Description:** A full refund of tax paid is granted for undyed fuel consumed in a power takeoff unit used to load or unload farm feed, feed products, lime, or limestone products for agricultural use at a farm. Tax paid will be refunded provided that the fuel usage is documented by an electronic monitoring device used in conjunction with an electronically controlled engine.

**Purpose:** This provision allows a refund for fuel consumed in an off-road manner when such use can be clearly documented.

(Dollar Amounts in Millions)

|                   |                                      |                |                |                |                |                |                |
|-------------------|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <b><i>Liquid Fuels:</i></b>          |                |                |                |                |                |                |
|                   | <u>2013-14</u>                       | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal                              | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|                   | <b><i>Fuels:</i></b>                 |                |                |                |                |                |                |
|                   | <u>2013-14</u>                       | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal                              | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|                   | <b><i>Oil Company Franchise:</i></b> |                |                |                |                |                |                |
|                   | <u>2013-14</u>                       | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal                              | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** Fewer than 10 taxpayers benefit from these tax expenditures.



# Motor License Fund Tax Expenditures

## DISCOUNT

**Description:** A distributor is permitted a variable percentage discount based on gross tax due provided the liquid fuels and fuels tax return and payment due are timely filed. This will be in effect until December 31, 2013. Starting January 1, 2014 the discount is based on the gross tax due on the oil company franchise tax mills added by Act 89 of 2013. Returns and payments are generally due on or before the 20<sup>th</sup> day of each month for the preceding month's sales.

**Purpose:** This discount is intended to defray the cost of preparing and remitting the tax reports and payments.

(Dollar Amounts in Millions)

|                   |  |                |                |                |                |                |                |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <b>Liquid Fuels:</b>                     |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 2.4                                   | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|                   | <b>Jet Fuel &amp; Aviation Gasoline:</b> |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.1                                   | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         |
|                   | <b>Fuels:</b>                            |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.8                                   | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|                   | <b>Oil Company Franchise Tax:</b>        |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 2.3                                   | \$ 5.5         | \$ 5.5         | \$ 5.5         | \$ 5.5         | \$ 5.4         | \$ 5.4         |

**Beneficiaries:** Approximately 870 distributors benefit from these tax expenditures.

## FOREIGN DIPLOMATS

**Description:** Fuel purchased by foreign diplomats whose countries have entered into a treaty with the United States is exempt from payment of the tax.

**Purpose:** The commonwealth grants this exemption administratively at the request of the federal government.

(Dollar Amounts in Millions)

|                   |  |                |                |                |                |                |                |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <b>Liquid Fuels:</b>                     |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA                                       | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|                   | <b>Jet Fuel &amp; Aviation Gasoline:</b> |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA                                       | NA             | NA             | NA             | NA             | NA             | NA             |
|                   | <b>Fuels:</b>                            |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA                                       | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         | \$ 0.0         |
|                   | <b>Oil Company Franchise:</b>            |                |                |                |                |                |                |
|                   | <u>2013-14</u>                           | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA                                       | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The number of foreign diplomats benefiting from these tax expenditures is unknown but presumed to be nominal.

# Motor License Fund Tax Expenditures

## BUSES

*Description:* A bus company is entitled to a refund equal to 55 mills of the oil company franchise tax imposed on fuels consumed by motorbuses within this commonwealth.

*Purpose:* Act 3 of 1997 repealed the 6 cent surtax imposed on all motor carriers and replaced it with a 55 mill increase in the oil company franchise tax imposed on fuels. Since buses were historically exempt from the surtax, they have been granted a refund for the 55 mill surtax replacement effective January 1, 1999.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.5         | \$ 0.6         | \$ 0.7         | \$ 0.8         | \$ 0.9         | \$ 0.9         | \$ 0.9         |

*Beneficiaries:* Approximately 90 bus companies benefit from this tax expenditure.

## MOTOR CARRIERS ROAD TAX / IFTA

**Authorization:** Chapter 96 of Title 75 of the Pennsylvania Consolidated Statutes.

The motor carriers road tax is equal to the current Pennsylvania liquid fuels and fuels or alternative fuels tax rate per gallon plus the oil franchise tax currently in effect. Prior to October 1, 1997, an additional tax of 6 cents per gallon was collected through the motor carriers road tax. Effective October 1, 1997, this tax was repealed and replaced by a tax of 55 mills on each gallon of fuels and collected through the oil company franchise tax. Effective January 1, 1996, under Act 75 of 1995, Pennsylvania implemented the provisions of the International Fuel Tax Agreement (IFTA). Under IFTA, fuel consumed in "qualified motor vehicles" is subject to taxation at current rates. A qualified motor vehicle is a motor vehicle, other than a recreational vehicle, which is used, designed, or maintained for transportation of persons or property and which has two axles and a registered gross weight exceeding 26,000 pounds, three axles or more regardless of weight, or used in combination when the registered gross weight exceeds 26,000 pounds. IFTA provisions do not distinguish taxable use by vehicle types, only by weight and axle configuration. Therefore, Act 75 of 1995 repealed the motorbus road tax effective January 1, 1996. The following estimates reflect the full tax rate imposed.

**Administrative Costs:** Costs to administer the multiple tax expenditures associated with motor carrier road tax/IFTA cannot be identified separately. Tax expenditures are not believed to be a significant factor associated with the need for more compliance audits and contribute minimally to the length of time necessary to complete such audits.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 1.1         | \$ 1.2         | \$ 1.2         | \$ 1.2         | \$ 1.2         | \$ 1.2         | \$ 1.2         |

## POLITICAL SUBDIVISIONS

**Description:** Vehicles operated by political subdivisions are exempt from the requirements of the motor carriers road tax.

**Purpose:** This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 18.2        | \$ 24.8        | \$ 27.9        | \$ 29.9        | \$ 32.5        | \$ 32.5        | \$ 32.8        |

**Beneficiaries:** Approximately 3,130 governmental units benefit from this tax expenditure.

## FARM VEHICLES

**Description:** Qualified motor vehicles bearing a Pennsylvania farm truck registration operating under restricted use, and farm vehicles exempt from registration, are exempt from the motor carriers road tax.

**Purpose:** This exemption allows farmers to provide agricultural products at a reduced cost.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 5.6         | \$ 7.6         | \$ 8.6         | \$ 9.2         | \$ 10.0        | \$ 10.0        | \$ 10.1        |

**Beneficiaries:** Individuals operating approximately 63,200 farms benefit from this tax expenditure.

# Motor License Fund Tax Expenditures

## EMERGENCY VEHICLES

**Description:** Fire, rescue, ambulance, and select other emergency vehicles are exempt from the motor carriers road tax.

**Purpose:** Emergency organizations provide public services that are perceived to benefit citizens. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 9.5         | \$ 12.9        | \$ 14.5        | \$ 15.5        | \$ 16.9        | \$ 16.9        | \$ 17.1        |

**Beneficiaries:** Approximately 2,400 fire departments and an unknown number of other organizations benefit from this tax expenditure.

## SPECIAL MOBILE EQUIPMENT

**Description:** Vehicles not designed or used primarily for the transportation of persons or property and that only incidentally operate or move over a highway, such as ditch digging apparatus, well-boring apparatus, earth moving and road construction machinery, are exempt from the motor carriers road tax.

**Purpose:** Exemption is granted to these vehicles because of their specialized off-highway use.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | \$ 0.1         | \$ 0.1         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         |

**Beneficiaries:** The owners of approximately 2,300 special mobile equipment vehicles benefit from this tax expenditure.

## IMPLEMENTS OF HUSBANDRY

**Description:** A vehicle designed or adapted to be used exclusively for agricultural operations is exempt from the motor carriers road tax.

**Purpose:** This exemption allows the farmer to provide agricultural products at a reduced price.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         |

**Beneficiaries:** The owners of approximately 200 implements of husbandry vehicles benefit from this tax expenditure.

# Motor License Fund Tax Expenditures

## CHARITABLE AND RELIGIOUS ORGANIZATIONS

**Description:** Vehicles operated by charitable and religious organizations are exempt from the motor carriers road tax.

**Purpose:** These organizations provide services which are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 2.0         | \$ 2.7         | \$ 3.1         | \$ 3.3         | \$ 3.6         | \$ 3.6         | \$ 3.6         |

**Beneficiaries:** Approximately 27,000 charitable and religious organizations may benefit from this tax expenditure.

## CHURCHES

**Description:** A motorbus owned by and registered to a church, exempt under section 1901 of Title 75, is exempt from the motor carriers road tax.

**Purpose:** These organizations provide services which are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** As many as 10,300 churches may benefit from this tax expenditure.

## ELECTRIC COOPERATIVES

**Description:** Qualified motor vehicles operated by electric cooperatives are exempt from the motor carriers road tax.

**Purpose:** These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide public benefit. This exemption permits this service to be rendered at a reduced cost to the rate payers.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The 13 electric cooperatives in the commonwealth benefit from this tax expenditure.

# Motor License Fund Tax Expenditures

## VEHICLES NEEDING EMERGENCY REPAIRS

*Description:* A qualified motor vehicle needing emergency repairs, which was granted authorization from the Pennsylvania State Police to enter this commonwealth, is exempt from the motor carriers road tax.

*Purpose:* This exemption was granted due to the temporary emergency nature of the vehicle entering Pennsylvania for needed repairs.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

*Beneficiaries:* The number of individuals benefiting from this tax expenditure is unknown.

## VEHICLES SECURING REPAIRS OR RECONDITIONING

*Description:* Exemption from the motor carriers road tax is provided for unladen or towed motor vehicles or unladen trailers entering Pennsylvania solely for the purpose of securing repairs or reconditioning.

*Purpose:* This exemption was granted so as to not discourage vehicle owners from obtaining repairs or reconditioning of a vehicle from a Pennsylvania business.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

*Beneficiaries:* The number of taxpayers benefiting from this tax expenditure is unknown.

## SCHOOL BUSES

*Description:* Buses designed to carry 11 or more passengers used for the transportation of preprimary, primary, or secondary school students to or from public, private, or parochial schools, or school-related activities or events are exempt from the motor carriers road tax.

*Purpose:* Since state government indirectly subsidizes transporting school children, this exemption decreases state educational subsidy costs.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 9.7         | \$ 13.2        | \$ 14.9        | \$ 16.0        | \$ 17.4        | \$ 17.4        | \$ 17.5        |

*Beneficiaries:* Approximately 5,700 schools benefit from this tax expenditure.

# Motor License Fund Tax Expenditures

## RECREATIONAL VEHICLES

---

*Description:* Qualified motor vehicles, such as motor homes, pickup trucks with attached campers, and buses when used exclusively for personal pleasure by individuals, are exempt from the motor carriers road tax.

*Purpose:* The motor carrier road tax/IFTA requirements are intended to apply to selected commercial vehicles. This provision exempts personal use only vehicles which would otherwise be subject to these taxing requirements.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

*Beneficiaries:* The number of taxpayers benefiting from this tax expenditure is unknown.

## MOTOR VEHICLE CODE

**Authorization:** The Motor Vehicle Code, contained in Title 75 of the Act of June 17, 1976 (P.L. 162, No. 81), became effective July 1, 1977. This amended the Act of April 29, 1959 (P.L. 58, No. 32) known as The Vehicle Code. Contained in the Motor Vehicle Code are provisions for the titling, registration and licensing of vehicles, operation of vehicles, vehicle characteristics, and the administration and enforcement of the code.

**Administrative Costs:** Costs to administer the motor vehicle code tax expenditures are borne by the Department of Transportation and cannot be separately identified.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         |

## VEHICLE REGISTRATIONS

**Description:** Specific entities that request the authority to operate a motor vehicle are granted a full or partial exemption from the registration fee. Not shown below are exempt categories with unknown numbers of vehicles which include, for example, mobile/modular homes and off road construction vehicles.

**Purpose:** This exemption provides relief to the organizations or individuals cited below. Many of those cited are dependent upon charitable contributions or augmented incomes. This exemption is also an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

|                   |  |                |                |                |                |                |                |                |
|-------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <b><u>Disabled/Severely Disabled Veterans:</u></b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   |  | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         |

**Beneficiaries:** The owners of approximately 5,100 vehicles benefit from this tax expenditure.

### **Charitable Organizations:**

|                |                |                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
| \$ 1.2         | \$ 1.2         | \$ 1.1         | \$ 1.2         | \$ 1.1         | \$ 1.2         | \$ 1.2         |

**Beneficiaries:** The owners of approximately 17,500 vehicles benefit from this tax expenditure.

### **Former Prisoners of War:**

|                |                |                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
| Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** The owners of approximately 340 vehicles benefit from this tax expenditure.

### **Farm Trucks:**

|                |                |                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
| \$ 3.4         | \$ 3.4         | \$ 3.3         | \$ 3.4         | \$ 3.3         | \$ 3.3         | \$ 3.4         |

**Beneficiaries:** The owners of approximately 10,500 farm trucks benefit from this tax expenditure.



# Motor License Fund Tax Expenditures

## ***Emergency Vehicles:***

| <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 6.0         | \$ 6.0         | \$ 5.8         | \$ 5.9         | \$ 5.8         | \$ 5.8         | \$ 5.9         |

*Beneficiaries:* Organizations owning approximately 15,500 vehicles benefit from this tax expenditure.

## ***Political Subdivisions:***

| <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 17.7        | \$ 17.9        | \$ 17.1        | \$ 17.7        | \$ 17.1        | \$ 17.3        | \$ 17.5        |

*Beneficiaries:* Approximately 3,130 governmental units benefit from this tax expenditure.

## ***Older Pennsylvanians:***

| <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 4.5         | \$ 4.7         | \$ 4.7         | \$ 5.0         | \$ 5.1         | \$ 5.3         | \$ 5.4         |

*Beneficiaries:* Older Pennsylvanians owning approximately 133,500 vehicles benefit from this tax expenditure.

## **CARNIVAL TRUCKS/TRUCK TRACTORS**

*Description:* Owners who document with the Department of Transportation that the truck or tractor is used exclusively for the purpose of transporting circus or carnival personnel, equipment, or machinery are granted a reduced registration fee.

*Purpose:* The reduced registration fee provides partial relief for those vehicles being used only between April 1 and September 30.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

*Beneficiaries:* The owners of approximately 80 carnival vehicles benefit from this tax expenditure.

## **CERTIFICATES OF TITLE**

*Description:* Ownership of a particular vehicle is recorded by the issuance of a certificate of title for which a fee is charged. Specific entities exempt from this title fee are political subdivisions, totally disabled veterans, emergency vehicles, and foreign nationals.

*Purpose:* This exemption provides relief to the organizations or individuals cited above. The General Assembly has provided an exemption for these entities due to their perceived special status.

(Dollar Amounts in Millions)

| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                   | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         | \$ 0.2         |

*Beneficiaries:* The owners of approximately 7,900 vehicles benefit from this tax expenditure.

# Motor License Fund Tax Expenditures

## INSPECTION STICKERS

**Description:** All vehicles registered in Pennsylvania are required to have periodic safety inspections to insure their roadworthiness. A certificate of inspection is issued for a fee to show the vehicle meets specified safety standards. The commonwealth administratively grants an exemption from the certificate fee to vehicles operated by political subdivisions.

**Purpose:** This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.2         | \$ 0.5         | \$ 0.6         | \$ 0.6         | \$ 0.7         | \$ 0.7         | \$ 0.7         |

**Beneficiaries:** Approximately 3,130 governmental units benefit from this tax expenditure.

## BRIDGE PERMITS

**Description:** Bridges on state owned rights-of-way need periodic maintenance and construction work. Permits are issued, for a fee, by the state to perform such work. The commonwealth administratively grants an exemption from the permit fee to political subdivisions who are performing work for the state.

**Purpose:** This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** As many as 3,130 political subdivisions may benefit from this tax expenditure.

## HAULING PERMITS

**Description:** Permits, for which a fee is charged, are issued to firms that wish to haul loads that exceed the maximum size or weight specifications of certain highways and bridges. The commonwealth administratively grants an exemption from the permit fee to political subdivisions.

**Purpose:** This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

**Beneficiaries:** As many as 3,130 political subdivisions may benefit from this tax expenditure.

# Motor License Fund Tax Expenditures

## POLICE ACCIDENT REPORTS

---

*Description:* Traffic accident reports are generated as a result of any accident where there is bodily injury or death or if one or more vehicles must be towed from the scene. A fee is charged to obtain a copy of the police accident report. The commonwealth administratively grants an exemption for paying an accident report fee to political subdivisions.

*Purpose:* This exemption provides local prosecuting officials an aid in law enforcement.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

*Beneficiaries:* As many as 3,130 political subdivisions may benefit from this tax expenditure.

# Racing Fund Tax Expenditures

The Racing Fund, a special revenue fund, is comprised of monies received from taxes, licenses and fees, and miscellaneous revenues collected by the State Racing Commissions derived from the regulation of harness and horse racing. Prior to December 30, 1983, thoroughbred racing tax revenues consisted of wagering, breakage, and admissions taxes. Harness racing tax revenues consisted of wagering and admissions taxes as assessed by the Race Horse Industry Reform Act (Act 135 of December 17, 1981). The Harness Racing Fund and the Horse Racing Fund were combined into the Racing Fund by Act 93 of 1983. This act also amended portions of the Race Horse Industry Reform Act relating to taxation.

*Administrative Costs:* Administrative costs associated with these tax expenditures are nominal.

## WAGERING TAX

*Authorization:* Act of May 16, 1986 (P.L. 205, No. 63).

### NEW CORPORATIONS

---

*Description:* Racing corporations licensed after May 16, 1986 are subject to a reduced wagering tax rate of one percent rather than the normal 1.5 percent rate for a period of four years.

*Purpose:* This provision may have been perceived as an incentive to promote the formation of new racing corporations.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

*Beneficiaries:* Any racing corporation licensed after the cited date will benefit from this tax expenditure.

## ADMISSIONS TAX

*Authorization:* Department of Revenue letter ruling with concurrence of counsel for Racing Commission.

### DARK DAY SIMULCASTS

---

*Description:* The minimum admissions tax, currently five percent of 50 cents, is waived at events where no admission charge is levied and where simulcasts of races from other facilities are featured rather than live races.

*Purpose:* This provision may have been perceived as a way to promote simulcast attendance at commonwealth racing facilities.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA             | NA             | NA             | NA             | NA             | NA             | NA             |

*Beneficiaries:* All seven racing associations benefit from this tax expenditure.

## UNEMPLOYMENT COMPENSATION INSURANCE TAX

**Administrative Costs:** The costs of administering the tax expenditure associated with the unemployment compensation insurance tax are nominal.

### LIMITATION OF THE TAXABLE WAGE BASE

**Authorization:** Act of December 5, 1936 (2nd special session, 1937 P.L. 2897, No. 1), 4(x)(1), as amended, 43 P.S. 753(x)(1).

The purpose of the tax is to provide a fund from which compensation is paid to workers who have become unemployed through no fault of their own. Contributions are required to be made by all employers who pay wages to individuals working in Pennsylvania and whose services are covered under the unemployment compensation law. This tax may include employee contributions withheld by employers from each employee's gross wages. The Pennsylvania Unemployment Compensation Law is administered by the Department of Labor and Industry.

**Description:** The commonwealth's unemployment compensation law provides for a limitation of the taxable wage base to the first \$8,000 of wages paid to each employee during a calendar year by an employer. Prior to 1984 the limitation on taxable remuneration had been \$7,000. All state governments are required by the federal government to tax at least the first \$7,000 of subject wages. Many states, including Pennsylvania, have chosen to keep their bases close to the federal minimum. The estimate represents the cost of this limitation as measured by the difference between contributions based on taxable wages and contributions based on total wages. In 1988, legislation was enacted which provides for a "trigger" mechanism to regulate employer and employee contributions. The trigger mechanism, working in conjunction with the experience rating system, would change tax rates in response to a change in the taxable wage base. The methodology used for this estimate does not incorporate the changes that would occur to the tax rates as a result of tax base changes. Projected tax rates were used to estimate contributions based on currently taxable wages. The same tax rates were used to estimate contributions based on total wages paid by contributory employers.

**Purpose:** The limitation on taxable wages limits growth in employer tax liabilities that would otherwise occur as wages rise.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$11,803.4     | \$12,225.2     | \$12,497.2     | \$13,014.6     | \$13,574.2     | \$14,100.2     | \$14,650.1     |

**Beneficiaries:** Pennsylvania's unemployment compensation tax system is intended to generate a sufficient amount of revenue to meet annual benefit payments. In general, under the current system, an employer with higher wage employees pays on a smaller percentage of total wages. If the taxable wage base were total wages paid to employees, the employer with the higher employee wages would have to pay a greater amount in taxes.

As of the first quarter of 2014 there were 271,610 contributory employers to the Unemployment Compensation Fund. The following is a breakdown of these employers according to major industry division<sup>1</sup>:

|  |        |                                     |        |
|--|--------|-------------------------------------|--------|
| Natural Resources and Mining .....         | 3,072  | Financial Activities.....           | 17,866 |
| Construction .....                         | 27,433 | Professional and Business Services  | 51,064 |
| Manufacturing .....                        | 13,381 | Education and Health Services ..... | 44,375 |
| Trade.....                                 | 47,520 | Leisure and Hospitality .....       | 26,586 |
| Transportation, Warehousing, Utilities.... | 7,471  | Other Services .....                | 28,415 |
| Information .....                          | 3,226  | Local Government.....               | 1,195  |

<sup>1/</sup>Based on NAICS industry classification. Data may not add to totals due to the unavailability of industry classification for some employers.

## PUBLIC TRANSPORTATION ASSISTANCE FUND

**Authorization:** Article XXIII of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

The Public Transportation Assistance Fund provides for the capital, asset maintenance, and certain other transportation needs of the commonwealth's public transit entities.

Fund revenues are derived from a motor vehicle lease tax; a motor vehicle rental fee; a fee on the sale of new tires; 0.44 percent of total sales and use tax receipts in lieu of the repealed periodicals tax; 0.09 percent of total sales and use tax receipts in lieu of the repealed lease tax on class four and above motor carriers; and 0.417 percent of sales and use tax in lieu of transfers from the public utility realty tax (PURTA) and the utilities gross receipts tax. By provisions of Act 46 of 2003, beginning in fiscal year 2003-04, revenues associated with the 7.6 mills of PURTA, previously transferred to this fund, will remain in the General Fund. Act 138 of 1996 (electric competition) provided for transfers from the utility gross receipts tax to the Public Transportation Assistance Fund beginning in fiscal year 1998-99. Act 46 of 2003 repealed this transfer effective for fiscal year 2003-04 and forward. Certain entities and transactions are exempt from these taxes and fees. With the exception of the fee on tires and the class 4 and above motor carrier tax expenditure, the remaining tax expenditures parallel those in the General Fund sales and use tax expenditures.

**Administrative Costs:** Administrative costs are believed to be nominal.

## MOTOR VEHICLE LEASE TAX AND MOTOR VEHICLE RENTAL FEE

The commonwealth levies a three percent tax on the total price charged for each lease of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

A fee of \$2 per day or portion of a day is imposed on each rental of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

### COMMON CARRIERS

**Description:** Vehicles leased or rented by a public utility, engaged in business as a common carrier, to be used in rendering utility services, are exempt from taxation. Since the enactment of the Federal Aviation Act, effective January 1, 1995, Pennsylvania has recognized contract carriers as common carriers. Household goods carriers and private carriers remain taxable.

**Purpose:** Without this exemption, the tax would be built into the rate base of these types of public utility services and, ultimately, passed on to consumers. Therefore, this exemption reduces the overall cost of utility services that are considered to be basic necessities.

(Dollar Amounts in Millions)

|                   |                               |                |                |                |                |                |                |
|-------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Estimates:</b> | <b>Motor Vehicle Leases:</b>  |                |                |                |                |                |                |
|                   | <u>2013-14</u>                | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA                            | NA             | NA             | NA             | NA             | NA             | NA             |
|                   | <b>Motor Vehicle Rentals:</b> |                |                |                |                |                |                |
|                   | <u>2013-14</u>                | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA                            | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** Approximately 8,300 common carriers could benefit from this tax expenditure.

## SCHOOL BUSES

**Description:** The lease or rental of school buses is exempt from taxation. These buses must be used exclusively for the transportation of children for school purposes. The provision is extended to persons who have contracts with school districts to transport children. For the purposes of this analysis, the majority of these contracts are assumed to be leases.

**Purpose:** The costs of transporting school children are directly borne by school districts and indirectly by state government through subsidy programs. This exemption, while limiting state Public Transportation Assistance Fund revenues, decreases state educational subsidy costs.

(Dollar Amounts in Millions)

|                   |                               |                |                |                |                |                |                |
|-------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <b>Motor Vehicle Leases:</b>  |                |                |                |                |                |                |
|                   | <u>2013-14</u>                | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 2.4                        | \$ 2.4         | \$ 2.4         | \$ 2.4         | \$ 2.4         | \$ 2.4         | \$ 2.4         |
|                   | <b>Motor Vehicle Rentals:</b> |                |                |                |                |                |                |
|                   | <u>2013-14</u>                | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | \$ 0.1                        | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         | \$ 0.1         |

**Beneficiaries:** Approximately 6,300 schools may benefit from this tax expenditure.

## MOTOR CARRIERS (CLASS 4 AND ABOVE)

**Description:** Motor carriers in vehicle classes 4 and above are exempt from the motor vehicle lease tax.

**Purpose:** This exemption benefits those entities engaged in commercial leasing. Presumably, many of these vehicles are operated as common carriers that are normally treated as a utility service.

(Dollar Amounts in Millions)

|                   |                              |                |                |                |                |                |                |
|-------------------|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <b>Motor Vehicle Leases:</b> |                |                |                |                |                |                |
|                   | <u>2013-14</u>               | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | NA                           | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** The owners of approximately 395,000 motor carrier vehicles (class 4 and above) could benefit from this tax expenditure.

## EXEMPT ORGANIZATIONS

**Description:** The lease or rental of personal property to or for use by any charitable organization, volunteer fireman's organization, nonprofit educational institution, or religious organization is exempt from taxation. Transactions unrelated to the trade or business of such organizations are taxable.

**Purpose:** These organizations provide public and charitable services that are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

**Estimates:**

| <b>Motor Vehicle Leases:</b> |                |                |                |                |                |                |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>2013-14</u>               | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
| NA                           | NA             | NA             | NA             | NA             | NA             | NA             |

| <b>Motor Vehicle Rentals:</b> |                |                |                |                |                |                |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>2013-14</u>                | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
| NA                            | NA             | NA             | NA             | NA             | NA             | NA             |

**Beneficiaries:** Approximately 30,700 organizations may benefit from this tax expenditure.

## EXEMPT GOVERNMENTAL UNITS

**Description:** The lease or rental of personal property to or for use by the federal government, the commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent local government tax expenditures.

**Purpose:** This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

**Estimates:**

| <b>Motor Vehicle Leases:</b> |                |                |                |                |                |                |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>2013-14</u>               | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
| \$ 0.9                       | \$ 1.0         | \$ 1.0         | \$ 1.0         | \$ 1.0         | \$ 1.0         | \$ 1.0         |

| <b>Motor Vehicle Rentals:</b> |                |                |                |                |                |                |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>2013-14</u>                | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
| \$ 0.4                        | \$ 0.4         | \$ 0.4         | \$ 0.4         | \$ 0.5         | \$ 0.5         | \$ 0.5         |

**Beneficiaries:** Approximately 3,130 political subdivisions may benefit from this tax expenditure.



## TIRE FEE

The commonwealth imposes a \$1 fee per tire on each sale of new tires intended for highway use.

### EXEMPT GOVERNMENTAL UNITS

*Description:* The sale of new tires to or for use by the federal government, the commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent only local government tax expenditures.

*Purpose:* This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

|                   |                |                |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Estimates:</i> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> |
|                   | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        | Nominal        |

*Beneficiaries:* Approximately 3,130 political subdivisions may benefit from this tax expenditure.



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *DEPARTMENT PRESENTATIONS*

This section provides detailed expenditure information by agency, program and funding source. Each department presentation includes a Summary by Fund and Appropriation, Program Funding Summary, program subcategory information and Program Measures.

The Summary by Fund and Appropriation presentation is organized by fund, character of expenditures, state appropriation and the federal funds, augmentations and other funds that supplement the activities funded by each state appropriation. Three fiscal years are displayed. The Program Funding Summary presents general, special, federal and other funding organized by program subcategory. Each program subcategory includes a program objective, a narrative describing program activities and services, funding recommendations that identify increases or decreases over available year funding, and a list of state appropriations that support the activities within the program. Program Measures is the last section in the agency presentation and is a seven-year presentation of performance measures that identify program activities and outcomes and the impact the proposed budget is expected to have on those activities and outcomes.

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

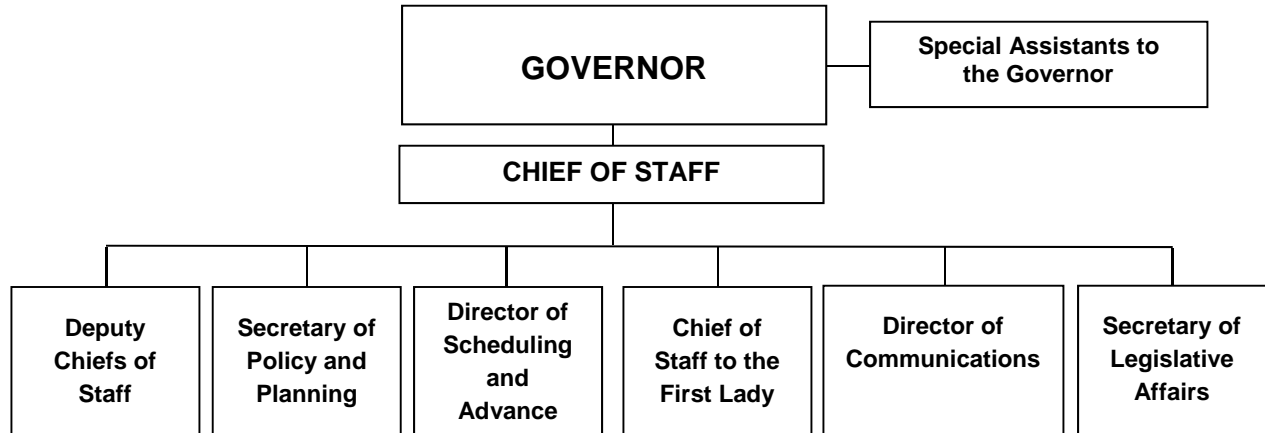
# GOVERNOR'S OFFICE

The governor directs and coordinates the work of state government and guides the programs of the agencies in the direction that ensures compliance with existing law, definable needs and administration goals.

## Programs and Goals

**Executive Direction:** *To provide an effective administrative system through which the substantive program goals of the commonwealth can be accomplished.*

## Organization Overview



- **Deputy Chiefs of Staff** are senior advisors on policy and operations; partner with state agencies to coordinate cohesive strategies that reflect the governor's initiatives; and work with citizens and stakeholders on advancing sound policies in the commonwealth.
- **Secretary of Policy and Planning** coordinates program planning and policy development among the executive branch agencies, and directs and coordinates efforts of the policy offices of the various executive branch agencies.
- **Director of Scheduling and Advance** works closely with the governor to develop and implement the governor's daily schedule; manages all invitations; and advances and staffs each event to ensure that all logistical arrangements are appropriately handled.
- **Chief of Staff to the First Lady** oversees the management of the First Lady's personal initiatives, public events, and outreach projects with governmental agencies and community organizations across the state.
- **Director of Communications** articulates the governor's agenda and actions to the people of Pennsylvania, while responding to inquiries about the Executive branch of state government from news-gathering organizations and from the public. The director oversees the planning and management of the governor's many public undertakings and directs and supervises the communications offices in each of the Executive branch agencies.
- **Secretary of Legislative Affairs** serves as the principal representative of the Office of the Governor in all issues and activities related to the legislative process of the General Assembly. The secretary also serves as a senior policy advisor to the governor.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 67                | 66                | 66                | 68                | 68                |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|-------------------|----------------------|-------------------|
|-------------------|----------------------|-------------------|

**GENERAL FUND:***General Government:*

|                        |          |          |          |
|------------------------|----------|----------|----------|
| Governor's Office..... | \$ 6,429 | \$ 6,508 | \$ 6,498 |
|------------------------|----------|----------|----------|

## Program Funding Summary

(Dollar Amounts in Thousands)

|                            | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|----------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>EXECUTIVE DIRECTION</b> |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....          | \$ 6,429          | \$ 6,508             | \$ 6,498          | \$ 6,725             | \$ 6,893             | \$ 7,065             | \$ 7,242             |
| SPECIAL FUNDS.....         | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....         | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....           | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| SUBCATEGORY TOTAL.....     | <u>\$ 6,429</u>   | <u>\$ 6,508</u>      | <u>\$ 6,498</u>   | <u>\$ 6,725</u>      | <u>\$ 6,893</u>      | <u>\$ 7,065</u>      | <u>\$ 7,242</u>      |
| <b>ALL PROGRAMS:</b>       |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....          | \$ 6,429          | \$ 6,508             | \$ 6,498          | \$ 6,725             | \$ 6,893             | \$ 7,065             | \$ 7,242             |
| SPECIAL FUNDS.....         | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....         | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....           | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| DEPARTMENT TOTAL.....      | <u>\$ 6,429</u>   | <u>\$ 6,508</u>      | <u>\$ 6,498</u>   | <u>\$ 6,725</u>      | <u>\$ 6,893</u>      | <u>\$ 7,065</u>      | <u>\$ 7,242</u>      |

## Program: Executive Direction

*Goal: To provide an effective administrative system through which the substantive program goals of the commonwealth can be accomplished.*

The Pennsylvania Constitution vests the executive authority of the commonwealth in the governor. It is the duty of the governor to ensure that the laws of the commonwealth are faithfully executed. The governor also oversees the publication of public information including bulletins of the work of state government. The governor submits an annual budget to the general assembly and performs all other functions required of this office as delegated by the State Constitution and in law.

This program also provides for the governor's residence. The residence is used for state functions and is available as a domicile for the governor and the first family. The expenses for official functions, as well as those essential to managing a household, are paid from the Governor's Office appropriation. The maintenance of the residence is primarily the responsibility of the Department of General Services. Equipment, supplies (except food) and housekeeping services are provided by the department.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -10 **Governor's Office**  
—reduction in administrative costs.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                         | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>    |                   |                      |                   |                      |                      |                      |                      |
| Governor's Office ..... | \$ 6,429          | \$ 6,508             | \$ 6,498          | \$ 6,725             | \$ 6,893             | \$ 7,065             | \$ 7,242             |



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# EXECUTIVE OFFICES

*The mission of the Executive Offices is to assist the governor in the administration of state government.*

The Office of Administration performs central management duties and provides coordinated information technology strategies. The Office of the Budget performs central financial management duties, prepares the annual Governor's Executive Budget and provides comptroller services for all commonwealth agencies. The Office of General Counsel provides legal counsel for state agencies. The Inspector General investigates suspected improper use of state resources and recovers funds disbursed as a result of welfare benefits fraud or overpayment. The Human Relations Commission promotes equal opportunities in employment, housing, public accommodations and education. The Council on the Arts promotes the development of the arts in Pennsylvania. The Commission on Crime and Delinquency provides criminal justice system planning and technical assistance and financial assistance to crime victims. The Juvenile Court Judges' Commission provides technical and financial assistance to county court juvenile probation programs.

## **Programs and Goals**

**Executive Direction:** *To provide an effective administrative system through which the substantive programs of the commonwealth can be achieved.*

**Legal Services:** *To provide legal advice to the governor and the cabinet, and to supervise, coordinate and administer legal services for the commonwealth.*

**Prevention and Elimination of Discriminatory Practices:** *To ensure equal opportunities and participation for all individuals regardless of race, religion, color, creed, handicap or disability, ancestry, national origin, familial status, age or sex in all areas of employment, housing, credit, commercial property, public accommodations and education.*

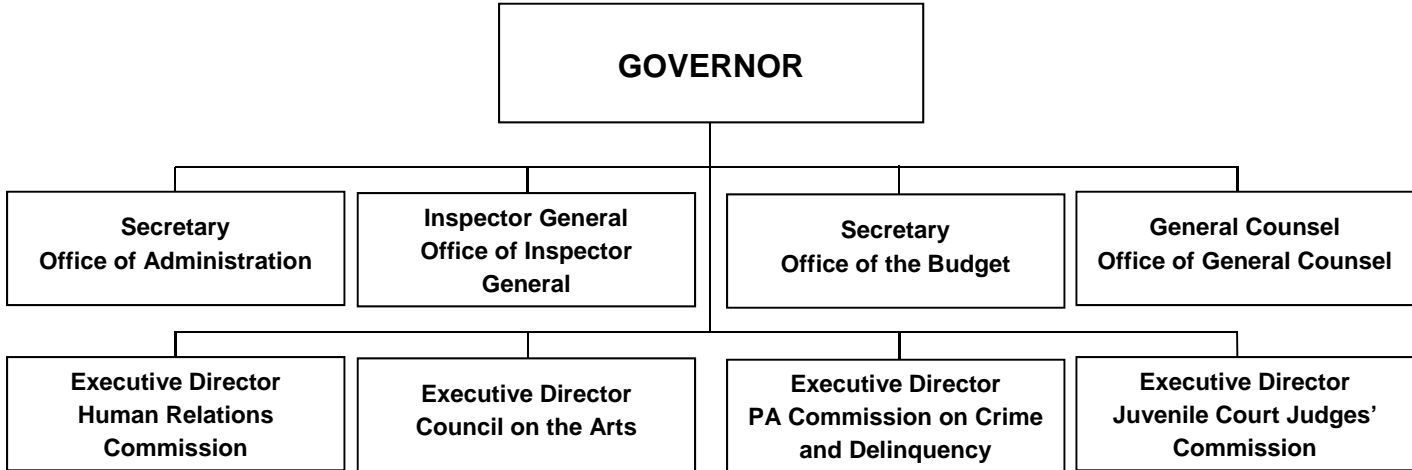
**Development of Artists and Audiences:** *To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.*

**Criminal and Juvenile Justice Planning and Coordination:** *To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.*

**Reintegration of Juvenile Delinquents:** *To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.*

---

## Organization Overview



- **Office of Administration** directs the commonwealth's deployment of technology, human resources for employees, and the planning and coordination among state agencies to ensure critical government services continue during emergencies.
- **Inspector General** oversees the prevention, investigation, and eradication of fraud, waste, abuse and misconduct in the programs, operations, and contracting of executive agencies under the Governor's jurisdiction.
- **Office of the Budget** oversees the preparation and implementation of the state budget, and the commonwealth's uniform accounting, payroll and financial reporting systems.
- **General Counsel** oversees the legal representation of 36 executive and independent agencies across the commonwealth.
- **Human Relations Commission** is responsible for enforcing state laws that prohibit discrimination.
- **Council on the Arts** oversees the administration of the Council's funding programs, partnerships, initiatives and provides assistance to the commonwealth's arts organizations, art programs and individual artists as well as the general public.
- **PA Commission on Crime and Delinquency** oversees the commission's efforts to initiate, validate, and financially support justice-related programs put forth by practitioners and experts in the justice system.
- **Juvenile Court Judges' Commission** oversees the development and improvement of juvenile probation services throughout the commonwealth.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2,106             | 2,066             | 2,042             | 1,887             | 1,789             |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|-------------------|----------------------|-------------------|
|-------------------|----------------------|-------------------|

**GENERAL FUND:****General Government:**

|   |                   |                  |                   |
|---|-------------------|------------------|-------------------|
| <b>Office of Administration</b> .....                       | <b>\$ 7,907</b>   | <b>\$ 8,267</b>  | <b>\$ 8,598</b>   |
| (A)Classification and Pay Services.....                     | 2,888             | 2,888            | 2,888             |
| (A)Benefit Administration.....                              | 449               | 600              | 600               |
| (A)Workplace Support Division (SEAP).....                   | 2,916             | 2,910            | 2,910             |
| (A)Temporary Clerical Pool.....                             | 4,612             | 5,230            | 5,230             |
| (A)Governor's Innovation Office.....                        | 2,193             | 2,178            | 2,178             |
| (A)CDL Drug and Alcohol Testing.....                        | 282               | 345              | 275               |
| (A)Labor Relations.....                                     | 1,664             | 1,864            | 1,864             |
| (A)Managing for Government Responsiveness Training.....     | 134               | 325              | 325               |
| (A)Group Life Insurance Program Commissions.....            | 100               | 100              | 100               |
| (A)Leadership Development Institute.....                    | 77                | 80               | 80                |
| (A)HR Shared Services Center.....                           | 7,575             | 7,981            | 7,981             |
| (A)PHMC Personnel Services.....                             | 100               | 100              | 100               |
| Subtotal.....   | <b>\$ 30,897</b>  | <b>\$ 32,868</b> | <b>\$ 33,129</b>  |
| <b>Office of the Receiver - City of Harrisburg</b> .....    | <b>2,000</b>      | <b>0</b>         | <b>0</b>          |
| <b>Medicare Part B Penalties</b> .....                      | <b>291</b>        | <b>200</b>       | <b>175</b>        |
| <b>Commonwealth Technology Services</b> .....               | <b>49,833</b>     | <b>54,768</b>    | <b>65,568</b>     |
| (F)ARRA - Broadband Technology Opportunities.....           | 16,418            | 0                | 0                 |
| (F)ARRA - Broadband Technology Opportunities - Mapping..... | 5,155             | 3,655            | 0                 |
| (F)NSTIC Grant.....   | 1,100             | 225              | 0                 |
| (F)J-NET Infrastructure Support (EA).....                   | 163               | 0                | 0                 |
| (F)Information Sharing Initiative.....                      | 0                 | 246 <sup>a</sup> | 246               |
| (A)Integrated Enterprise System.....                        | 41,099            | 39,307           | 36,601            |
| (A)Project Management Resources.....                        | 2                 | 25               | 25                |
| (A)Shared Service Delivery.....                             | 229               | 417              | 417               |
| Subtotal.....   | <b>\$ 113,999</b> | <b>\$ 98,643</b> | <b>\$ 102,857</b> |
| <b>Technology Innovation Investment Fund</b> .....          | <b>4,200</b>      | <b>0</b>         | <b>0</b>          |
| <b>Office of Inspector General</b> .....                    | <b>3,762</b>      | <b>4,152</b>     | <b>4,152</b>      |
| (A)Reimbursements for Special Fund Investigations.....      | 1,111             | 1,111            | 1,111             |
| Subtotal.....   | <b>\$ 4,873</b>   | <b>\$ 5,263</b>  | <b>\$ 5,263</b>   |
| <b>Inspector General - Welfare Fraud</b> .....              | <b>10,971</b>     | <b>12,705</b>    | <b>12,705</b>     |
| (F)TANFBG - Program Accountability.....                     | 1,141             | 1,500            | 1,500             |
| (F)Food Stamps - Program Accountability.....                | 6,045             | 7,000            | 7,000             |
| (F)Medical Assistance - Program Accountability.....         | 3,049             | 4,200            | 4,200             |
| (F)CCDFBG - Subsidized Day Care Fraud.....                  | 558               | 905              | 905               |
| Subtotal.....   | <b>\$ 21,764</b>  | <b>\$ 26,310</b> | <b>\$ 26,310</b>  |
| <b>Office of the Budget</b> .....                           | <b>18,351</b>     | <b>18,692</b>    | <b>18,642</b>     |
| (A)Support for Commonwealth Payroll Operations.....         | 6,253             | 5,997            | 6,281             |
| (A)BOA - Single Audit.....                                  | 668               | 471              | 670               |
| (A)Comptroller Single Audit.....                            | 3,947             | 2,658            | 2,675             |
| (A)Support for PLCB Comptroller's Office.....               | 4,403             | 5,053            | 5,419             |
| (A)Support for Comptroller Services.....                    | 30,610            | 31,277           | 31,722            |
| (A)OAS Support Services.....                                | 80                | 148              | 148               |
| Subtotal.....   | <b>\$ 64,312</b>  | <b>\$ 64,296</b> | <b>\$ 65,557</b>  |
| <b>Audit of the Auditor General</b> .....                   | <b>0</b>          | <b>99</b>        | <b>0</b>          |
| <b>Office of General Counsel</b> .....                      | <b>3,202</b>      | <b>3,230</b>     | <b>3,230</b>      |
| (A)CLE Registration Fees.....                               | 87                | 78               | 78                |
| (A)USTIF Settlement.....                                    | 0                 | 100              | 251               |
| Subtotal.....   | <b>\$ 3,289</b>   | <b>\$ 3,408</b>  | <b>\$ 3,559</b>   |
| <b>Human Relations Commission</b> .....                     | <b>9,222</b>      | <b>9,256</b>     | <b>9,588</b>      |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| (F)EEOC - Special Project Grant.....                               | 1,560             | 1,562                | 1,562             |
| (F)HUD - Special Project Grant.....                                | 488               | 1,046                | 1,046             |
| (A)Miscellaneous Revenues.....                                     | 9                 | 0                    | 0                 |
| Subtotal.....  | \$ 11,279         | \$ 11,864            | \$ 12,196         |
| <b>Council on the Arts.....</b>                                    | <b>859</b>        | <b>898</b>           | <b>898</b>        |
| (F)NEA - Grants to the Arts - Administration.....                  | 603               | 684                  | 736               |
| Subtotal.....  | \$ 1,462          | \$ 1,582             | \$ 1,634          |
| <b>Juvenile Court Judges Commission.....</b>                       | <b>2,633</b>      | <b>2,800</b>         | <b>2,961</b>      |
| (F)ARRA - JCMS Support & Deployment (EA).....                      | 124               | 0                    | 0                 |
| Subtotal.....  | \$ 2,757          | \$ 2,800             | \$ 2,961          |
| <b>Commission on Crime and Delinquency.....</b>                    | <b>5,392</b>      | <b>4,007</b>         | <b>4,012</b>      |
| (F)Plan for Juvenile Justice.....                                  | 250               | 200                  | 150               |
| (F)Justice Assistance Grants.....                                  | 20,000            | 18,000               | 15,000            |
| (F)ARRA - Justice Assistance Grants.....                           | 6,000             | 0                    | 0                 |
| (F)Justice Assistance Grants - Administration.....                 | 1,700             | 1,500                | 1,300             |
| (F)ARRA - Justice Assistance Grants - Administration.....          | 1,200             | 0                    | 0                 |
| (F)Juvenile Justice - Title V.....                                 | 150               | 300                  | 0                 |
| (F)Statistical Analysis Center.....                                | 150               | 150                  | 150               |
| (F)Criminal Identification Technology.....                         | 800               | 800                  | 500               |
| (F)Crime Victims Compensation Services.....                        | 7,500             | 8,500                | 8,500             |
| (F)Crime Victims Assistance.....                                   | 20,000            | 20,000               | 40,000            |
| (F)Violence Against Women.....                                     | 5,500             | 6,000                | 6,000             |
| (F)Violence Against Women - Administration.....                    | 500               | 500                  | 600               |
| (F)Residential Substance Abuse Treatment Program.....              | 900               | 1,300                | 1,300             |
| (F)Crime Victims Assistance (VOCA) - Admin/Operations.....         | 1,300             | 1,400                | 2,000             |
| (F)Assault Services Program.....                                   | 500               | 500                  | 500               |
| (F)Second Chance Act - Juvenile Offender Reentry.....              | 200               | 0                    | 0                 |
| (F)Juvenile Accountability Incentive Program.....                  | 3,000             | 3,000                | 500               |
| (F)Juvenile Accountability Incentive Program - Administration..... | 100               | 100                  | 50                |
| (F)Combat Underage Drinking Program.....                           | 800               | 500                  | 100               |
| (F)Juvenile Justice and Delinquency Prevention.....                | 4,500             | 4,500                | 3,000             |
| (F)Project Safe Neighborhoods.....                                 | 600               | 700                  | 700               |
| (F)Forensic Science Program.....                                   | 800               | 1,000                | 1,000             |
| (F)Statewide Automated Victim Information Notification.....        | 1,000             | 500                  | 0                 |
| (F)Adam Walsh Implementation Support.....                          | 400               | 400                  | 400               |
| (F)Byrne Competitive Program.....                                  | 500               | 1,000                | 2,000             |
| (F)Crime Victim Compensation Initiative.....                       | 250               | 0                    | 0                 |
| (F)Vision 21 State Technology.....                                 | 0                 | 250                  | 250               |
| (F)Juvenile Delinquency Court Improvement Initiative.....          | 500               | 0                    | 0                 |
| (F)NICCS Act Record Improvement Program.....                       | 500               | 0                    | 0                 |
| (F)Community Strategic Planning Demonstration Project.....         | 36                | 0                    | 0                 |
| (F)Pennsylvania Capital Litigation Training Program.....           | 375               | 0                    | 0                 |
| (F)Youth Promise Act.....  | 1,000             | 0                    | 0                 |
| (F)Prosecutor and Defender Incentives.....                         | 500               | 350                  | 350               |
| (F)Juvenile Justice Innovation Fund.....                           | 500               | 0                    | 0                 |
| (F)Sex Offender Registration and Notification.....                 | 800               | 1,000                | 1,000             |
| (F)Children's Justice Act (EA).....                                | 266               | 266                  | 266               |
| (F)Veterans Jail Diversion (EA).....                               | 0                 | 201                  | 394               |
| (A)External Grants Non-governmental.....                           | 25                | 20                   | 0                 |
| (A)Interagency MOUs.....   | 0                 | 1,500                | 500               |
| Subtotal.....  | \$ 88,494         | \$ 78,444            | \$ 90,522         |
| <b>Victims of Juvenile Offenders.....</b>                          | <b>1,300</b>      | <b>1,300</b>         | <b>1,300</b>      |
| <b>Child Advocacy Centers.....</b>                                 | <b>0</b>          | <b>2,250</b>         | <b>0</b>          |
| (R)Children's Advocacy Centers.....                                | 417               | 0                    | 2,700             |
| <b>Violence Prevention Programs.....</b>                           | <b>4,555</b>      | <b>4,567</b>         | <b>3,867</b>      |
| (A)Interagency MOUs.....   | 1,905             | 3,586                | 2,678             |
| Subtotal.....  | \$ 6,877          | \$ 8,153             | \$ 9,245          |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET     |
|---|-------------------|----------------------|-----------------------|
| Subtotal - State Funds.....                                     | \$ 124,478        | \$ 127,191           | \$ 135,696            |
| Subtotal - Federal Funds.....                                   | 119,481           | 93,940               | 103,205               |
| Subtotal - Augmentations.....                                   | 113,418           | 116,349              | 113,107               |
| Subtotal - Restricted Revenues.....                             | 417               | 0                    | 2,700                 |
| Total - General Government.....                                 | \$ 357,794        | \$ 337,480           | \$ 354,708            |
| <b>Grants and Subsidies:</b>                                    |                   |                      |                       |
| Intermediate Punishment Treatment Programs.....                 | \$ 16,852         | \$ 18,167            | \$ 18,167             |
| Juvenile Probation Services.....                                | 18,945            | 18,945               | 18,945                |
| Grants to the Arts.....   | 8,179             | 8,590                | 10,590                |
| (F)NEA - Grants to the Arts.....                                | 285               | 400                  | 348                   |
| Subtotal.....   | \$ 8,464          | \$ 8,990             | \$ 10,938             |
| Subtotal - State Funds.....                                     | \$ 43,976         | \$ 45,702            | \$ 47,702             |
| Subtotal - Federal Funds.....                                   | 285               | 400                  | 348                   |
| Total - Grants and Subsidies.....                               | \$ 44,261         | \$ 46,102            | \$ 48,050             |
| STATE FUNDS.....  | \$ 168,454        | \$ 172,893           | \$ 183,398            |
| FEDERAL FUNDS.....  | 119,766           | 94,340               | 103,553               |
| AUGMENTATIONS.....  | 113,418           | 116,349              | 113,107               |
| RESTRICTED REVENUES.....  | 417               | 0                    | 2,700                 |
| <b>GENERAL FUND TOTAL.....</b>                                  | <b>\$ 402,055</b> | <b>\$ 383,582</b>    | <b>\$ 402,758</b>     |
| <b>MOTOR LICENSE FUND:</b>                                      |                   |                      |                       |
| <b>General Government:</b>                                      |                   |                      |                       |
| Commonwealth Technology Services.....                           | \$ 2,229          | \$ 1,371             | \$ 1,401              |
| <b>OTHER FUNDS:</b>   |                   |                      |                       |
| <b>GENERAL FUND:</b>  |                   |                      |                       |
| Victim/Witness Services.....                                    | \$ 6,518          | \$ 6,591             | \$ 6,335              |
| Crime Victims Reimbursements.....                               | 10,599            | 10,849               | 12,996                |
| Constables Education and Training Account.....                  | 3,079             | 2,939                | 2,640                 |
| Luzerne County Youth Settlement.....                            | 1,047             | 410                  | 45                    |
| Sheriff & Deputy Sheriff Education and Training Account.....    | 9,543             | 4,540                | 5,544                 |
| GENERAL FUND TOTAL.....   | \$ 30,786         | \$ 25,329            | \$ 27,560             |
| <b>HOMEOWNER ASSISTANCE SETTLEMENT FUND:</b>                    |                   |                      |                       |
| Transfer to Access to Justice Account.....                      | \$ 600            | \$ 600               | \$ 0                  |
| <b>JUSTICE REINVESTMENT FUND:</b>                               |                   |                      |                       |
| Victim Services.....  | \$ 31             | \$ 708 <sup>b</sup>  | \$ 1,000 <sup>c</sup> |
| Innovative Policing Grants.....                                 | 0                 | 0                    | 16                    |
| County Probation Grants.....                                    | 0                 | 0                    | 10                    |
| JUSTICE REINVESTMENT FUND TOTAL.....                            | \$ 31             | \$ 708               | \$ 1,026              |
| <b>MONETARY PENALTY ENDOWMENTS TRUST FUND:</b>                  |                   |                      |                       |
| NCAA-Penn State Settlement.....                                 | \$ 0              | \$ 0                 | \$ 4,800              |
| <b>SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND:</b>     |                   |                      |                       |
| Substance Abuse Education & Demand Reduction Programs (EA)..... | \$ 8,000          | \$ 8,000             | \$ 8,000              |
| Substance Abuse Education & Demand Reduction - Admin (EA).....  | 250               | 300                  | 300                   |
| SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND TOTAL.....  | \$ 8,250          | \$ 8,300             | \$ 8,300              |
| DEPARTMENT TOTAL - ALL FUNDS                                    |                   |                      |                       |
| GENERAL FUND.....   | \$ 168,454        | \$ 172,893           | \$ 183,398            |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|                             | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|-----------------------------|-------------------|----------------------|-------------------|
| SPECIAL FUNDS.....          | 2,229             | 1,371                | 1,401             |
| FEDERAL FUNDS.....          | 119,766           | 94,340               | 103,553           |
| AUGMENTATIONS.....          | 113,418           | 116,349              | 113,107           |
| RESTRICTED.....             | 417               | 0                    | 2,700             |
| OTHER FUNDS.....            | 39,667            | 34,937               | 41,686            |
| <b>TOTAL ALL FUNDS.....</b> | <b>\$ 443,951</b> | <b>\$ 419,890</b>    | <b>\$ 445,845</b> |

<sup>a</sup> Includes recommended supplemental appropriation of \$246,000.

<sup>b</sup> 2014-15 Available includes recommended increase to executive authorization of \$409,000.

<sup>c</sup> Act 196 of 2012 requires that funding be appropriated beginning in 2015-16.

## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>EXECUTIVE DIRECTION</b>   |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....  | \$ 97,315         | \$ 98,883            | \$ 109,840        | \$ 102,490           | \$ 105,136           | \$ 107,649           | \$ 110,327           |
| SPECIAL FUNDS.....   | 2,229             | 1,371                | 1,401             | 1,450                | 1,486                | 1,523                | 1,561                |
| FEDERAL FUNDS.....   | 33,629            | 17,731               | 13,851            | 13,605               | 13,605               | 13,605               | 13,605               |
| OTHER FUNDS.....   | 111,392           | 111,065              | 109,600           | 109,600              | 109,600              | 109,600              | 109,600              |
| SUBCATEGORY TOTAL.....   | <u>\$ 244,565</u> | <u>\$ 229,050</u>    | <u>\$ 234,692</u> | <u>\$ 227,145</u>    | <u>\$ 229,827</u>    | <u>\$ 232,377</u>    | <u>\$ 235,093</u>    |
| <b>LEGAL SERVICES</b>  |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....  | \$ 3,202          | \$ 3,230             | \$ 3,230          | \$ 3,799             | \$ 3,894             | \$ 3,991             | \$ 4,091             |
| SPECIAL FUNDS.....   | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....   | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....   | 87                | 178                  | 329               | 274                  | 78                   | 78                   | 78                   |
| SUBCATEGORY TOTAL.....   | <u>\$ 3,289</u>   | <u>\$ 3,408</u>      | <u>\$ 3,559</u>   | <u>\$ 4,073</u>      | <u>\$ 3,972</u>      | <u>\$ 4,069</u>      | <u>\$ 4,169</u>      |
| <b>PREVENTION AND ELIMINATION OF<br/>DISCRIMINATORY PRACTICES</b>  |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....  | \$ 9,222          | \$ 9,256             | \$ 9,588          | \$ 9,924             | \$ 10,172            | \$ 10,426            | \$ 10,687            |
| SPECIAL FUNDS.....   | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....   | 2,048             | 2,608                | 2,608             | 2,608                | 2,608                | 2,608                | 2,608                |
| OTHER FUNDS.....   | 609               | 600                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| SUBCATEGORY TOTAL.....   | <u>\$ 11,879</u>  | <u>\$ 12,464</u>     | <u>\$ 12,196</u>  | <u>\$ 12,532</u>     | <u>\$ 12,780</u>     | <u>\$ 13,034</u>     | <u>\$ 13,295</u>     |
| <b>DEVELOPMENT OF ARTISTS AND AUDIENCES</b>                        |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....  | \$ 9,038          | \$ 9,488             | \$ 11,488         | \$ 11,519            | \$ 11,542            | \$ 11,566            | \$ 11,590            |
| SPECIAL FUNDS.....   | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....   | 888               | 1,084                | 1,084             | 1,084                | 1,084                | 1,084                | 1,084                |
| OTHER FUNDS.....   | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| SUBCATEGORY TOTAL.....   | <u>\$ 9,926</u>   | <u>\$ 10,572</u>     | <u>\$ 12,572</u>  | <u>\$ 12,603</u>     | <u>\$ 12,626</u>     | <u>\$ 12,650</u>     | <u>\$ 12,674</u>     |
| <b>CRIMINAL AND JUVENILE JUSTICE PLANNING<br/>AND COORDINATION</b> |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....  | \$ 28,099         | \$ 30,291            | \$ 27,346         | \$ 27,486            | \$ 27,590            | \$ 27,696            | \$ 27,805            |
| SPECIAL FUNDS.....   | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....   | 83,077            | 72,917               | 86,010            | 86,010               | 86,010               | 86,010               | 86,010               |
| OTHER FUNDS.....   | 41,414            | 39,443               | 47,564            | 47,656               | 48,970               | 46,493               | 46,493               |
| SUBCATEGORY TOTAL.....   | <u>\$ 152,590</u> | <u>\$ 142,651</u>    | <u>\$ 160,920</u> | <u>\$ 161,152</u>    | <u>\$ 162,570</u>    | <u>\$ 160,199</u>    | <u>\$ 160,308</u>    |



## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>REINTEGRATION OF JUVENILE DELINQUENTS</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                            | \$ 21,578                | \$ 21,745                | \$ 21,906                | \$ 22,010                | \$ 22,087                | \$ 22,166                | \$ 22,247                |
| SPECIAL FUNDS.....                           | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                           | 124                      | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....                             | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| SUBCATEGORY TOTAL.....                       | <u>\$ 21,702</u>         | <u>\$ 21,745</u>         | <u>\$ 21,906</u>         | <u>\$ 22,010</u>         | <u>\$ 22,087</u>         | <u>\$ 22,166</u>         | <u>\$ 22,247</u>         |
| <b>ALL PROGRAMS:</b>                         |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                            | \$ 168,454               | \$ 172,893               | \$ 183,398               | \$ 177,228               | \$ 180,421               | \$ 183,494               | \$ 186,747               |
| SPECIAL FUNDS.....                           | 2,229                    | 1,371                    | 1,401                    | 1,450                    | 1,486                    | 1,523                    | 1,561                    |
| FEDERAL FUNDS.....                           | 119,766                  | 94,340                   | 103,553                  | 103,307                  | 103,307                  | 103,307                  | 103,307                  |
| OTHER FUNDS.....                             | 153,502                  | 151,286                  | 157,493                  | 157,530                  | 158,648                  | 156,171                  | 156,171                  |
| DEPARTMENT TOTAL.....                        | <u><u>\$ 443,951</u></u> | <u><u>\$ 419,890</u></u> | <u><u>\$ 445,845</u></u> | <u><u>\$ 439,515</u></u> | <u><u>\$ 443,862</u></u> | <u><u>\$ 444,495</u></u> | <u><u>\$ 447,786</u></u> |

## Program: Executive Direction

*Goal: To provide an effective administrative system through which the substantive programs of the commonwealth can be executed.*

The Executive Direction program provides administrative support and policy direction for implementing, maintaining and monitoring the substantive programs of the commonwealth.

### **Program Element: Administration**

The Office of Administration (OA) was established within the Governor's Office in 1955. OA provides policy direction and support to all commonwealth agencies for human resources, information technology, continuity of government, records/directives management, diversity management and strategic enhancements to help improve the results, reduce costs, and enhance customer service of all agencies under the governor's jurisdiction.

The Office of Human Resource Management provides policy direction and support for centralized human resource services ensuring equity by maintaining classification, pay, benefits, workers compensation systems, negotiating and administering bargaining agreements, recruiting all non-civil service positions, training in management and supervisory skills and administering equal employment opportunity programs for all agencies under the governor's jurisdiction.

The Governor's Office of Transformation, Innovation, Management and Efficiency leverages inter-agency coordination and collaboration to maximize efficiency and modernize state government operations.

The Office of Continuity of Government ensures continuance of essential government services during or shortly after a disruption or emergency. It serves as a liaison to independent agencies, the legislature and the judiciary.

The Office of Records Enterprise Records/Directive Management provides comprehensive statements of policy and procedures on matters that affect agencies and employees of the executive branch.

### **Program Element: Information Technology**

The Office for Information Technology is responsible for developing and administering statewide policies and standards governing the management and use of the commonwealth's information technology resources.

The Office of Enterprise Services is responsible for the commonwealth's Managed Services Division, a state of the art, highly secure computing environment that houses and maintains servers and storage for commonwealth agencies. This office also manages the delivery of shared services such as email, help desk operations, the Statewide Telecommunications Network, security and technology support to commonwealth agencies.

The Office of Enterprise Policy, Planning and

Performance Management builds and maintains enterprise applications, develops web-based applications, provides enterprise application shared services, and maintains the commonwealth's enterprise web portal. Additionally, this group manages the Integrated Enterprise System (IES) which provides core budget, finance, human resources, payroll, procurement and reporting functionality to commonwealth agencies. The IES team works directly with business owner agencies (Office of the Budget, Department of General Services and the Office of Administration) to refine business processes and system operating efficiencies.

The Pennsylvania Justice Network (JNET) Office provides an online environment for authorized users to access public safety and criminal justice information. JNET is the commonwealth's primary public safety and criminal justice information broker providing an integrated, secure justice portal to the criminal justice community.

The Office of Technology Investment Management is responsible for reviewing investments in current and future technology while making sure that our investments are yielding results that meet business objectives and are delivered in a manner consistent with best practices.

### **Program Element: Fraud Detection and Prevention**

The Office of Inspector General (OIG) is responsible to detect, deter and eradicate fraud and waste of state resources and misconduct by state employees; keep the governor fully informed of problems and deficiencies in executive agencies; and help ensure that executive agencies operate efficiently, with integrity and in accordance with applicable laws and regulations. This office also conducts investigations into suspected welfare fraud and abuse for welfare programs administered by the Department of Human Services. The collection activities involve the recovery of benefits provided due to clerical errors, omissions or inaccurate information supplied by applicants, and in the case of Medical Assistance, charges for services exceeding allowable amounts. In addition, OIG recovers the cost of benefits provided to recipients who are eligible for Supplemental Security Income, tort recoveries, unemployment compensation, workers' compensation and veterans' benefits.

### **Program Element: Commonwealth Budget and Accounting**

The Office of the Budget assists the governor in formulating fiscal policies and procedures and in preparing the commonwealth budget for delivery to the General Assembly. The office establishes authorized complement levels for agencies under the governor's jurisdiction. The

## Program: Executive Direction (continued)

office also prepares fiscal notes and reviews proposed regulations.

In addition, Comptroller Operations within the Office of the Budget provides accounting, auditing and financial

advisory and supportive services to all commonwealth agencies and is responsible for the publishing of the Comprehensive Annual Financial Report.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|                     |   |  |        |  |  |
|---------------------|---|--|--------|--|--|
| <b>GENERAL FUND</b> |   |  |        |  |  |
|                     | <b>Office of Administration</b>   |  |        | <b>Audit of Auditor General</b>  |  |
| \$ 331              | —to continue current program.   |  | \$ -99 | —triennial audit of the Department of the Auditor General.                   |  |
|                     | <b>Medicare B Penalties</b>   |  |        |  |  |
| \$ -25              | —reduced program requirement.   |  |        | All other appropriations are recommended at the current year funding levels. |  |
|                     | <b>Commonwealth Technology Services</b>   |  |        | <b>MOTOR LICENSE FUND</b>  |  |
| \$ 10,800           | —Initiative—Information Technology Investments. To fund enterprise investments to improve the commonwealth's information technology infrastructure. |  | \$ 30  | <b>Commonwealth Technology Services</b>                                      |  |
|                     |   |  |        | —to continue current program.  |  |
|                     | <b>Office of Budget</b>   |  |        |  |  |
| \$ -50              | —reduction in administrative costs.   |  |        |  |  |

This budget appropriates Public Employees Retirement Commission in Government Support Agencies.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14          | 2014-15          | 2015-16           | 2016-17           | 2017-18           | 2018-19           | 2019-20           |
|--|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>GENERAL FUND:</b>                             |                  |                  |                   |                   |                   |                   |                   |
| Office of Administration.....                    | \$ 7,907         | \$ 8,267         | \$ 8,598          | \$ 8,899          | \$ 9,121          | \$ 9,349          | \$ 9,583          |
| Office of the Receiver - City of Harrisburg..... | 2,000            | 0                | 0                 | 0                 | 0                 | 0                 | 0                 |
| Medicare Part B Penalties.....                   | 291              | 200              | 175               | 165               | 155               | 145               | 135               |
| Commonwealth Technology Services.....            | 49,833           | 54,768           | 65,568            | 56,685            | 58,102            | 59,555            | 61,044            |
| Technology Innovation Investment Fund.....       | 4,200            | 0                | 0                 | 0                 | 0                 | 0                 | 0                 |
| Office of Inspector General.....                 | 3,762            | 4,152            | 4,152             | 4,297             | 4,404             | 4,514             | 4,627             |
| Inspector General - Welfare Fraud.....           | 10,971           | 12,705           | 12,705            | 13,150            | 13,479            | 13,816            | 14,161            |
| Office of the Budget.....                        | 18,351           | 18,692           | 18,642            | 19,294            | 19,776            | 20,270            | 20,777            |
| Audit of the Auditor General.....                | 0                | 99               | 0                 | 0                 | 99                | 0                 | 0                 |
| <b>TOTAL GENERAL FUND.....</b>                   | <b>\$ 97,315</b> | <b>\$ 98,883</b> | <b>\$ 109,840</b> | <b>\$ 102,490</b> | <b>\$ 105,136</b> | <b>\$ 107,649</b> | <b>\$ 110,327</b> |
| <b>MOTOR LICENSE FUND:</b>                       |                  |                  |                   |                   |                   |                   |                   |
| Commonwealth Technology Services.....            | \$ 2,229         | \$ 1,371         | \$ 1,401          | \$ 1,450          | \$ 1,486          | \$ 1,523          | \$ 1,561          |

## Program: Legal Services

*Goal: To provide legal advice to the governor and the cabinet, and to supervise, coordinate and administer legal services for the commonwealth.*

The Office of General Counsel (OGC) was created by Act 164 of 1980. The general counsel serves as the chief legal advisor to the governor, heads the Office of General Counsel, and appoints deputies general counsel, chief counsel and assistant counsel to assist in the performance of the responsibilities of OGC. The office represents the commonwealth, the governor, members of his cabinet, and more than 30 agencies that conduct the business of the commonwealth. This includes rendering legal advice and representation concerning matters and issues arising in connection with the operation of executive agencies under the governor's jurisdiction. The office also reviews and approves for form and legality all commonwealth deeds, leases, contracts, rules and regulations. The office provides advice to the governor on pending legislative matters and issues and reviews for constitutionality and legality all legislation presented to the governor for approval.

OGC is responsible for initiating appropriate actions or defending the commonwealth when the attorney general declines to initiate appropriate proceedings or delegates that responsibility to OGC. Upon request by the governor, the office also has the authority to intervene in any action by or against an agency under the governor's jurisdiction.

The general counsel administers the operations of the Juvenile Court Judges' Commission and supervises the legal representation for this agency as well as all other state agencies with legal staff assigned therein.

In addition, the general counsel serves as a member of the Board of Commissioners on Uniform State Laws, the Pennsylvania Emergency Management Agency, the Joint Committee on Documents, the Board of Property, the Local Government Records Committee, the Medical Advisory Board, the Board of Finance and Revenue and the Civil Disorder Commission.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

#### Office of General Counsel

Office of General Counsel is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                 | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>            |                   |                      |                   |                      |                      |                      |                      |
| Office of General Counsel ..... | \$ 3,202          | \$ 3,230             | \$ 3,230          | \$ 3,799             | \$ 3,894             | \$ 3,991             | \$ 4,091             |

## Program: Prevention and Elimination of Discriminatory Practices

*Goal: To ensure equal opportunities and participation for all individuals regardless of race, religion, color, creed, handicap or disability, ancestry, national origin, familial status, age or sex in all areas of employment, housing, credit, commercial property, public accommodations and education.*

The Human Relations Commission is a law enforcement agency responsible for identifying, preventing and eliminating illegal discriminatory practices as defined by the Pennsylvania Human Relations Act and the Pennsylvania Fair Educational Opportunities Act. The two principal methods used by the commission to secure compliance with the law are processing complaints of discrimination that might result in legal proceedings being initiated and providing educational and technical assistance to organizations, businesses, governmental bodies and individuals intended to inform the public of the statutory protections offered and promote voluntary compliance. Processing formal complaints continues to be the major activity of the commission.

Substantial resources are also devoted to providing technical assistance to anyone who requests guidance in avoiding illegal discriminatory acts. The commission coordinates the state's response to racial and ethnic tensions and trains law enforcement officials and local government and community leaders on appropriate

responses. The commission is also involved with major outreach programs to provide information to community leaders and public officials regarding the processes and procedures found in the Pennsylvania Human Relations Act and the Pennsylvania Fair Educational Opportunities Act.

The commission, in conjunction with the Pennsylvania Department of Education, is working with several urban school districts to improve the educational achievement of minority and disadvantaged students.

Federal funds are received for investigating certain complaints that are dual filed with the commission and with either the Equal Employment Opportunity Commission or the U.S. Department of Housing and Urban Development in the form of case completion stipends.

The commission's efforts to identify and remedy systemic discrimination continue in order to address the major problems of discrimination against whole classes of individuals. In addition, litigation remains a significant feature of the commission's workload.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 332 **Human Relations Commission**  
—to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|----------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>             |                   |                      |                   |                      |                      |                      |                      |
| Human Relations Commission ..... | \$ 9,222          | \$ 9,256             | \$ 9,588          | \$ 9,924             | \$ 10,172            | \$ 10,426            | \$ 10,687            |

## Program: Development of Artists and Audiences

*Goal: To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.*

The commonwealth encourages cultural development in the arts through the Pennsylvania Council on the Arts. The council supports Pennsylvanians in providing arts and cultural programs and services to their fellow citizens and communities with funding, information and other resources for arts organizations, arts programs and projects, artists, schools, educational and community organizations.

The 19-member council supports the arts through grant programs, services and a network of community-based organizations. The organizations and artists served are geographically, culturally and ethnically diverse and range from small community organizations that engender and support local arts programs to world-renowned orchestras, museums, dance companies, theaters and festivals.

The council has a nationally recognized funding process. It uses an advisory review process whereby local citizens review applications and make recommendations for funding to best serve their region. The council functions with input from advisory review panels that provide an evaluation of applications and feedback on program structures.

The council supports and assists the arts in the commonwealth in several specific areas: a grants program that responds to most applications and program initiatives either directly or through a decentralized network of regional funding partners; partnerships and initiatives developed by the council to seek opportunities and address issues affecting the arts that are beyond the capacity of a single arts institution; and additional services directly provided by staff and through partnerships with state, regional and national service organizations.

The Council on the Arts is an important partner in advising and assisting with downtown revitalization efforts, including the development of the first three cultural plans for counties in Pennsylvania: Lackawanna, York and Erie, with others in progress. Through programs such as the Arts in Education Partnership, Pennsylvania Performing Arts on Tour, and Preserving Diverse Cultures, ethnically diverse organizations, artists, ensembles, families and youth audiences are encouraged to participate in the arts.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

#### Council on the Arts

—Council on the Arts is recommended at the current year funding level.

\$ 2,000

#### Grants to the Arts

—Initiative—Promoting Arts in Pennsylvania. To provide increased support for the arts in Pennsylvania.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                 | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>            |                   |                      |                   |                      |                      |                      |                      |
| Council on the Arts .....       | \$ 859            | \$ 898               | \$ 898            | \$ 929               | \$ 952               | \$ 976               | \$ 1,000             |
| Grants to the Arts.....         | 8,179             | 8,590                | 10,590            | 10,590               | 10,590               | 10,590               | 10,590               |
| <b>TOTAL GENERAL FUND .....</b> | <b>\$ 9,038</b>   | <b>\$ 9,488</b>      | <b>\$ 11,488</b>  | <b>\$ 11,519</b>     | <b>\$ 11,542</b>     | <b>\$ 11,566</b>     | <b>\$ 11,590</b>     |



## Program: Criminal and Juvenile Justice Planning and Coordination

*Goal: To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.*

The Pennsylvania Commission on Crime and Delinquency (PCCD) mission is to enhance the quality and coordination of criminal and juvenile justice systems, to facilitate the delivery of services to victims of crime, and to increase the safety of our communities. PCCD facilitates cooperation and planning by local agencies that provide statistical and analytical services and deliver training and technical assistance to ensure public safety. It is assisted in this effort through several statutory and commission-created advisory committees, task forces, other advisory and planning groups, boards and commission staff. A major part of the commission's work is accomplished through the awarding and administration of grants provided through state and federal funding streams.

With the assistance of the Research, Evaluation, Data Collection and Analysis Advisory Committee and staff in the Office of Research, Evaluation and Strategic Policy Development, PCCD evaluates the performance of grant recipient projects, develops best practices and researches emerging criminal and juvenile justice trends to ensure federal and state grant funds are allocated to the most effective initiatives. PCCD also compiles crime, corrections, and sentencing data; develops unified population projections for sentencing, corrections, and probation and parole; monitors system performance measures to ensure ongoing compliance; provides objective, independent, and comprehensive policy-relevant analysis; and responds to special justice research and data requests from federal, state, and local agencies as well as from the general public.

Through its Juvenile Justice and Delinquency Prevention Advisory Committee and its Office of Juvenile Justice and Delinquency Prevention, PCCD prepares and updates a biennial comprehensive juvenile justice and delinquency prevention plan on behalf of the commonwealth. PCCD plays a central role in furthering collaborative juvenile justice and delinquency prevention initiatives with the Department of Human Services, the Juvenile Court Judges' Commission, the Council of Chief Juvenile Probation Officers, the Department of Education and other agencies. It has facilitated the proliferation of evidence-based delinquency and violence prevention and intervention programs over the last two decades. This program supports the implementation of intensive as well as non-intensive prevention/intervention models. PCCD promotes local efforts to implement risk-focused, community mobilization programming directed toward preventing delinquency, violence, substance abuse and other adolescent problem behaviors. PCCD supports the communities that care risk-focused prevention initiative by providing planning, assessment and implementation

funding, as well as training and technical assistance to communities.

In partnership with the Department of Human Services, PCCD manages a resource center for evidence-based prevention and intervention programs and practices. The resource center works to assist communities with local data collection and analysis that helps in identifying their children's risks and needs and it further supports the operation of evidence-based programming to enable communities to address those issues. On the advice of its Criminal Justice Advisory Committee, its Mental Health and Justice Advisory Committee (MHJAC) and staff in its Office of Criminal Justice System Improvements, PCCD works with local leadership to improve county justice and local law enforcement systems. PCCD serves as a catalyst to coordinate activities among criminal justice agencies by identifying issues, developing statewide policies and programs, and implementing innovative justice improvement solutions that enhance public safety. Through programmatic and fiscal monitoring of state and federally-funded public safety programs, PCCD is able to assess outcome results and determine the extent of project implementation.

PCCD assists communities in dealing with the role that mental health issues play in the criminal justice system through MHJAC. Its Center of Excellence provides training and technical assistance to communities through a partnership with the Department of Human Services and uses Mental Health Services Enhancements funds to support evidence-based practices that reduce the involvement of people with mental illness, co-occurring disorders in the criminal justice system.

PCCD has been responsible for institutionalizing County Criminal Justice Advisory Boards (CJABs). CJABs, which consist of top-level county officials, address criminal justice issues from a systemic and policy level perspective, study best practices in the administration and delivery of criminal justice, engage in strategic planning, and make recommendations and establish consensus among the members to improve the effectiveness and efficiency of the county's criminal justice system. Currently, there are 65 counties using CJAB approach.

PCCD also administers the state funded Intermediate Punishment program which provides an alternative to incarceration for low-risk, non-violent offenders. This program supports alternative sentencing, combined with substance abuse treatment, for offenders who can be safely supervised in the community, in lieu of a county jail or state prison sentence. This program demonstrates significant positive results in saving jail/prison days and improving offender outcomes. Many of the offenders who

## Program: Criminal and Juvenile Justice Planning and Coordination (continued)

are sentenced to Intermediate Punishment participate in the following programs: day reporting; intensive supervision; electronic monitoring and other restrictive programs which provide close supervision and treatment tailored to the needs of the individual offender. Individuals sentenced to Intermediate Punishment may also participate in an appropriate Problem Solving Court as part of sentencing. Problem Solving courts have proven effective in increasing the likelihood that offenders will complete their treatment conditions and remain crime-free.

PCCD's Bureau of Training Services oversees several justice training programs, including the legislatively mandated basic and continuing education training of deputy sheriffs and constables. PCCD provides quality, relevant, and current job-related training for local justice practitioners. The bureau also ensures coordination of PCCD training-related initiatives with other federal, state and local criminal justice training entities and the review and development of training-related policy and legislation.

### Program Element: Victim Services

Through its Victims' Services Advisory Committee and its Office of Victims Services, PCCD works to ensure that victims of crime get the help they need to transcend their trauma and move forward with their lives. Victim Services has two components, the Victims Compensation Assistance Program (VCAP) and the Victims Services Program (VSP).

PCCD's VCAP, created by Act 139 of 1976, responds to financial losses incurred by victims of crime. The money to pay crime victims comes from Pennsylvania's Crime Victims Fund, which is supported primarily by costs assessed against certain convicted offenders, as well as restitution, donations and reimbursements from victims who are awarded civil settlements. Additionally, federal funding under the Victims of Crime Act reimburses Pennsylvania, based on a formula of prior year payments to victims. In fiscal year 2013-14, PCCD compensated 7,038 individuals totaling \$13 million in state and federal funds.

PCCD's VSP administers a variety of state and federal grants designed to assist victims of crime. These include the Rights and Services Act (RSA) program and the Victim's of Juvenile Offenders program (VOJO) both of which are state grant programs. PCCD also administers the following federal grant programs: Victims of Crime

Act, STOP Violence against Women Act program and the Sexual Assault Services program.

PCCD funds both procedural services and direct services to victims of crime. Procedural services, such as courtroom orientation and accompaniment, victim rights notification and assistance with victim impact statements, help crime victims obtain the rights to which they are entitled under Pennsylvania's Crime Victims Act and also help them understand the progression of their case through the criminal or juvenile justice systems. The RASA program provided procedural services to over 211,000 victims and witnesses in 2013-14. Direct services are activities that help victims of crime to cope with the physical, emotional and criminal justice issues associated with crime and help them stabilize their lives in the aftermath of trauma. Some examples include crisis intervention, shelter for domestic violence victims, long and short-term counseling and other emergency services that are intended to restore a victim's sense of security. Federal funding is provided to all 67 counties in Pennsylvania to support rape crisis centers, domestic violence shelters, and programs that assist victims of drunken driving, child abuse, and survivors of homicide. On average, these programs provide assistance to over 150,000 Pennsylvania crime victims per year.

PCCD also administers the STOP Violence against Women program, established through the Violence against Women Act of 1994 (reauthorized in 2005). This program exists to develop the nation's capacity to reduce domestic violence, sexual assault, stalking and dating violence. The STOP program requires collaboration among law enforcement, victim services and prosecutors to provide effective response, investigation and prosecution of violence against women cases. Currently, 31 of Pennsylvania's 67 counties participate in the STOP program. The federal Sexual Assault Services program, also established through the Violence against Women Act, supports rape crisis centers across the commonwealth in providing a variety of direct services to meet the needs of victims of sexual assault. On average, STOP funded programs annually provide assistance to over 16,000 victims of domestic violence, sexual assault, stalking and dating violence in Pennsylvania.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| Commission on Crime and Delinquency |      |  |
|-------------------------------------|------|--|
| \$                                  | -701 | —non-recurring cost.   |
|                                     | 406  | —to continue current program.  |
|                                     | 300  | —Initiative—Specialized Courts. To provide funding for problem solving courts which focus on crimes associated with social problems. |
| \$                                  | 5    | <i>Appropriation Increase</i>  |

| Child Advocacy Centers |        |  |
|------------------------|--------|--|
| \$                     | -2,000 | —program funded by restricted account. |
|                        | -250   | —funding reduction.                    |
| \$                     | -2,250 | <i>Appropriation Decrease</i>          |

| Violence Prevention Programs |      |                     |
|------------------------------|------|---------------------|
|                              | -700 | —funding reduction. |

All other appropriations are recommended at the current year funding levels.  
This budget appropriates Safe Schools Advocate in Department of Education.



## Program: Criminal and Juvenile Justice Planning and Coordination (continued)

## Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                                |                   |                      |                   |                      |                      |                      |                      |
| Commission on Crime and Delinquency ...             | \$ 5,392          | \$ 4,007             | \$ 4,012          | \$ 4,152             | \$ 4,256             | \$ 4,362             | \$ 4,471             |
| Victims of Juvenile Offenders .....                 | 1,300             | 1,300                | 1,300             | 1,300                | 1,300                | 1,300                | 1,300                |
| Child Advocacy Centers .....                        | 0                 | 2,250                | 0                 | 0                    | 0                    | 0                    | 0                    |
| Violence Prevention Programs .....                  | 4,555             | 4,567                | 3,867             | 3,867                | 3,867                | 3,867                | 3,867                |
| Intermediate Punishment Treatment<br>Programs ..... | 16,852            | 18,167               | 18,167            | 18,167               | 18,167               | 18,167               | 18,167               |
| <b>TOTAL GENERAL FUND.....</b>                      | <b>\$ 28,099</b>  | <b>\$ 30,291</b>     | <b>\$ 27,346</b>  | <b>\$ 27,486</b>     | <b>\$ 27,590</b>     | <b>\$ 27,696</b>     | <b>\$ 27,805</b>     |

## Program: Reintegration of Juvenile Delinquents

*Goal: To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.*

The Juvenile Court Judges' Commission (JCJC) is responsible for the development and improvement of juvenile probation services throughout the commonwealth. These services focus on the provision of balanced attention to the protection of the community, the imposition of accountability for offenses committed and the development of competencies to enable children to become responsible and productive members of the community. The provision of statewide juvenile justice training, graduate education, research, statistical information, and the development and implementation of evidence based practices have significantly improved the quality of service within the commonwealth's juvenile justice system.

JCJC is coordinating the ongoing development and implementation of Pennsylvania's Juvenile Justice System Enhancement Strategy (JJSES), which is designed to enhance the capacity of Pennsylvania's juvenile justice system to achieve its balanced and restorative justice mission by employing evidence-based practices, with fidelity, at every stage of the juvenile justice process; collecting and analyzing the data necessary to measure the results of these efforts; and, with this knowledge,

striving to continuously improve the quality of decisions, services and programs. Research has demonstrated that the proper implementation of evidence-based practices can lead to significant reductions in juvenile delinquency and recidivism. The development of statewide and county-specific baseline recidivism rates are an important benchmark against which the impact of JJSES can be measured. Recidivism is defined as a subsequent adjudication of delinquency or conviction in criminal court for a misdemeanor or felony offense within two years of release from probation supervision.

JCJC also conditioned eligibility for all county Juvenile Probation Services grant funding upon implementation of evidence-based practices including:

- Implementation of the Youth Level of Service (YLS) risk/need assessment instrument;
- Development of recommendations to the court based on the YLS results, including the identified risks and needs of each juvenile; and,
- Development and implementation of case plans which target services to meet the identified risks and needs of each juvenile.

According to the Pennsylvania State Police Uniform Crime Report (UCR), juvenile arrests for violent crimes (murder, forcible rape, robbery and aggravated assault) decreased by 19.4% from 2009 to 2013. Juvenile arrest rates for violent crimes decreased by 18.9% during this same time period.

| Juvenile Arrests                                | 2009  | 2010  | 2011  | 2012  | 2013  | % change 2009-2013 |
|---|-------|-------|-------|-------|-------|--------------------|
| Juvenile arrests for violent crimes             | 4,579 | 4,552 | 4,346 | 3,794 | 3,692 | -19.4%             |
| Violent crime arrest rate per 100,000 juveniles | 355   | 348   | 335   | 301   | 288   | -18.9%             |

Juvenile delinquency placements decreased by 27.6% from 2009 to 2013.

| Juvenile Delinquency Placements   | 2009  | 2010  | 2011  | 2012  | 2013  | % change 2009-2013 |
|---|-------|-------|-------|-------|-------|--------------------|
| Total delinquency placements resulting from disposition and disposition review hearings | 6,576 | 6,281 | 5,333 | 5,167 | 4,762 | -27.6%             |

The total number of secure detention admissions decreased by 32.8% from 2009 to 2013.

| Juvenile Secure Detention Admissions | 2009   | 2010   | 2011   | 2012   | 2013   | % change 2009-2013 |
|--------------------------------------|--------|--------|--------|--------|--------|--------------------|
| Total number of detention admissions | 17,269 | 16,654 | 15,351 | 13,907 | 11,605 | -32.8%             |

Total delinquency placement expenditures decreased by nearly \$60 million from 2009 to 2013.

| Delinquency Placement Expenditures       | FY 08-09      | FY 09-10      | FY 10-11      | FY 11-12      | FY 12-13      |
|--|---------------|---------------|---------------|---------------|---------------|
| Total delinquency placement expenditures | \$321,652,465 | \$301,096,226 | \$291,483,357 | \$275,730,457 | \$261,691,698 |

**Program: Reintegration of Juvenile Delinquents (continued)**

The statewide recidivism rate for cases closed during 2011 is 18%. This represents an 18.2% reduction from the 22% recidivism rate for cases closed in 2010, as well as an 18.2% reduction from the four-year average recidivism rate of 22% for cases closed in 2007, 2008, 2009 or 2010. This reduction in the statewide recidivism rate for cases closed in 2011 is especially significant because 2011 is the first year that the implementation of evidence-based practices through the JJSES could reasonably have been expected to have had an impact.

| Statewide Recidivism Rates                   | 2007 | 2008 | 2009 | 2010 | 2011 | % change 2010-2011 |
|--|------|------|------|------|------|--------------------|
| Recidivism rate for cases closed during year | 20%  | 22%  | 23%  | 22%  | 18%  | -18.2%             |

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

**Juvenile Court Judges Commission**  
\$ 161 —to continue current program.

Juvenile Probation Services is recommended at the current year funding level.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                   |                   |                      |                   |                      |                      |                      |                      |
| Juvenile Court Judges Commission ..... | \$ 2,633          | \$ 2,800             | \$ 2,961          | \$ 3,065             | \$ 3,142             | \$ 3,221             | \$ 3,302             |
| Juvenile Probation Services .....      | 18,945            | 18,945               | 18,945            | 18,945               | 18,945               | 18,945               | 18,945               |
| <b>TOTAL GENERAL FUND .....</b>        | <b>\$ 21,578</b>  | <b>\$ 21,745</b>     | <b>\$ 21,906</b>  | <b>\$ 22,010</b>     | <b>\$ 22,087</b>     | <b>\$ 22,166</b>     | <b>\$ 22,247</b>     |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Executive Direction

**Objective: Maintain a highly trained state workforce by increasing training course completion rates.**

#### Office of Administration - Human Resources

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Course offerings through the Enterprise Learning Management System at both the enterprise and agency level | 5,643 | 5,200 | 5,200 | 5,200 | 5,200 | 5,200 | 5,200 |
| Completion rate for mandatory Enterprise Learning Management System courses                                | 73%   | 70%   | 70%   | 70%   | 70%   | 70%   | 70%   |
| Completion rate for optional Enterprise Learning Management System courses                                 | 64%   | 70%   | 70%   | 70%   | 70%   | 70%   | 70%   |

**Objective: Maintain and expand the delivery of cost effective, high quality human resource services to employees and agencies through the centralized Human Resource Service Center.**

#### Office of Administration - Human Resources

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Time required to review and approve agency requests for classification actions on vacant positions (in days) | 12      | 17      | 17      | 17      | 17      | 17      | 17      |
| Days required to process requests for clerks from the temporary clerical pool                                | 4       | 9       | 9       | 9       | 9       | 9       | 9       |
| Days required to process requests for typists from the temporary clerical pool                               | 6       | 9       | 9       | 9       | 9       | 9       | 9       |
| Number of HR employee service interactions   | 155,772 | 141,754 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 |
| Number of HR agency service interactions   | 71,748  | 57,000  | 60,000  | 60,000  | 60,000  | 60,000  | 60,000  |
| Percent of HR agency services that met established response time goals                                       | 94%     | 95%     | 95%     | 95%     | 95%     | 95%     | 95%     |
| HR Service Center customer satisfaction rating (scale of 1 to 4)   | 4       | 4       | 4       | 4       | 4       | 4       | 4       |

**Objective: Reduce the number of work related accidents.**

#### Office of Administration - Human Resources

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Hours dedicated by agencies and vendors to safety programs | 16,300 | 18,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Workers' compensation claims filed and accepted            | 4,824  | 4,786  | 4,300  | 4,300  | 4,300  | 4,300  | 4,300  |

**Objective: Maintain and expand knowledge and application of records retention and records management industry standards on an enterprise wide level.**

#### Office of Administration - Office of Enterprise Records Management

|   |     |     |     |      |      |      |      |
|---|-----|-----|-----|------|------|------|------|
| Percent of Issuances and Resolutions updated  | 70% | 80% | 90% | 100% | 100% | 100% | 100% |
| Training sessions, workshops and agency information meetings conducted to increase program awareness and compliance | 15  | 15  | 15  | 15   | 15   | 15   | 15   |

## Program Measures

2013-14      2014-15      2015-16      2016-17      2017-18      2018-19      2019-20

**Objective: Improve the commonwealth's accounting and financial reporting system.**

### Office of the Budget

|  |             |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Agency/Purchasing/Corporate credit card rebates earned | \$4,142,398 | \$4,556,638 | \$5,012,301 | \$5,100,000 | \$5,100,000 | \$5,100,000 | \$5,150,000 |
| Percentage of electronic invoices                      | 18%         | 20%         | 22%         | 23%         | 25%         | 27%         | 30%         |
| ADTrav Revenue Sharing                                 | \$119,279   | \$130,000   | \$130,000   | \$130,000   | \$130,000   | \$130,000   | \$130,000   |

**Objective: Increase government agencies' awareness of the investigative services and resources available from the Office of Inspector General.**

### Office of Inspector General

|  |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|
| General investigations                   | 555 | 560 | 560 | 560 | 560 | 560 | 560 |
| Arrest investigations                    | 1   | 2   | 2   | 2   | 2   | 2   | 2   |
| Pre-employment background investigations | 413 | 415 | 415 | 415 | 415 | 415 | 415 |

**Objective: Hold accountable those individuals who fraudulently obtain public benefits and recover all overpaid benefits.**

### Office of Inspector General - Welfare Fund

|   |              |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Fraud investigations  | 6,778        | 6,800        | 6,800        | 6,800        | 6,800        | 6,800        | 6,800        |
| Amount of overpaid benefits collected through various means                               | \$22,440,301 | \$18,000,000 | \$18,000,000 | \$18,000,000 | \$18,000,000 | \$18,000,000 | \$18,000,000 |
| Amount of cost savings and collections for every dollar spent on investigative activities | \$12.45      | \$13         | \$13         | \$13         | \$13         | \$13         | \$13         |
| Prosecutions: Resulting cost savings  | \$1,695,475  | \$1,696,000  | \$1,696,000  | \$1,696,000  | \$1,696,000  | \$1,696,000  | \$1,696,000  |
| Administrative Disqualification Hearings: Resulting cost savings                          | \$496,168    | \$497,000    | \$497,000    | \$497,000    | \$497,000    | \$497,000    | \$497,000    |
| Long Term Care Sanctions: Resulting cost savings  | \$2,649,046  | \$2,700,000  | \$2,700,000  | \$2,700,000  | \$2,700,000  | \$2,700,000  | \$2,700,000  |

**Objective: Prevent, detect and deter fraud prior to an agency's authorization of an individual for program benefits.**

### Office of Inspector General - Welfare Fund

|   |              |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Fraud Prevention: Investigations                              | 27,279       | 27,900       | 27,900       | 27,900       | 27,900       | 27,900       | 27,900       |
| Fraud Prevention: Ineligibility determinations                | 13,473       | 14,000       | 14,000       | 14,000       | 14,000       | 14,000       | 14,000       |
| Average amount of cost savings per Welfare Fraud Investigator | \$1,273,920  | \$1,280,000  | \$1,280,000  | \$1,280,000  | \$1,280,000  | \$1,280,000  | \$1,280,000  |
| Amount of cost savings based on ineligibility determinations  | \$90,448,351 | \$91,000,000 | \$91,000,000 | \$91,000,000 | \$91,000,000 | \$91,000,000 | \$91,000,000 |

### Program: Prevention and Elimination of Discriminatory Practices

**Objective: Increase case settlement rate in comparison to other state Fair Employment Practice Agencies and the Equal Opportunity Commission.**

### Human Relations Commission

|                                       |     |     |     |     |     |     |     |
|---------------------------------------|-----|-----|-----|-----|-----|-----|-----|
| Predetermination case settlement rate | 24% | 34% | 37% | 40% | 43% | 46% | 49% |
|---------------------------------------|-----|-----|-----|-----|-----|-----|-----|

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Objective: Reduce case processing time to conclude investigations and resolve cases more quickly.**

### Human Relations Commission

|   |     |     |    |    |    |    |    |
|---|-----|-----|----|----|----|----|----|
| Percentage of cases under investigation which are two or more years old | 15% | 12% | 9% | 6% | 3% | 0% | 0% |
|---|-----|-----|----|----|----|----|----|

**Objective: Reduce case processing time in housing discrimination investigations to resolve cases faster whenever possible.**

|  |    |    |    |    |    |    |    |
|--|----|----|----|----|----|----|----|
| Number of housing discrimination cases dually filed with HUD that are closed within 100 days | 48 | 49 | 50 | 51 | 52 | 53 | 54 |
|--|----|----|----|----|----|----|----|

### Program: Development of Artists and Audiences

**Objective: Increase participation in the arts and cultural programs.**

#### Council on the Arts

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Attendance at supported events (in thousands) | 15,820 | 15,830 | 15,840 | 15,850 | 15,860 | 15,860 | 15,860 |
| Grant applications received/reviewed          | 1,975  | 2,000  | 2,050  | 2,100  | 2,150  | 2,150  | 2,150  |
| Grant awards made                             | 1,850  | 1,900  | 1,950  | 2,000  | 2,050  | 2,050  | 2,050  |

### Program: Criminal and Juvenile Justice Planning and Coordination

**Objective: Increase the availability and improve the quality of alternatives to incarceration and all placements for adult and juvenile offenders.**

#### Pennsylvania Commission on Crime and Delinquency

##### Planning and Coordination: Adult:

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Percent of active offenders sentenced to the Intermediate Punishment Treatment program successfully completing the treatment phase of their sentence (as determined by the court) | 84% | 78% | 78% | 78% | 78% | 78% | 78% |
| Average number of jail days saved per active offender during the fiscal year through participation in Intermediate Punishment Treatment program                                   | 71  | 75  | 75  | 75  | 75  | 75  | 75  |
| Percent of offenders who successfully completed the Restrictive Intermediate Punishment portion of their sentence   | 78% | 78% | 78% | 78% | 78% | 78% | 78% |
| Average number of jail days saved per offender who completed the Restrictive Intermediate Punishment portion of their sentence  | 157 | 160 | 160 | 160 | 160 | 160 | 160 |

**Objective: Increase the use of innovative programs, promising approaches, and evidence-based programs and practices in order to reduce crime and victimization.**

#### Pennsylvania Commission on Crime and Delinquency

##### Planning and Coordination: Youth:

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Percentage of youth participating in research-based programs with a demonstrated improvement related to the program's targeted behavioral outcome | 53% | 54% | 55% | 55% | 55% | 55% | 55% |
|---|-----|-----|-----|-----|-----|-----|-----|

## Program Measures

|   | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Percentage of youth served in intensive evidence-based programs with improved school attendance | 69%     | 69%     | 69%     | 70%     | 70%     | 70%     | 70%     |

**Objective: Maintain high satisfaction rate for the quality of services available to victims of crime.**

### Pennsylvania Commission on Crime and Delinquency

#### Victim Services:

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Percentage of victims who are satisfied with the services provided by the Victims Compensation Assistance program  | 85.60%  | 85%     | 86%     | 86%     | 86%     | 86%     | 86%     |
| Number of victims served by victim service programs throughout Pennsylvania through the utilization of RASA funds. | 211,095 | 203,000 | 213,000 | 224,000 | 244,000 | 247,000 | 250,000 |

### Program: Reintegration of Juvenile Delinquents

**Objective: Increase the percentage of juvenile offenders who are in school, are employed, or are engaged in a vocational activity at the time of case closing.**

#### Juvenile Court Judges' Commission

|   |        |     |     |     |     |     |     |
|---|--------|-----|-----|-----|-----|-----|-----|
| Percentage employed or engaged in an educational/vocational activity at case closing. | 84.70% | 85% | 85% | 85% | 85% | 85% | 85% |
|---|--------|-----|-----|-----|-----|-----|-----|

**Objective: Increase the percentage of juveniles who successfully complete supervision without committing a new offense.**

#### Juvenile Court Judges' Commission

|   |        |        |       |       |       |       |       |
|---|--------|--------|-------|-------|-------|-------|-------|
| Juvenile offenders who completed supervision without a new offense resulting in a Consent Decree, adjudication of delinquency, Accelerated Rehabilitation Disposition, Nolo Contendere, or finding of guilt in a criminal proceeding. | 10,205 | 10,000 | 9,800 | 9,605 | 9,410 | 9,225 | 9,040 |
|---|--------|--------|-------|-------|-------|-------|-------|

**Objective: Reduce the number of children referred to court by diverting low-risk juveniles from formal court action whenever possible**

#### Juvenile Court Judges' Commission

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Children referred to court                                      | 28,955 | 28,955 | 28,380 | 27,810 | 27,255 | 26,710 | 26,175 |
| Commitments as a percentage of referrals                        | 7.90%  | 7.50%  | 7.50%  | 7.50%  | 7.50%  | 7.50%  | 7.50%  |
| Juvenile arrested for violent crime                             | 3,610  | 3,575  | 3,540  | 3,470  | 3,400  | 3,330  | 3,265  |
| Juvenile cases closed that received probation or other services | 12,260 | 12,015 | 11,775 | 11,540 | 11,310 | 11,080 | 10,860 |



---

# LIEUTENANT GOVERNOR

*The mission of the lieutenant governor is to perform legislative and administrative functions as delegated by the Pennsylvania Constitution and the governor.*

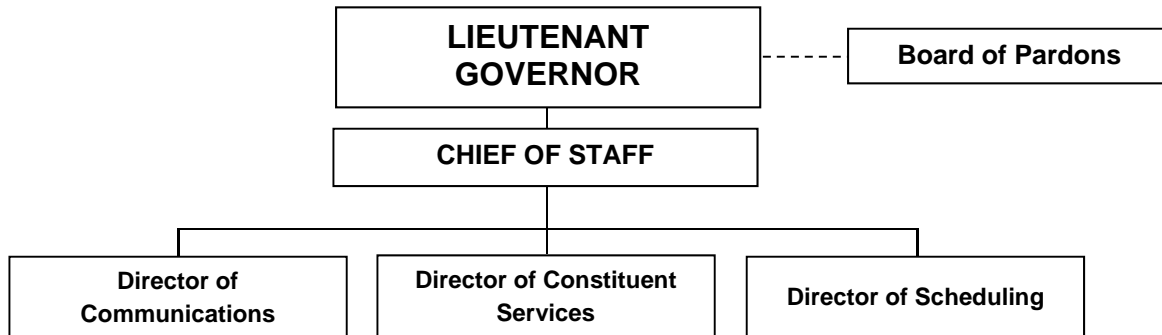
The lieutenant governor serves as President of the Senate and Chairman of the Board of Pardons. In case of the death, conviction or impeachment, failure to qualify or resignation of the governor, the lieutenant governor will become governor for the remainder of the term. In case of the disability of the governor, the powers, duties and emoluments of the office will transfer to the lieutenant governor until the disability is removed.

## **Programs and Goals**

**Executive Direction:** *To provide an effective administrative system through which substantive programs of the agency can be accomplished.*



## Organization Overview



- **Board of Pardons** exercises exclusive jurisdiction over all requests for executive clemency; any applicant seeking a pardon or commutation of a sentence from the governor must first secure a favorable recommendation from the board before the governor may consider the request.
- **Director of Communications** articulates the lieutenant governor's agenda and actions to the people of Pennsylvania, and oversees the planning and management of the lieutenant governor's many public undertakings.
- **Director of Constituent Services** works with state agencies on unresolved issues to meet the needs of constituents.
- **Director of Scheduling** works closely with the lieutenant governor to develop and implement the lieutenant governor's daily schedule; manages all invitations; and ensures that all logistical arrangements are appropriately handled at each event.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 12                | 13                | 13                | 13                | 13                |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|-------------------|----------------------|-------------------|
|-------------------|----------------------|-------------------|

**GENERAL FUND:***General Government:*

|                                   |        |        |        |
|-----------------------------------|--------|--------|--------|
| Lieutenant Governor's Office..... | \$ 813 | \$ 830 | \$ 980 |
| Board of Pardons.....             | 514    | 553    | 649    |

|                                 |          |          |          |
|---------------------------------|----------|----------|----------|
| Total - General Government..... | \$ 1,327 | \$ 1,383 | \$ 1,629 |
|---------------------------------|----------|----------|----------|

|                         |          |          |          |
|-------------------------|----------|----------|----------|
| GENERAL FUND TOTAL..... | \$ 1,327 | \$ 1,383 | \$ 1,629 |
|-------------------------|----------|----------|----------|

## Program Funding Summary

(Dollar Amounts in Thousands)

|                            | 2013-14<br>Actual      | 2014-15<br>Available   | 2015-16<br>Budget      | 2016-17<br>Estimated   | 2017-18<br>Estimated   | 2018-19<br>Estimated   | 2019-20<br>Estimated   |
|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>EXECUTIVE DIRECTION</b> |                        |                        |                        |                        |                        |                        |                        |
| GENERAL FUND.....          | \$ 1,327               | \$ 1,383               | \$ 1,629               | \$ 1,686               | \$ 1,728               | \$ 1,771               | \$ 1,816               |
| SPECIAL FUNDS.....         | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| FEDERAL FUNDS.....         | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| OTHER FUNDS.....           | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| SUBCATEGORY TOTAL.....     | <u>\$ 1,327</u>        | <u>\$ 1,383</u>        | <u>\$ 1,629</u>        | <u>\$ 1,686</u>        | <u>\$ 1,728</u>        | <u>\$ 1,771</u>        | <u>\$ 1,816</u>        |
| <b>ALL PROGRAMS:</b>       |                        |                        |                        |                        |                        |                        |                        |
| GENERAL FUND.....          | \$ 1,327               | \$ 1,383               | \$ 1,629               | \$ 1,686               | \$ 1,728               | \$ 1,771               | \$ 1,816               |
| SPECIAL FUNDS.....         | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| FEDERAL FUNDS.....         | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| OTHER FUNDS.....           | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| DEPARTMENT TOTAL.....      | <u><u>\$ 1,327</u></u> | <u><u>\$ 1,383</u></u> | <u><u>\$ 1,629</u></u> | <u><u>\$ 1,686</u></u> | <u><u>\$ 1,728</u></u> | <u><u>\$ 1,771</u></u> | <u><u>\$ 1,816</u></u> |

## Program: Executive Direction

*Goal: To provide an effective administrative system through which substantive programs of the agency can be accomplished.*

This program provides for the execution of duties relating to the Office of Lieutenant Governor. These duties as prescribed by the State Constitution, include presiding over the Senate; assuming the Office of Governor for the remainder of governor's term, if necessary, as a result of the death, conviction or impeachment, failure to qualify or resignation of the governor; and serving as chairman of the Pennsylvania Board of Pardons, which reviews

applications for reprieve, commutation of sentences and pardons. Through statute, the lieutenant governor also serves as chairman of the Local Government Advisory Committee, which advises the Center for Local Government Services in the Department of Community and Economic Development and the governor's administration on the needs and concerns of local government entities.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|    |     |                               |
|----|-----|-------------------------------|
|    |     | <b>Lieutenant Governor</b>    |
| \$ | 150 | —to continue current program. |
|    |     | <b>Board of Pardons</b>       |
| \$ | 96  | —to continue current program. |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-----------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>              |                   |                      |                   |                      |                      |                      |                      |
| Lieutenant Governor's Office..... | \$ 813            | \$ 830               | \$ 980            | \$ 1,014             | \$ 1,039             | \$ 1,065             | \$ 1,092             |
| Board of Pardons.....             | 514               | 553                  | 649               | 672                  | 689                  | 706                  | 724                  |
| <b>TOTAL GENERAL FUND .....</b>   | <b>\$ 1,327</b>   | <b>\$ 1,383</b>      | <b>\$ 1,629</b>   | <b>\$ 1,686</b>      | <b>\$ 1,728</b>      | <b>\$ 1,771</b>      | <b>\$ 1,816</b>      |

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# ATTORNEY GENERAL

The state constitution provides that the Attorney General shall be the chief law enforcement officer of the commonwealth and shall exercise such powers and perform such duties as may be imposed by law.

The Commonwealth Attorneys Act establishes the Attorney General as the chief legal and law enforcement officer of the commonwealth and provides the following fundamental duties and responsibilities of the Office of Attorney General:

- To be the commonwealth's chief law enforcement officer charged with responsibility for the prosecution of organized crime and public corruption. This law enforcement program includes a criminal investigations unit and drug law enforcement program as well as direction of statewide and multi-county investigating grand juries and a Medicaid Fraud Control Section.
- To represent the commonwealth and all commonwealth agencies and, upon request, the Auditor General, State Treasurer and Public Utility Commission in any action brought by or against the commonwealth or its agencies; to furnish upon request legal advice to the Governor or the head of any commonwealth agency.
- To review for form and legality all proposed rules and regulations for commonwealth agencies.
- To review for form and legality all commonwealth deeds, leases and contracts to be executed by commonwealth agencies.
- To collect, by suit or otherwise, all debts, taxes and accounts due the commonwealth which shall be referred to and placed with the Attorney General.
- To administer the provisions relating to consumer protection as well as appoint the Advisory Committee.
- To represent the commonwealth and its citizens in any action brought for violation of the Antitrust Laws of the United States and the commonwealth.

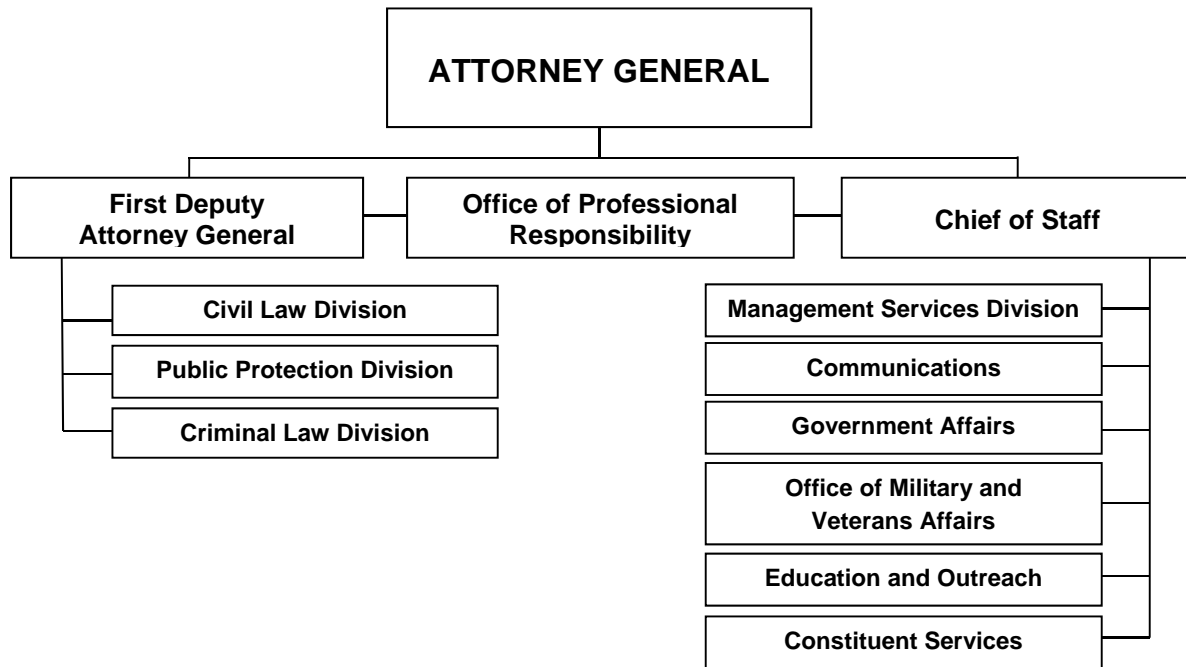
The Attorney General, in addition, serves as a member of the Board of Pardons, the Joint Committee on Documents, the Hazardous Substances Transportation Board, the Board of Finance and Revenue, the Pennsylvania Commission on Crime and Delinquency, the Civil Disorder Commission and the Municipal Police Officers' Education and Training Commission.

## **Programs and Goals**

**Public Protection and Law Enforcement:** *To enforce the criminal laws of the commonwealth; to protect the interests of Pennsylvania citizens in areas of consumer protection, antitrust enforcement, operation of charitable trusts and organizations, and civil rights; and to provide legal services to commonwealth agencies.*

---

## Organization Overview



- **Civil Law Division** includes the Litigation Section; Legal Review Section; Financial Enforcement and Tax Litigation Section; Torts Litigation Section; Appellate Litigation Section; and Administration and Operation Counsel.
- **Public Protection Division** includes the Bureau of Consumer Protection; Health Care Section; Antitrust Section; Charitable Trust and Organizations Section; Special Litigation and Civil Rights Enforcement Section; Tobacco Enforcement Section; and the Office of Consumer Advocate.
- **Criminal Law Division** includes the Bureau of Criminal Investigations; Bureau of Narcotics Investigation and Drug Control; Bureau of Special Investigations; Appeals and Legal Services Section; Asset Forfeiture and Money Laundering Section; Criminal Prosecutions Section; Child Predator Section; Drug Strike Force Section; Insurance Fraud Section; Medicaid Fraud Control Section; and the Special Litigation Section and Capital Appeals.
- **Management Services Division** includes the Human Resources Section; Budget and Finance Section; Comptroller Section; Office Services Section; Litigation Support Section; and the Information Technology Section.

## Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 887               | 822               | 806               | 798               | 822               |

# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|-------------------|----------------------|-------------------|
|-------------------|----------------------|-------------------|

## GENERAL FUND:

### General Government:

|  |                  |                  |                  |
|--|------------------|------------------|------------------|
| <b>General Government Operations.....</b>                  | <b>\$ 39,322</b> | <b>\$ 41,877</b> | <b>\$ 43,550</b> |
| (F)Medicaid Fraud.....                                     | 5,744            | 5,507            | 7,555            |
| (F)MAGLOCLIN.....  | 7,117            | 7,587            | 7,851            |
| (A)Legal Fees Reimbursement.....                           | 3                | 3                | 3                |
| (A)Medicaid Fraud Reimbursements.....                      | 0                | 5                | 5                |
| (A)Restitutions and Investigative Cost Reimbursements..... | 7                | 7                | 7                |
| (A)Continuing Legal Education.....                         | 0                | 5                | 5                |
| (A)Miscellaneous.....                                      | 13               | 6                | 6                |
| Subtotal.....  | <u>\$ 52,206</u> | <u>\$ 54,997</u> | <u>\$ 58,982</u> |

|  |       |       |       |
|--|-------|-------|-------|
| (R)Office of Consumer Advocate.....          | 5,165 | 5,165 | 5,268 |
| (R)Home Improvement Consumer Protection..... | 1,636 | 1,693 | 1,760 |

|  |                  |                  |                  |
|--|------------------|------------------|------------------|
| <b>Drug Law Enforcement.....</b>                           | <b>23,853</b>    | <b>25,728</b>    | <b>26,628</b>    |
| (F)High Intensity Drug Trafficking Areas.....              | 4,920            | 5,131            | 5,280            |
| (A)Recovery of Narcotics Investigation Overtime Costs..... | 203              | 50               | 50               |
| Subtotal.....  | <u>\$ 28,976</u> | <u>\$ 30,909</u> | <u>\$ 31,958</u> |

|  |               |               |               |
|--|---------------|---------------|---------------|
| <b>Local Drug Task Forces.....</b>               | <b>11,776</b> | <b>12,038</b> | <b>12,183</b> |
| <b>Joint Local-State Firearm Task Force.....</b> | <b>3,559</b>  | <b>3,736</b>  | <b>3,816</b>  |
| <b>Witness Relocation.....</b>                   | <b>1,115</b>  | <b>1,215</b>  | <b>1,215</b>  |
| <b>Child Predator Interception.....</b>          | <b>4,350</b>  | <b>4,100</b>  | <b>4,246</b>  |
| <b>Tobacco Law Enforcement.....</b>              | <b>615</b>    | <b>915</b>    | <b>1,135</b>  |
| <b>Mobile Street Crimes.....</b>                 | <b>2,500</b>  | <b>2,480</b>  | <b>2,544</b>  |

|                                     |           |           |           |
|-------------------------------------|-----------|-----------|-----------|
| Subtotal - State Funds.....         | \$ 87,090 | \$ 92,089 | \$ 95,317 |
| Subtotal - Federal Funds.....       | 17,781    | 18,225    | 20,686    |
| Subtotal - Augmentations.....       | 226       | 76        | 76        |
| Subtotal - Restricted Revenues..... | 6,801     | 6,858     | 7,028     |

|                                 |                   |                   |                   |
|---------------------------------|-------------------|-------------------|-------------------|
| Total - General Government..... | <u>\$ 111,898</u> | <u>\$ 117,248</u> | <u>\$ 123,107</u> |
|---------------------------------|-------------------|-------------------|-------------------|

### Grants and Subsidies:

|  |               |               |               |
|--|---------------|---------------|---------------|
| <b>County Trial Reimbursement.....</b>                               | <b>\$ 200</b> | <b>\$ 200</b> | <b>\$ 200</b> |
| (R)Reimbursement to Counties - Full Time District Attorney (EA)..... | 8,188         | 8,100         | 8,100         |

|                                     |        |        |        |
|-------------------------------------|--------|--------|--------|
| Subtotal - State Funds.....         | \$ 200 | \$ 200 | \$ 200 |
| Subtotal - Restricted Revenues..... | 8,188  | 8,100  | 8,100  |

|                                   |                 |                 |                 |
|-----------------------------------|-----------------|-----------------|-----------------|
| Total - Grants and Subsidies..... | <u>\$ 8,388</u> | <u>\$ 8,300</u> | <u>\$ 8,300</u> |
|-----------------------------------|-----------------|-----------------|-----------------|

|                          |           |           |           |
|--------------------------|-----------|-----------|-----------|
| STATE FUNDS.....         | \$ 87,290 | \$ 92,289 | \$ 95,517 |
| FEDERAL FUNDS.....       | 17,781    | 18,225    | 20,686    |
| AUGMENTATIONS.....       | 226       | 76        | 76        |
| RESTRICTED REVENUES..... | 14,989    | 14,958    | 15,128    |

|                                |                          |                          |                          |
|--------------------------------|--------------------------|--------------------------|--------------------------|
| <b>GENERAL FUND TOTAL.....</b> | <b><u>\$ 120,286</u></b> | <b><u>\$ 125,548</u></b> | <b><u>\$ 131,407</u></b> |
|--------------------------------|--------------------------|--------------------------|--------------------------|



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| <b>OTHER FUNDS:</b>   |                   |                      |                   |
| <b>GENERAL FUND:</b>  |                   |                      |                   |
| Seized/Forfeited Property - State Court Awarded.....              | \$ 11,249         | \$ 10,488            | \$ 8,650          |
| Seized/Forfeited Property - U.S. Department of Justice.....       | 79                | 1,398                | 1,770             |
| Seized/Forfeited Property - U.S. Treasury Department.....         | 65                | 80                   | 580               |
| Seized/Forfeited Property - U.S. Homeland Security.....           | 12                | 1,120                | 540               |
| OAG Investigative Funds - Outside Sources.....                    | 5,466             | 7,305                | 7,653             |
| Public Protection Law Enforcement.....                            | 5,797             | 10,933               | 10,266            |
| Community Drug Abuse Prevention Program.....                      | 208               | 917                  | 730               |
| Coroner's Education Board.....                                    | 69                | 0                    | 75                |
| GENERAL FUND TOTAL.....   | <b>\$ 22,945</b>  | <b>\$ 32,241</b>     | <b>\$ 30,264</b>  |
| <b>CIGARETTE FIRE SAFETY AND FIREFIGHTER PROTECTION ACT FUND:</b> |                   |                      |                   |
| Cigarette Fire Safety & Firefighter Protection Enforcement.....   | \$ 50             | \$ 50                | \$ 50             |
| <b>HOMEOWNER ASSISTANCE SETTLEMENT FUND:</b>                      |                   |                      |                   |
| Housing Consumer Protection.....                                  | \$ 600            | \$ 600               | \$ 600            |
| <b>STATE GAMING FUND:</b>   |                   |                      |                   |
| (R)Gaming Enforcement.....  | \$ 1,071          | \$ 1,141             | \$ 1,192          |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                               |                   |                      |                   |
| GENERAL FUND.....   | \$ 87,290         | \$ 92,289            | \$ 95,517         |
| SPECIAL FUNDS.....  | 0                 | 0                    | 0                 |
| FEDERAL FUNDS.....  | 17,781            | 18,225               | 20,686            |
| AUGMENTATIONS.....  | 226               | 76                   | 76                |
| RESTRICTED.....   | 14,989            | 14,958               | 15,128            |
| OTHER FUNDS.....  | 24,666            | 34,032               | 32,106            |
| <b>TOTAL ALL FUNDS.....</b>                                       | <b>\$ 144,952</b> | <b>\$ 159,580</b>    | <b>\$ 163,513</b> |

## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>PUBLIC PROTECTION AND LAW ENFORCEMENT</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                            | \$ 87,290                | \$ 92,289                | \$ 95,517                | \$ 98,811                | \$ 101,246               | \$ 103,741               | \$ 106,299               |
| SPECIAL FUNDS.....                           | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                           | 17,781                   | 18,225                   | 20,686                   | 21,410                   | 21,945                   | 22,493                   | 23,057                   |
| OTHER FUNDS.....                             | 39,881                   | 49,066                   | 47,310                   | 45,258                   | 44,513                   | 44,997                   | 45,154                   |
| SUBCATEGORY TOTAL.....                       | <u>\$ 144,952</u>        | <u>\$ 159,580</u>        | <u>\$ 163,513</u>        | <u>\$ 165,479</u>        | <u>\$ 167,704</u>        | <u>\$ 171,231</u>        | <u>\$ 174,510</u>        |
| <b>ALL PROGRAMS:</b>                         |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                            | \$ 87,290                | \$ 92,289                | \$ 95,517                | \$ 98,811                | \$ 101,246               | \$ 103,741               | \$ 106,299               |
| SPECIAL FUNDS.....                           | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                           | 17,781                   | 18,225                   | 20,686                   | 21,410                   | 21,945                   | 22,493                   | 23,057                   |
| OTHER FUNDS.....                             | 39,881                   | 49,066                   | 47,310                   | 45,258                   | 44,513                   | 44,997                   | 45,154                   |
| DEPARTMENT TOTAL.....                        | <u><u>\$ 144,952</u></u> | <u><u>\$ 159,580</u></u> | <u><u>\$ 163,513</u></u> | <u><u>\$ 165,479</u></u> | <u><u>\$ 167,704</u></u> | <u><u>\$ 171,231</u></u> | <u><u>\$ 174,510</u></u> |

## Program: Public Protection and Law Enforcement

*Goal: To enforce the criminal laws of the commonwealth; to protect the interests of Pennsylvania citizens in areas of consumer protection, antitrust enforcement, operation of charitable trusts and organizations, and civil rights; and to provide legal services to commonwealth agencies.*

The Attorney General, as the chief law enforcement officer of the commonwealth, is charged with the responsibility of investigating and prosecuting organized crime and public corruption. The agency investigates and prosecutes criminal activity and uses statewide investigative grand juries as appropriate. Approximately 70 cases are presented each year to the Statewide Investigating Grand Jury. The Office of Attorney General works with the State Police to curtail drug abuse in the commonwealth by apprehending illegal drug traffickers. The Office of Attorney General also prosecutes and investigates insurance fraud and is responsible for the investigation and prosecution of Medicaid fraud, environmental crimes and cases referred by district attorneys across the state that have a conflict of interest or lack the resources to prosecute certain crimes.

Other major program activities involve decreasing the incidence of fraud and deceptive business practices as well as securing recovery of damages to the commonwealth and its citizens; encouraging free enterprise and competition; investigating and prosecuting consumer fraud, unfair trade practices, antitrust violations, civil rights violations and charitable scams; and providing for representation of the consumer in utility rate proceedings before the Public Utility Commission through the Office of the Consumer Advocate. The Consumer Advocate represents the consumer in cases such as competition in the electric, gas and telecommunications industries, filings of alternative regulatory plans by telephone utilities, purchased gas cases and filings by major natural gas pipelines.

The Office of the Attorney General represents the commonwealth in any action brought by or against the commonwealth or its agencies, particularly tort claims.

The County Code provides for full-time district attorneys under certain conditions. The annual salary to be paid the full-time district attorney is set at \$1,000 less than a common pleas court judge in that county. The commonwealth reimburses counties for 65 percent of the salary for the full-time district attorney through court document surcharge revenues deposited into the Criminal Justice Enhancement Account.

The Joint Local-State Firearm Task Force comprised of the Philadelphia District Attorney's Office, the Philadelphia Police Department and the Office of Attorney General was established to fight gun violence in the Philadelphia area.

The Municipal Drug Task Force program contributes to Pennsylvania's efforts in combating both local and widespread drug trafficking operations. Municipal police officers are trained in drug enforcement procedures and benefit from the expertise provided by the Bureau of Narcotics Investigations.

The Home Improvement Consumer Protection Act requires home improvement contractors to register with the Bureau of Consumer Protection. The agency investigates alleged violations regarding home improvement contractors. The Homeowner Assistance Settlement Act authorizes the agency to provide housing consumer protection programs.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|                     |   |        |                                    |
|---------------------|---|--------|------------------------------------|
| <b>GENERAL FUND</b> |   |        |                                    |
|                     | <b>General Government Operations</b>        |        | <b>Child Predator Interception</b> |
| \$ 1,673            | —to continue current program.               | \$ 146 | —to continue current program.      |
|                     | <b>Drug Law Enforcement</b>                 |        | <b>Tobacco Law Enforcement</b>     |
| \$ 900              | —to continue current program.               | \$ 220 | —to continue current program.      |
|                     | <b>Local Drug Task Forces</b>               |        | <b>Mobile Street Crimes</b>        |
| \$ 145              | —to continue current program.               | \$ 64  | —to continue current program.      |
|                     | <b>Joint Local-State Firearm Task Force</b> |        |                                    |
| \$ 80               | —to continue current program.               |        |                                    |

The Witness Relocation and County Trial Reimbursement appropriations are recommended at the current year funding levels.

## Program: Public Protection and Law Enforcement (continued)

### Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

This budget also recommends the following from restricted accounts in the General Fund.

**Office of Consumer Advocate**  
\$ 103 —to continue current program.

**Home Improvement Consumer Protection**  
\$ 67 —to continue current program.

The Reimbursement to Counties - Full Time District Attorney (EA) is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                      |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....       | \$ 39,322         | \$ 41,877            | \$ 43,550         | \$ 45,074            | \$ 46,201            | \$ 47,356            | \$ 48,540            |
| Drug Law Enforcement.....                 | 23,853            | 25,728               | 26,628            | 27,560               | 28,249               | 28,955               | 29,679               |
| Local Drug Task Forces.....               | 11,776            | 12,038               | 12,183            | 12,609               | 12,924               | 13,247               | 13,578               |
| Joint Local-State Firearm Task Force..... | 3,559             | 3,736                | 3,816             | 3,950                | 4,049                | 4,150                | 4,254                |
| Witness Relocation.....                   | 1,115             | 1,215                | 1,215             | 1,215                | 1,215                | 1,215                | 1,215                |
| Child Predator Interception.....          | 4,350             | 4,100                | 4,246             | 4,395                | 4,505                | 4,618                | 4,733                |
| Tobacco Law Enforcement .....             | 615               | 915                  | 1,135             | 1,175                | 1,204                | 1,234                | 1,265                |
| Mobile Street Crimes.....                 | 2,500             | 2,480                | 2,544             | 2,633                | 2,699                | 2,766                | 2,835                |
| County Trial Reimbursement.....           | 200               | 200                  | 200               | 200                  | 200                  | 200                  | 200                  |
| <b>TOTAL GENERAL FUND .....</b>           | <b>\$ 87,290</b>  | <b>\$ 92,289</b>     | <b>\$ 95,517</b>  | <b>\$ 98,811</b>     | <b>\$ 101,246</b>    | <b>\$ 103,741</b>    | <b>\$ 106,299</b>    |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Public Protection and Law Enforcement

**Objective: Utilize statewide investigative grand juries as appropriate to investigate and prosecute organized crime and public corruption.**

|   |    |    |    |    |    |    |    |
|---|----|----|----|----|----|----|----|
| Cases presented to the Statewide Investigating Grand Jury | 25 | 68 | 68 | 68 | 68 | 68 | 68 |
|---|----|----|----|----|----|----|----|

**Objective: Curtail drug abuse in the commonwealth by apprehending illegal drug traffickers.**

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Local drug task force arrests                       | 7,388 | 7,900 | 7,900 | 7,900 | 7,900 | 7,900 | 7,900 |
| Drug arrests resulting from Grand Jury presentments | 131   | 190   | 190   | 190   | 190   | 190   | 190   |

**Objective: Increase compliance by estates, charities, nonprofits and health care conversions with established rules and regulations.**

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Review of estates, charities, nonprofits, and health care conversions for compliance with rules and regulations | 2,148 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 |
|---|-------|-------|-------|-------|-------|-------|-------|

**Objective: Decrease incidence of fraud and deceptive business practices and secure the recovery of damages to the commonwealth and its citizens.**

|  |          |         |         |         |         |         |         |
|--|----------|---------|---------|---------|---------|---------|---------|
| Consumer complaints concerning business practices investigated and mediated                                | 36,473   | 36,000  | 36,000  | 36,000  | 36,000  | 36,000  | 36,000  |
| Dollar value of recoupment to consumers regarding business practices (in thousands)                        | \$22,537 | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 |
| Consumer complaints concerning business practices - health care industry                                   | 2,088    | 2,190   | 2,190   | 2,190   | 2,190   | 2,190   | 2,190   |
| Dollar value of recoupment to consumers regarding business practices - health care industry (in thousands) | \$1,007  | \$1,067 | \$1,067 | \$1,067 | \$1,067 | \$1,067 | \$1,067 |

Dollar value of recoupment to consumers regarding business practices includes \$19,983,000 returned to consumers as part of the National Mortgage Foreclosure Settlement.



---

# AUDITOR GENERAL

*The mission of the Auditor General is to post-audit the affairs of state government agencies and certain local government agencies, officials and organizations.*

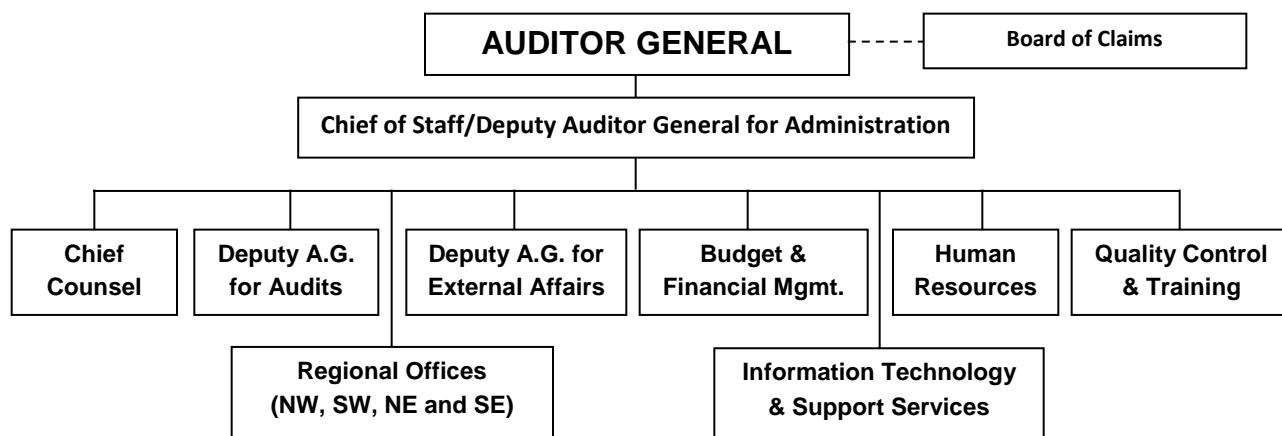
The objective is to ensure conformance with established legislative and administrative regulations and to assure that all money has been disbursed legally and properly. In addition, the Auditor General examines the accounts of revenue collecting agents to ensure that all money due the commonwealth was reported and transmitted properly.

## **Programs and Goals**

**Auditing:** *To ensure that all revenue to which the commonwealth is entitled is deposited in the State Treasury and that public money is disbursed legally and properly.*

**Municipal Pension Systems:** *To assist municipal pension systems through review and audit of their pension funds.*

## Organization Overview



- **Board of Claims** arbitrates claims against the commonwealth arising from contracts entered into by the commonwealth and adjusts and settles certain other claims by or against the commonwealth.
- **Office of Chief of Staff/Administration Deputate** provides leadership and direction to the Chief Counsel, Deputy Auditor General for Audits, Deputy Auditor General for External Affairs, and Regional Directors and also to the Directors of Budget & Fiscal Management, Human Resources, Quality Control & Training, and Information Technology & Support Services.
- **Office of Chief Counsel** provides legal advice and support to the Auditor General, Deputy Auditor Generals and the bureaus within the department.
- **Deputate for Audits** manages eight bureaus that perform audits to improve overall government accountability, transparency, and the effective use of taxpayer dollars. Audits include Financial and Performance audits, and Attestation engagements to ensure that all monies spent by the commonwealth are spent legally and efficiently to serve the Pennsylvania taxpayers.
- **Regional Offices** are located in Northwest, Southwest, Northeast and Southeast Pennsylvania.
- **Deputate for External Affairs** oversees the department's communications and media, as well as its work with the legislature, citizens, and groups and organizations interested in the department's work.
- **Office of Budget and Financial Management** provides operational support including budgeting, accounting, payroll, and accounts payable. The office also manages the Municipal Pension State Aid and Volunteer Firefighters' Relief Association State Aid Programs and provides budgetary and administrative support to the Board of Claims.
- **Office of Information Technology and Support Services** manages the IT network infrastructure, including telecommunications; develops and supports systems applications and databases; processes all procurements; and manages the vehicle fleet, archives, internal storeroom, mailroom, and physical facilities.
- **Office of Human Resources** administers all employment-related activities from pre-hire to retirement and assists with the development, implementation, and administration of personnel policies, rules, and programs.
- **Office of Quality Control & Training** oversees the maintenance of the department's system of quality control in accordance with *Generally Accepted Government Auditing Standards (GAGAS)* issued by the Comptroller General of the United States and conducts the required internal monitoring efforts. The office also oversees the various training activities to ensure compliance with GAGAS continuing professional education requirements.

## Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 715               | 635               | 609               | 575               | 496               |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>                                 |                   |                      |                   |
| <i>General Government:</i>                           |                   |                      |                   |
| Auditor General's Office.....                        | \$ 41,389         | \$ 41,389            | \$ 42,248         |
| (A)Reimbursement Auditing Services.....              | 11,482            | 13,433               | 13,960            |
| (A)Sale of Autos.....                                | 2                 | 0                    | 0                 |
| Information Technology Modernization.....            | 1,750             | 1,750                | 5,000             |
| Subtotal.....  | \$ 54,623         | \$ 56,572            | \$ 61,208         |
| Security and Other Expenses - Outgoing Governor..... | 0                 | 85 <sup>a</sup>      | 0                 |
| Board of Claims .....                                | 1,640             | 1,640                | 1,832             |
| Subtotal - State Funds.....                          | \$ 44,779         | \$ 44,864            | \$ 49,080         |
| Subtotal - Augmentations.....                        | 11,484            | 13,433               | 13,960            |
| Total - General Government.....                      | \$ 56,263         | \$ 58,297            | \$ 63,040         |
| STATE FUNDS.....                                     | \$ 44,779         | \$ 44,864            | \$ 49,080         |
| AUGMENTATIONS.....                                   | 11,484            | 13,433               | 13,960            |
| <b>GENERAL FUND TOTAL.....</b>                       | <b>\$ 56,263</b>  | <b>\$ 58,297</b>     | <b>\$ 63,040</b>  |
| <b>OTHER FUNDS:</b>                                  |                   |                      |                   |
| <b>MUNICIPAL PENSION AID FUND:</b>                   |                   |                      |                   |
| Municipal Pension Aid.....                           | \$ 277,710        | \$ 267,262           | \$ 267,664        |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                  |                   |                      |                   |
| GENERAL FUND.....                                    | \$ 44,779         | \$ 44,864            | \$ 49,080         |
| SPECIAL FUNDS.....                                   | 0                 | 0                    | 0                 |
| AUGMENTATIONS.....                                   | 11,484            | 13,433               | 13,960            |
| OTHER FUNDS.....                                     | 277,710           | 267,262              | 267,664           |
| <b>TOTAL ALL FUNDS.....</b>                          | <b>\$ 333,973</b> | <b>\$ 325,559</b>    | <b>\$ 330,704</b> |

<sup>a</sup> Includes recommended supplemental appropriation of \$85,000.



## Program Funding Summary

(Dollar Amounts in Thousands)

|                                  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|----------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>AUDITING</b>                  |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                | \$ 44,779         | \$ 44,864            | \$ 49,080         | \$ 45,623            | \$ 46,763            | \$ 47,933            | \$ 49,132            |
| SPECIAL FUNDS.....               | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....               | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                 | 11,484            | 13,433               | 13,960            | 13,960               | 13,960               | 13,960               | 13,960               |
| SUBCATEGORY TOTAL.....           | <u>\$ 56,263</u>  | <u>\$ 58,297</u>     | <u>\$ 63,040</u>  | <u>\$ 59,583</u>     | <u>\$ 60,723</u>     | <u>\$ 61,893</u>     | <u>\$ 63,092</u>     |
| <b>MUNICIPAL PENSION SYSTEMS</b> |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                | \$ 0              | \$ 0                 | \$ 0              | \$ 0                 | \$ 0                 | \$ 0                 | \$ 0                 |
| SPECIAL FUNDS.....               | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....               | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                 | 277,710           | 267,262              | 267,664           | 267,664              | 267,664              | 267,664              | 267,664              |
| SUBCATEGORY TOTAL.....           | <u>\$ 277,710</u> | <u>\$ 267,262</u>    | <u>\$ 267,664</u> | <u>\$ 267,664</u>    | <u>\$ 267,664</u>    | <u>\$ 267,664</u>    | <u>\$ 267,664</u>    |
| <b>ALL PROGRAMS:</b>             |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                | \$ 44,779         | \$ 44,864            | \$ 49,080         | \$ 45,623            | \$ 46,763            | \$ 47,933            | \$ 49,132            |
| SPECIAL FUNDS.....               | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....               | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                 | 289,194           | 280,695              | 281,624           | 281,624              | 281,624              | 281,624              | 281,624              |
| DEPARTMENT TOTAL.....            | <u>\$ 333,973</u> | <u>\$ 325,559</u>    | <u>\$ 330,704</u> | <u>\$ 327,247</u>    | <u>\$ 328,387</u>    | <u>\$ 329,557</u>    | <u>\$ 330,756</u>    |

## Program: Auditing

*Goal: To ensure that all revenue to which the commonwealth is entitled is deposited in the State Treasury and that public money is disbursed legally and properly.*

The auditor general is required by the Fiscal Code to audit the financial affairs of state government and certain local government entities. The auditor general is mandated to perform audits of any entity receiving funds from the commonwealth or any entity collecting funds that belong to the commonwealth. Each year, the department performs thousands of regular and special post-audits of commonwealth agencies, individuals, associations and corporations to ensure money is disbursed legally and properly. The auditor general also examines accounts of revenue collecting agents to assure that all funds due to the commonwealth have been reported and transmitted properly and that the commonwealth's financial statements conform to Generally Accepted Accounting Principles.

The Single Audit, which is a single financial/compliance audit of the commonwealth's federal aid programs and an audit of the commonwealth's General Purpose Financial Statements, is jointly performed each year by the auditor general and an independent certified public accounting firm.

Special audits may be made when the auditor general determines they appear to be necessary. Special audits must also be conducted when the governor calls upon the auditor general to do them.

The Fiscal Code also requires the auditor general to audit public assistance payments to determine the eligibility of persons receiving public assistance grants. Recipients are subject to continuous audit. These audits serve to adjust grants to persons either ineligible or receiving overpayments or underpayments.

In addition to fiscal duties, by statute, the auditor general serves as a member of the State Public School Building Authority and other major commonwealth boards and commissions.

The Board of Claims operates within this program as an independent judicial and administrative body with jurisdiction to hear and determine claims against the commonwealth that equal or exceed \$300.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|          |   |        |  |
|----------|---|--------|--|
| \$ 859   | <b>Auditor General's Office</b><br>—to continue current program.  | \$ -85 | <b>Security and Other Expenses - Outgoing Governor</b><br>—nonrecurring costs. |
| \$ 3,250 | <b>Information Technology Modernization</b><br>—Initiative—Information Technology Modernization. To fund the final phase of a three year project to improve the department's information technology infrastructure. | \$ 192 | <b>Board of Claims</b><br>—to continue current program.                        |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                                  |                   |                      |                   |                      |                      |                      |                      |
| Auditor General's Office .....                        | \$ 41,389         | \$ 41,389            | \$ 42,248         | \$ 43,727            | \$ 44,820            | \$ 45,941            | \$ 47,090            |
| Information Technology Modernization .....            | 1,750             | 1,750                | 5,000             | 0                    | 0                    | 0                    | 0                    |
| Security and Other Expenses - Outgoing Governor ..... | 0                 | 85                   | 0                 | 0                    | 0                    | 0                    | 0                    |
| Board of Claims .....                                 | 1,640             | 1,640                | 1,832             | 1,896                | 1,943                | 1,992                | 2,042                |
| <b>TOTAL GENERAL FUND .....</b>                       | <b>\$ 44,779</b>  | <b>\$ 44,864</b>     | <b>\$ 49,080</b>  | <b>\$ 45,623</b>     | <b>\$ 46,763</b>     | <b>\$ 47,933</b>     | <b>\$ 49,132</b>     |

## Program: Municipal Pension Systems

*Goal: To assist municipal pension systems through review and audit of their pension funds.*

In 1984, the General Assembly passed Act 205, known as the Municipal Pension Plan Funding Standard and Recovery Act. The enactment of this legislation was in response to the solvency problems facing many of the commonwealth's municipal pension systems. The act establishes criteria for determination of actuarial soundness and the amount of state-financed support that will be provided. The auditor general is responsible for audits of approximately 1,300 municipal pension funds for non-uniformed employees where municipalities choose to allocate state aid to those funds.

The auditor general administers the Municipal Pension Systems Aid program, established by Act 205 to distribute

funding to municipal pension plans for police officers and paid firefighters. The program is funded through the Municipal Pension Aid Fund, which receives all proceeds of the Foreign Casualty Insurance Premium Tax and a portion of the Foreign Fire Insurance Premium Tax.

The auditor general is also responsible for distributing proceeds from the Foreign Fire Insurance Tax Fund to municipalities for payment to volunteer firefighter relief associations. Financial statements for the Municipal Pension Aid Fund and the Fire Insurance Tax Fund are presented in the Special Funds Appendix section of this budget.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**MUNICIPAL PENSION AID FUND**  
**Municipal Pension Aid**  
 \$ 402 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                    | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>MUNICIPAL PENSION AID FUND:</b> |                   |                      |                   |                      |                      |                      |                      |
| Municipal Pension Aid .....        | \$ 277,710        | \$ 267,262           | \$ 267,664        | \$ 267,664           | \$ 267,664           | \$ 267,664           | \$ 267,664           |



---

# TREASURY DEPARTMENT

The Treasury Department is responsible for receiving all commonwealth monies and for depositing such monies in state depositories approved by the Board of Finance and Revenue, for managing all securities in its custody to the best advantage of the commonwealth, for pre-auditing all requisitions for the expenditures of funds and for disbursement of all state monies upon proper authorization to those entitled to receive payment.

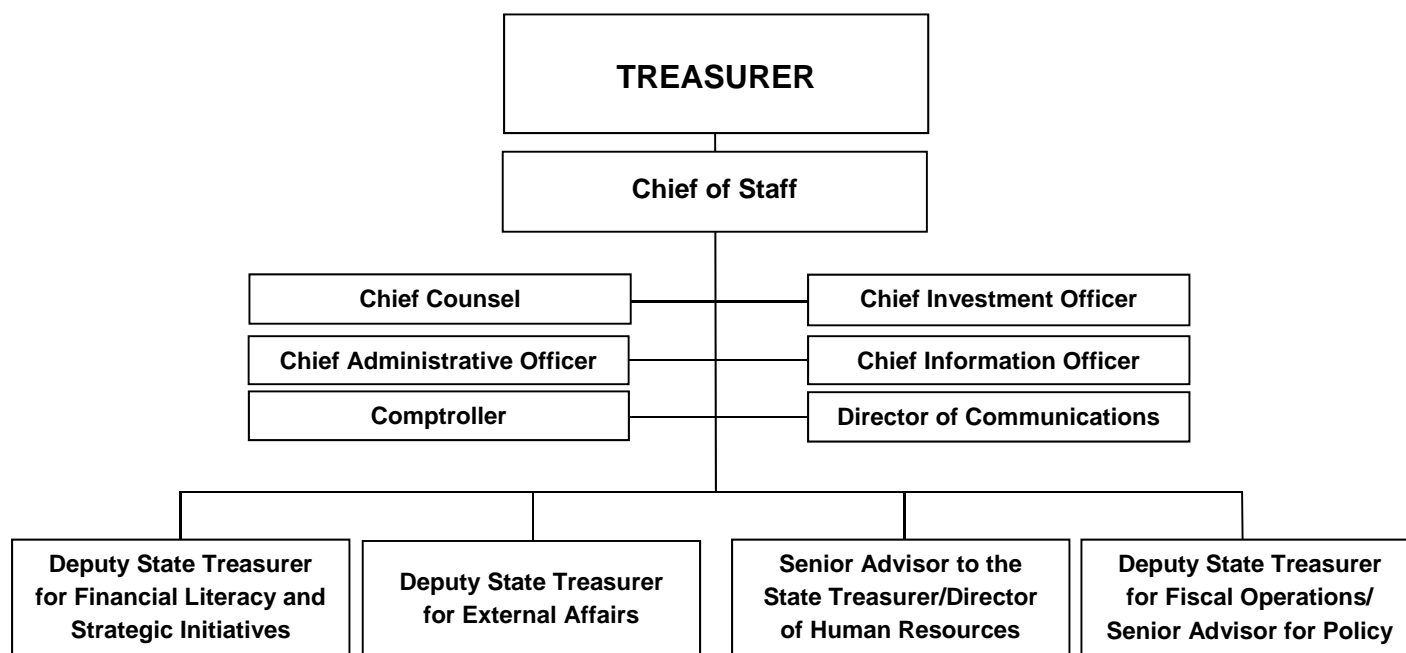
## Programs and Goals

**Disbursement:** *To receive and safeguard the monies of the commonwealth, to manage the funds to the best advantage of the commonwealth and to ensure that all disbursements of funds are legal and proper.*

**Interstate Relations:** *To promote interstate cooperation and progress through participation in various associations, commissions and organizations both regionally and nationally.*

**Debt Service:** *To provide for interest and principal requirements of notes and bonds issued by the commonwealth and other expenses related to debt service.*

## Organization Overview



- **Deputy State Treasurer for Financial Literacy and Strategic Initiatives** engages the public and community organizations through innovative efforts that are designed to promote financial literacy and increase the economic security of Pennsylvanians.
- **Deputy State Treasurer for External Affairs** acts as a liaison to outside entities, such as the legislature, constituency groups, and other state agencies. The deputy also sets policies and goals for public-facing bureaus managing the PA 529 and unclaimed property programs.
- **Senior Advisor to the State Treasurer/Director of Human Resources** manages the Bureau of Human Resources, advises the Treasurer on personnel matters, and acts as a liaison to labor unions.
- **Deputy State Treasurer for Fiscal Operations/Senior Advisor for Policy** oversees the bureaus of Fiscal Review and Unemployment Compensation Disbursements, and advises the Treasurer on specific strategic policy matters.

## Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 419               | 419               | 419               | 419               | 389               |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>  |                   |                      |                   |
| <i>General Government:</i>  |                   |                      |                   |
| General Government Operations.....                                | \$ 32,228         | \$ 36,028            | \$ 34,792         |
| (A)Unemployment Compensation Service Reimbursements.....          | 4,866             | 6,081                | 6,045             |
| (A)Administrative Service Fees.....                               | 1,617             | 1,451                | 1,180             |
| (A)Unclaimed Property Service Fees.....                           | 5,565             | 1,055                | 1,000             |
| Subtotal.....   | \$ 44,276         | \$ 44,615            | \$ 43,017         |
| Board of Finance and Revenue.....                                 | 2,505             | 2,505                | 2,715             |
| Divestiture Reimbursement.....                                    | 1,698             | 229                  | 68                |
| Publishing Monthly Statements.....                                | 15                | 15                   | 15                |
| Intergovernmental Organizations.....                              | 1,187             | 1,036                | 1,025             |
| Information Technology Modernization.....                         | 9,000             | 4,000                | 4,000             |
| Subtotal - State Funds.....                                       | \$ 46,633         | \$ 43,813            | \$ 42,615         |
| Subtotal - Augmentations.....                                     | 12,048            | 8,587                | 8,225             |
| Total - General Government.....                                   | \$ 58,681         | \$ 52,400            | \$ 50,840         |
| <i>Grants and Subsidies:</i>                                      |                   |                      |                   |
| Law Enforcement & Emergency Response Personnel Death Benefit..... | \$ 2,163          | \$ 2,163             | \$ 2,163          |
| <i>Debt Service:</i>  |                   |                      |                   |
| Loan and Transfer Agents.....                                     | \$ 60             | \$ 60                | \$ 50             |
| Tax Note Expenses (EA).....                                       | 0                 | 0                    | 400               |
| Interest on Tax Anticipation Notes (EA).....                      | 0                 | 0                    | 16,000            |
| Cash Management Loan Interest (EA).....                           | 1,000             | 3,000 <sup>a</sup>   | 0                 |
| General Obligation Debt Service.....                              | 1,066,991         | 1,096,500            | 1,157,000         |
| Total - Debt Service.....   | \$ 1,068,051      | \$ 1,099,560         | \$ 1,173,450      |
| STATE FUNDS.....  | \$ 1,116,847      | \$ 1,145,536         | \$ 1,218,228      |
| AUGMENTATIONS.....  | 12,048            | 8,587                | 8,225             |
| GENERAL FUND TOTAL.....   | \$ 1,128,895      | \$ 1,154,123         | \$ 1,226,453      |
| <b>MOTOR LICENSE FUND:</b>  |                   |                      |                   |
| <i>General Government:</i>  |                   |                      |                   |
| Administration Refunding Liquid Fuels Tax.....                    | \$ 557            | \$ 533               | \$ 533            |
| <i>Refunds:</i>   |                   |                      |                   |
| Refunding Liquid Fuels Taxes - State Share (EA).....              | \$ 2,492          | \$ 1,700             | \$ 1,900          |
| Refunding Liquid Fuels Taxes - Agriculture (EA).....              | 2,629             | 4,100                | 4,600             |
| Refunding Liquid Fuels Taxes - Political Subdivisions (EA).....   | 2,053             | 3,400                | 3,800             |
| Refunding Liquid Fuels Taxes - Volunteer Services (EA).....       | 327               | 500                  | 600               |
| Refunding Liquid Fuels Taxes - Snowmobiles & ATV's (EA).....      | 1,000             | 1,000                | 1,000             |
| Refunding Liquid Fuels Taxes - Boat Fund (EA).....                | 3,200             | 6,100                | 10,470            |
| Total - Refunds.....  | \$ 11,701         | \$ 16,800            | \$ 22,370         |

## Summary by Fund and Appropriation

| (Dollar Amounts in Thousands)                                     |                     |                      |                     |
|---|---------------------|----------------------|---------------------|
|   | 2013-14<br>ACTUAL   | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET   |
| <b>Debt Service:</b>  |                     |                      |                     |
| Capital Debt Transportation Projects.....                         | \$ 748              | \$ 2,376             | \$ 11,635           |
| General Obligation Debt Service.....                              | 17,001              | 16,936               | 16,968              |
| (R)Capital Bridge Debt Service (EA).....                          | 46,160              | 46,550               | 45,571              |
| Loan and Transfer Agent.....                                      | 50                  | 50                   | 50                  |
| Subtotal - State Funds.....                                       | \$ 17,799           | \$ 19,362            | \$ 28,653           |
| Subtotal - Restricted Revenues.....                               | 46,160              | 46,550               | 45,571              |
| Total - Debt Service.....   | \$ 63,959           | \$ 65,912            | \$ 74,224           |
| STATE FUNDS.....  | \$ 30,057           | \$ 36,695            | \$ 51,556           |
| RESTRICTED REVENUES.....  | 46,160              | 46,550               | 45,571              |
| <b>MOTOR LICENSE FUND TOTAL.....</b>                              | <b>\$ 76,217</b>    | <b>\$ 83,245</b>     | <b>\$ 97,127</b>    |
| <b>OTHER FUNDS:</b>   |                     |                      |                     |
| <b>ENVIRONMENTAL STEWARDSHIP FUND:</b>                            |                     |                      |                     |
| Debt Service for Growing Greener (EA) .....                       | \$ 41,329           | \$ 42,136            | \$ 39,964           |
| <b>LIQUID FUELS TAX FUND:</b>                                     |                     |                      |                     |
| Refunding Liquid Fuels Taxes - Boat Fund (EA) .....               | \$ 300              | \$ 100               | \$ 100              |
| <b>TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND:</b>           |                     |                      |                     |
| Tuition Account Program Bureau.....                               | \$ 3,188            | \$ 3,188             | \$ 3,188            |
| (A)Application Fees.....  | 1,372               | 1,373                | 1,375               |
| <b>TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND TOTAL.....</b> | <b>\$ 4,560</b>     | <b>\$ 4,561</b>      | <b>\$ 4,563</b>     |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                               |                     |                      |                     |
| GENERAL FUND.....   | \$ 1,116,847        | \$ 1,145,536         | \$ 1,218,228        |
| SPECIAL FUNDS.....  | 30,057              | 36,695               | 51,556              |
| AUGMENTATIONS.....  | 12,048              | 8,587                | 8,225               |
| RESTRICTED.....   | 46,160              | 46,550               | 45,571              |
| OTHER FUNDS.....  | 46,189              | 46,797               | 44,627              |
| <b>TOTAL ALL FUNDS.....</b>                                       | <b>\$ 1,251,301</b> | <b>\$ 1,284,165</b>  | <b>\$ 1,368,207</b> |

<sup>a</sup> Includes recommended supplemental executive authorization of \$3,000,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

|                             | 2013-14<br>Actual          | 2014-15<br>Available       | 2015-16<br>Budget          | 2016-17<br>Estimated       | 2017-18<br>Estimated       | 2018-19<br>Estimated       | 2019-20<br>Estimated       |
|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>DISBURSEMENT</b>         |                            |                            |                            |                            |                            |                            |                            |
| GENERAL FUND.....           | \$ 47,594                  | \$ 44,925                  | \$ 43,738                  | \$ 43,051                  | \$ 42,021                  | \$ 43,016                  | \$ 44,036                  |
| SPECIAL FUNDS.....          | 12,258                     | 17,333                     | 22,903                     | 25,052                     | 27,365                     | 29,680                     | 29,694                     |
| FEDERAL FUNDS.....          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| OTHER FUNDS.....            | 16,908                     | 13,248                     | 12,888                     | 12,583                     | 12,599                     | 12,615                     | 12,632                     |
| SUBCATEGORY TOTAL.....      | <u>\$ 76,760</u>           | <u>\$ 75,506</u>           | <u>\$ 79,529</u>           | <u>\$ 80,686</u>           | <u>\$ 81,985</u>           | <u>\$ 85,311</u>           | <u>\$ 86,362</u>           |
| <b>INTERSTATE RELATIONS</b> |                            |                            |                            |                            |                            |                            |                            |
| GENERAL FUND.....           | \$ 1,187                   | \$ 1,036                   | \$ 1,025                   | \$ 1,025                   | \$ 1,025                   | \$ 1,025                   | \$ 1,025                   |
| SPECIAL FUNDS.....          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| FEDERAL FUNDS.....          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| OTHER FUNDS.....            | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| SUBCATEGORY TOTAL.....      | <u>\$ 1,187</u>            | <u>\$ 1,036</u>            | <u>\$ 1,025</u>            | <u>\$ 1,025</u>            | <u>\$ 1,025</u>            | <u>\$ 1,025</u>            | <u>\$ 1,025</u>            |
| <b>DEBT SERVICE</b>         |                            |                            |                            |                            |                            |                            |                            |
| GENERAL FUND.....           | \$ 1,068,066               | \$ 1,099,575               | \$ 1,173,465               | \$ 1,248,785               | \$ 1,329,283               | \$ 1,413,335               | \$ 1,459,218               |
| SPECIAL FUNDS.....          | 17,799                     | 19,362                     | 28,653                     | 46,254                     | 57,032                     | 57,029                     | 56,959                     |
| FEDERAL FUNDS.....          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| OTHER FUNDS.....            | 87,489                     | 88,686                     | 85,535                     | 84,666                     | 79,618                     | 79,250                     | 93,302                     |
| SUBCATEGORY TOTAL.....      | <u>\$ 1,173,354</u>        | <u>\$ 1,207,623</u>        | <u>\$ 1,287,653</u>        | <u>\$ 1,379,705</u>        | <u>\$ 1,465,933</u>        | <u>\$ 1,549,614</u>        | <u>\$ 1,609,479</u>        |
| <b>ALL PROGRAMS:</b>        |                            |                            |                            |                            |                            |                            |                            |
| GENERAL FUND.....           | \$ 1,116,847               | \$ 1,145,536               | \$ 1,218,228               | \$ 1,292,861               | \$ 1,372,329               | \$ 1,457,376               | \$ 1,504,279               |
| SPECIAL FUNDS.....          | 30,057                     | 36,695                     | 51,556                     | 71,306                     | 84,397                     | 86,709                     | 86,653                     |
| FEDERAL FUNDS.....          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| OTHER FUNDS.....            | 104,397                    | 101,934                    | 98,423                     | 97,249                     | 92,217                     | 91,865                     | 105,934                    |
| DEPARTMENT TOTAL.....       | <u><u>\$ 1,251,301</u></u> | <u><u>\$ 1,284,165</u></u> | <u><u>\$ 1,368,207</u></u> | <u><u>\$ 1,461,416</u></u> | <u><u>\$ 1,548,943</u></u> | <u><u>\$ 1,635,950</u></u> | <u><u>\$ 1,696,866</u></u> |



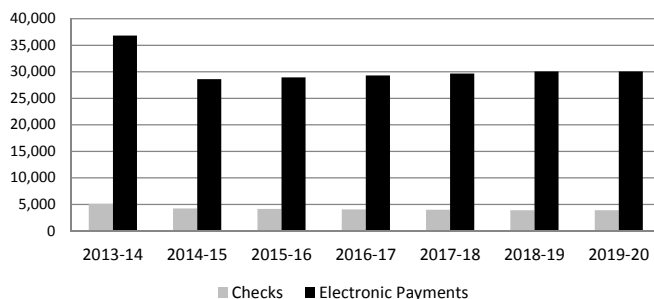
## Program: Disbursement

*Goal: To receive and safeguard the monies of the commonwealth, to manage the funds to the best advantage of the commonwealth and to ensure that all disbursements of funds are legal and proper.*

The Treasury Department is required by the Fiscal Code to receive and deposit all monies of the commonwealth; to invest any commonwealth monies that accumulate beyond the daily needs of the various funds; to manage to the best possible advantage all securities in its custody; to pre-audit requisitions for the expenditure of funds; and to disburse all state monies upon proper authorization to those entitled to receive payment. In this capacity, the department is responsible for the receipt, custody and disbursement of billions of dollars each year.

The Treasury Department also maintains accounting controls and disburses all checks to recipients of public assistance. Thousands of disbursements are processed each working day for distribution to recipients. This processing includes pre-auditing, printing and mailing the checks to individual recipients and banks. Deposits are kept in approximately 50 financial institutions throughout Pennsylvania, including approximately 13 banks that also function as active depositories from which thousands of payments are issued daily.

**Treasury Disbursements**  
(in thousands)



The State Treasurer is Chairman of the Board of Finance and Revenue which is charged with reviewing and deciding tax appeals concerning settlements made between the commonwealth and persons, associations and corporations. The board also administers the program for refunding liquid fuels taxes to groups exempt by legislation from these taxes.

The Treasury Department is required to pay death benefits, adjusted annually for inflation, to the surviving spouse or children of public safety workers, firefighters or law enforcement officers of the commonwealth killed in the performance of their duties and to reimburse political subdivisions for such payments made to survivors of local firefighters or law enforcement officers.

The Treasury Department administers the Tuition Account Program, which provides two programs for postsecondary educational savings. The Tuition Account Guaranteed Savings Program Fund provides for the advance purchase of tuition credits for students who will attend institutions of higher education. Savings for higher education may also be made through the Tuition Account Investment Program Fund.

The State Treasurer is responsible for the administration and enforcement of the commonwealth's abandoned and unclaimed property laws. Tangible and intangible property that has remained unclaimed for three or more years is reported and remitted to the Treasury Department by holders in possession of the property. The commonwealth maintains perpetual custody of the property until it is claimed by the rightful owner. Revenues generated by collection of unclaimed property are deposited directly to the General Fund.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| GENERAL FUND                  |   |
|-------------------------------|---|
| General Government Operations |   |
| \$ -3,500                     | —nonrecurring costs for the unclaimed property program. |
| 2,264                         | —to continue current program.                           |
| <b>\$ -1,236</b>              | <b>Appropriation Decrease</b>                           |
| Board of Finance and Revenue  |   |
| \$ 210                        | —to continue current program.                           |
| Divestiture Reimbursement     |   |
| \$ -161                       | —reduced program requirement.                           |

| MOTOR LICENSE FUND                              |   |
|---|---|
| Refunding Liquid Fuels Taxes - State Share (EA) |   |
| \$ 200  | —based on most recent projection of program requirements. |
| Refunding Liquid Fuels Taxes - Agriculture (EA) |   |
| \$ 500  | —based on most recent projection of program requirements. |

## Program: Disbursement (continued)

**Program Recommendations: (continued)**

This budget recommends the following changes: (Dollar Amounts in Thousands)

|    |     |   |    |       |   |
|----|-----|---|----|-------|---|
|    |     | <b>Refunding Liquid Fuels Taxes - Political Subdivisions (EA)</b> |    |       | <b>Refunding Liquid Fuels Taxes - Boat Fund (EA)</b>      |
| \$ | 400 | —based on most recent projection of program requirements.         | \$ | 4,370 | —based on most recent projection of program requirements. |
|    |     | <b>Refunding Liquid Fuels Taxes - Volunteer Services (EA)</b>     |    |       |   |
| \$ | 100 | —based on most recent projection of program requirements.         |    |       |   |

All other appropriations are recommended at the current year funding levels.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>   |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....                              | \$ 32,228         | \$ 36,028            | \$ 34,792         | \$ 36,010            | \$ 36,910            | \$ 37,833            | \$ 38,779            |
| Board of Finance and Revenue .....                               | 2,505             | 2,505                | 2,715             | 2,810                | 2,880                | 2,952                | 3,026                |
| Divestiture Reimbursement .....                                  | 1,698             | 229                  | 68                | 68                   | 68                   | 68                   | 68                   |
| Information Technology Modernization .....                       | 9,000             | 4,000                | 4,000             | 2,000                | 0                    | 0                    | 0                    |
| Law Enforcement & Emergency Response                             |                   |                      |                   |                      |                      |                      |                      |
| Personnel Death Benefit .....                                    | 2,163             | 2,163                | 2,163             | 2,163                | 2,163                | 2,163                | 2,163                |
| <b>TOTAL GENERAL FUND .....</b>                                  | <b>\$ 47,594</b>  | <b>\$ 44,925</b>     | <b>\$ 43,738</b>  | <b>\$ 43,051</b>     | <b>\$ 42,021</b>     | <b>\$ 43,016</b>     | <b>\$ 44,036</b>     |
| <b>MOTOR LICENSE FUND:</b>                                       |                   |                      |                   |                      |                      |                      |                      |
| Administration Refunding Liquid Fuels Tax .....                  | \$ 557            | \$ 533               | \$ 533            | \$ 552               | \$ 565               | \$ 580               | \$ 594               |
| Refunding Liquid Fuels Taxes - State Share (EA) .....            | 2,492             | 1,700                | 1,900             | 2,100                | 2,300                | 2,500                | 2,500                |
| Refunding Liquid Fuels Taxes - Agriculture (EA) .....            | 2,629             | 4,100                | 4,600             | 5,100                | 5,600                | 6,100                | 6,100                |
| Refunding Liquid Fuels Taxes - Political Subdivisions (EA) ..... | 2,053             | 3,400                | 3,800             | 4,200                | 4,600                | 5,000                | 5,000                |
| Refunding Liquid Fuels Taxes - Volunteer Services (EA) .....     | 327               | 500                  | 600               | 700                  | 800                  | 900                  | 900                  |
| Refunding Liquid Fuels Taxes - Snowmobiles & ATV's (EA) .....    | 1,000             | 1,000                | 1,000             | 1,000                | 1,000                | 1,000                | 1,000                |
| Refunding Liquid Fuels Taxes - Boat Fund (EA) .....              | 3,200             | 6,100                | 10,470            | 11,400               | 12,500               | 13,600               | 13,600               |
| <b>TOTAL MOTOR LICENSE FUND .....</b>                            | <b>\$ 12,258</b>  | <b>\$ 17,333</b>     | <b>\$ 22,903</b>  | <b>\$ 25,052</b>     | <b>\$ 27,365</b>     | <b>\$ 29,680</b>     | <b>\$ 29,694</b>     |

## Program: Interstate Relations

*Goal: To promote interstate cooperation and progress through participation in various associations, commissions and organizations both regionally and nationally.*

Pennsylvania promotes interstate cooperation and progress through participation in various associations, commissions and organizations with other states and units of government. As a member of the Council of State Governments, National Conference of State Legislatures and the National Governors' Association, Pennsylvania helps coordinate ideas on programs, interstate progress, budgets, federal-state relations, education, labor, research, governmental techniques and general information with other states, Congress and the federal Executive Branch.

The State and Local Legal Center provides for Pennsylvania's participation in a center to advance and

defend the interests of state and local governments in matters involving federal preemption, state taxing and spending powers, the Tenth Amendment to the United States Constitution and other issues.

This program also covers Pennsylvania's cost of the Great Lakes Commission and the Council of Great Lakes Governors. These organizations were established to plan and promote a unified and balanced program for the development, use and conservation of Great Lakes Basin water resources.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -11 **Intergovernmental Organizations**  
—reduced program requirement.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                       | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                  |                   |                      |                   |                      |                      |                      |                      |
| Intergovernmental Organizations ..... | \$ 1,187          | \$ 1,036             | \$ 1,025          | \$ 1,025             | \$ 1,025             | \$ 1,025             | \$ 1,025             |

## Program: Debt Service

*Goal: To provide for interest and principal requirements of notes and bonds issued by the commonwealth and other expenses related to debt service.*

The commonwealth, through the Treasury Department, is obligated to meet principal and interest requirements and other expenses related to debt service.

Long-term bonds are issued by the state to finance the cost of public improvements that represent a heavy financial burden which cannot be funded through current revenues. These bond issues provide funds for the acquisition and development of public recreation and historic sites and facilities; economic revitalization efforts; low-cost loans for water supply and sewage treatment

improvements; and a wide variety of construction and renovation projects for hospitals, higher education facilities, state parks, flood control, correctional institutions and various public buildings.

The commonwealth has saved substantial amounts of interest on debt service through the issuance of refunding bonds to retire debt incurred in prior years when interest rates were considerably higher. The commonwealth continues to monitor its debt for additional refunding opportunities.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND**  
\$ 73,890 —the net effect on principal and interest requirements and other costs relating to General Fund debt service.

**MOTOR LICENSE FUND**  
\$ 9,291 —the net effect on principal and interest requirements and other costs relating to Motor License Fund debt service.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                          |                     |                      |                     |                      |                      |                      |                      |
| Publishing Monthly Statements .....           | \$ 15               | \$ 15                | \$ 15               | \$ 15                | \$ 15                | \$ 15                | \$ 15                |
| Loan and Transfer Agents .....                | 60                  | 60                   | 50                  | 50                   | 50                   | 50                   | 50                   |
| Tax Note Expenses (EA) .....                  | 0                   | 0                    | 400                 | 400                  | 400                  | 400                  | 400                  |
| Interest on Tax Anticipation Notes (EA) ..... | 0                   | 0                    | 16,000              | 12,000               | 4,000                | 4,000                | 4,000                |
| Cash Management Loan Interest (EA) .....      | 1,000               | 3,000                | 0                   | 0                    | 0                    | 0                    | 0                    |
| General Obligation Debt Service .....         | 1,066,991           | 1,096,500            | 1,157,000           | 1,236,320            | 1,324,818            | 1,408,870            | 1,454,753            |
| <b>TOTAL GENERAL FUND .....</b>               | <b>\$ 1,068,066</b> | <b>\$ 1,099,575</b>  | <b>\$ 1,173,465</b> | <b>\$ 1,248,785</b>  | <b>\$ 1,329,283</b>  | <b>\$ 1,413,335</b>  | <b>\$ 1,459,218</b>  |
| <b>MOTOR LICENSE FUND:</b>                    |                     |                      |                     |                      |                      |                      |                      |
| Capital Debt Transportation Projects .....    | \$ 748              | \$ 2,376             | \$ 11,635           | \$ 29,283            | \$ 40,061            | \$ 40,058            | \$ 40,055            |
| General Obligation Debt Service .....         | 17,001              | 16,936               | 16,968              | 16,921               | 16,921               | 16,921               | 16,854               |
| Loan and Transfer Agent .....                 | 50                  | 50                   | 50                  | 50                   | 50                   | 50                   | 50                   |
| <b>TOTAL MOTOR LICENSE FUND .....</b>         | <b>\$ 17,799</b>    | <b>\$ 19,362</b>     | <b>\$ 28,653</b>    | <b>\$ 46,254</b>     | <b>\$ 57,032</b>     | <b>\$ 57,029</b>     | <b>\$ 56,959</b>     |

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# DEPARTMENT OF AGING

*The mission of the Department of Aging is to enhance the quality of life of older Pennsylvanians by empowering the community, the family and the individual.*

The department consolidates services for older Pennsylvanians and provides a single point of contact through which older Pennsylvanians can address their concerns to state government.

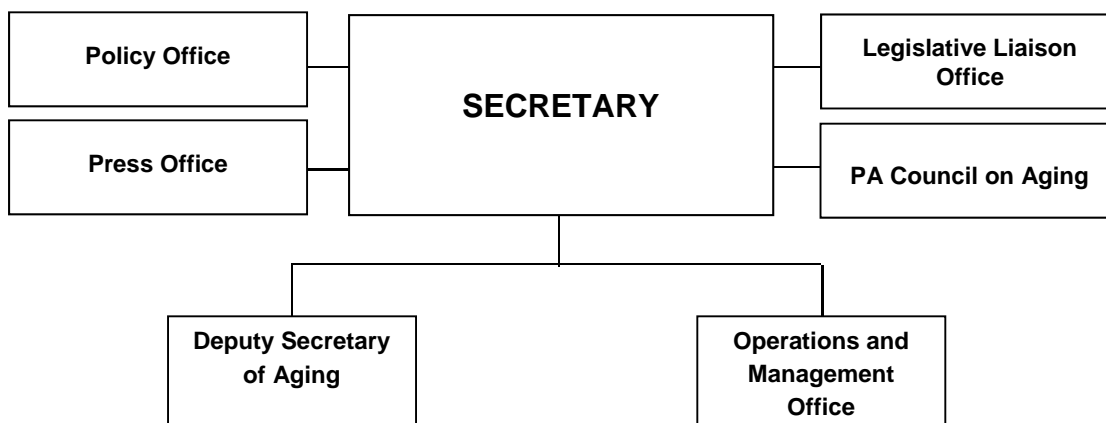
Statewide services are provided through the local Area Agencies on Aging. Services include long-term care assessment, home and community-based services, nutrition, employment, transportation, domiciliary care and protection. Additionally, the department manages the pharmaceutical assistance program for older Pennsylvanians.

## **Programs and Goals**

**Community Services for Older Pennsylvanians:** *To enable older Pennsylvanians to maintain active and independent lives in their own homes or alternative community living arrangements.*

**Pharmaceutical Assistance:** *To assist eligible older Pennsylvanians who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives.*

## Organization Overview



- **Deputy Secretary of Aging** oversees the Aging and Disability Resources Office and the Bureaus of Aging Services, Quality Assurance, Advocacy, Finance and Pharmaceutical Assistance.
- **Operations and Management Office** is responsible for the Education and Outreach Office, Human Resource Office and the Intra-Governmental Council on Long-Term Care.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 97                | 97                | 97                | 97                | 102               |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL        | 2014-15<br>AVAILABLE          | 2015-16<br>BUDGET        |
|--|--------------------------|-------------------------------|--------------------------|
| <b>LOTTERY FUND:</b>   |                          |                               |                          |
| <b>General Government:</b>   |                          |                               |                          |
| <b>General Government Operations.....</b>                            | <b>\$ 7,861</b>          | <b>\$ 7,927</b>               | <b>\$ 8,708</b>          |
| (F)Programs for the Aging - Title III - Administration.....          | 1,781                    | 1,781                         | 1,781                    |
| (F)Programs for the Aging - Title V - Administration.....            | 127                      | 127                           | 127                      |
| (F)Medical Assistance - Administration.....                          | 2,342                    | 2,342                         | 2,354                    |
| (F)Program for the Aging - Title VII - Administration.....           | 118                      | 118                           | 118                      |
| (A)Day Care Licensure.....   | 10                       | 11                            | 11                       |
| (A)Digital Fingerprint Fees.....                                     | 28                       | 27                            | 27                       |
| (A)Adult Protective Services - GGO.....                              | 650                      | 0                             | 0                        |
| Subtotal.....  | <u>\$ 12,917</u>         | <u>\$ 12,333</u>              | <u>\$ 13,126</u>         |
| Subtotal - State Funds.....  | \$ 7,861                 | \$ 7,927                      | \$ 8,708                 |
| Subtotal - Federal Funds.....  | 4,368                    | 4,368                         | 4,380                    |
| Subtotal - Augmentations.....  | 688                      | 38                            | 38                       |
| Total - General Government.....                                      | <u>\$ 12,917</u>         | <u>\$ 12,333</u>              | <u>\$ 13,126</u>         |
| <b>Grants and Subsidies:</b>   |                          |                               |                          |
| <b>PENNCARE.....</b>   | <b>\$ 275,164</b>        | <b>\$ 299,306<sup>a</sup></b> | <b>\$ 305,190</b>        |
| (F)Programs for the Aging - Title III.....                           | 52,000                   | 52,000                        | 52,000                   |
| (F)Programs for the Aging - Nutrition.....                           | 10,000                   | 10,000                        | 10,000                   |
| (F)Programs for the Aging - Title V - Employment.....                | 8,000                    | 8,000                         | 8,000                    |
| (F)Programs for the Aging - Title VII - Elder Rights Protection..... | 4,700                    | 4,700                         | 4,700                    |
| (F)Medical Assistance - Attendant Care.....                          | 24,055                   | 27,986 <sup>b</sup>           | 32,319                   |
| (F)Medical Assistance - Support.....                                 | 9,000                    | 9,000                         | 9,000                    |
| (F)Medical Assistance Nursing Home Transition Administration.....    | 700                      | 700                           | 700                      |
| (A)Attendant Care Patient Fees.....                                  | 155                      | 214                           | 155                      |
| (A)Adult Protective Services.....                                    | 4,200                    | 0                             | 0                        |
| Subtotal.....  | <u>\$ 387,974</u>        | <u>\$ 411,906</u>             | <u>\$ 422,064</u>        |
| <b>Pre-Admission Assessment.....</b>                                 | <b>10,735</b>            | <b>10,735</b>                 | <b>16,135</b>            |
| (F)Pre-Admission Assessment.....                                     | 16,000                   | 16,000                        | 17,000                   |
| Subtotal.....  | <u>\$ 26,735</u>         | <u>\$ 26,735</u>              | <u>\$ 33,135</u>         |
| <b>Caregiver Support.....</b>  | <b>12,103</b>            | <b>12,103</b>                 | <b>12,103</b>            |
| (F)Programs for the Aging - Title III - Caregiver Support.....       | 10,000                   | 10,000                        | 10,000                   |
| Subtotal.....  | <u>\$ 22,103</u>         | <u>\$ 22,103</u>              | <u>\$ 22,103</u>         |
| <b>Alzheimer's Outreach.....</b>                                     | <b>250</b>               | <b>250</b>                    | <b>250</b>               |
| <b>Pharmaceutical Assistance Fund.....</b>                           | <b>130,000</b>           | <b>155,000</b>                | <b>160,000</b>           |
| <b>Grants to Senior Centers.....</b>                                 | <b>2,150</b>             | <b>2,000</b>                  | <b>2,000</b>             |
| Subtotal - State Funds.....  | \$ 430,402               | \$ 479,394                    | \$ 495,678               |
| Subtotal - Federal Funds.....  | 134,455                  | 138,386                       | 143,719                  |
| Subtotal - Augmentations.....  | 4,355                    | 214                           | 155                      |
| Total - Grants and Subsidies.....                                    | <u>\$ 569,212</u>        | <u>\$ 617,994</u>             | <u>\$ 639,552</u>        |
| STATE FUNDS.....   | \$ 438,263               | \$ 487,321                    | \$ 504,386               |
| FEDERAL FUNDS.....   | 138,823                  | 142,754                       | 148,099                  |
| AUGMENTATIONS.....   | 5,043                    | 252                           | 193                      |
| <b>LOTTERY FUND TOTAL.....</b>                                       | <b><u>\$ 582,129</u></b> | <b><u>\$ 630,327</u></b>      | <b><u>\$ 652,678</u></b> |



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL      | 2014-15<br>AVAILABLE   | 2015-16<br>BUDGET      |
|---|------------------------|------------------------|------------------------|
| <b>OTHER FUNDS:</b>                       |                        |                        |                        |
| <b>PHARMACEUTICAL ASSISTANCE FUND:</b>    |                        |                        |                        |
| PACE Contracted Services (EA).....        | \$ 41,432 <sup>c</sup> | \$ 27,312 <sup>c</sup> | \$ 26,145 <sup>c</sup> |
| Administration of PACE (EA).....          | 1,230                  | 1,305                  | 1,365                  |
| PHARMACEUTICAL ASSISTANCE FUND TOTAL..... | <b>\$ 42,662</b>       | <b>\$ 28,617</b>       | <b>\$ 27,510</b>       |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>       |                        |                        |                        |
| GENERAL FUND.....                         | \$ 0                   | \$ 0                   | \$ 0                   |
| SPECIAL FUNDS.....                        | 438,263                | 487,321                | 504,386                |
| FEDERAL FUNDS.....                        | 138,823                | 142,754                | 148,099                |
| AUGMENTATIONS.....                        | 5,043                  | 252                    | 193                    |
| OTHER FUNDS.....                          | 42,662                 | 28,617                 | 27,510                 |
| <b>TOTAL ALL FUNDS.....</b>               | <b>\$ 624,791</b>      | <b>\$ 658,944</b>      | <b>\$ 680,188</b>      |

<sup>a</sup> Includes recommended supplemental appropriation of \$3,936,000.

<sup>b</sup> Includes recommended supplemental appropriation of \$2,197,000.

<sup>c</sup> Transfer to Pharmaceutical Assistance Fund not added to the total to avoid double counting: 2013-14 Actual is \$130,000,000, 2014-15 Available is \$155,000,000 and 2015-16 Budget is \$160,000,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                                  | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     |
| SPECIAL FUNDS.....                                 | 308,263                  | 332,321                  | 344,386                  | 347,174                  | 347,399                  | 347,630                  | 347,867                  |
| FEDERAL FUNDS.....                                 | 138,823                  | 142,754                  | 148,099                  | 150,504                  | 150,565                  | 150,627                  | 150,691                  |
| OTHER FUNDS.....                                   | 5,043                    | 252                      | 193                      | 192                      | 192                      | 192                      | 192                      |
| SUBCATEGORY TOTAL.....                             | <u>\$ 452,129</u>        | <u>\$ 475,327</u>        | <u>\$ 492,678</u>        | <u>\$ 497,870</u>        | <u>\$ 498,156</u>        | <u>\$ 498,449</u>        | <u>\$ 498,750</u>        |
| <b>PHARMACEUTICAL ASSISTANCE</b>                   |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                                  | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     |
| SPECIAL FUNDS.....                                 | 130,000                  | 155,000                  | 160,000                  | 185,000                  | 180,000                  | 175,000                  | 170,000                  |
| FEDERAL FUNDS.....                                 | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....                                   | 42,662                   | 28,617                   | 27,510                   | 1,413                    | 1,448                    | 1,484                    | 1,521                    |
| SUBCATEGORY TOTAL.....                             | <u>\$ 172,662</u>        | <u>\$ 183,617</u>        | <u>\$ 187,510</u>        | <u>\$ 186,413</u>        | <u>\$ 181,448</u>        | <u>\$ 176,484</u>        | <u>\$ 171,521</u>        |
| <b>ALL PROGRAMS:</b>                               |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                                  | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     |
| SPECIAL FUNDS.....                                 | 438,263                  | 487,321                  | 504,386                  | 532,174                  | 527,399                  | 522,630                  | 517,867                  |
| FEDERAL FUNDS.....                                 | 138,823                  | 142,754                  | 148,099                  | 150,504                  | 150,565                  | 150,627                  | 150,691                  |
| OTHER FUNDS.....                                   | 47,705                   | 28,869                   | 27,703                   | 1,605                    | 1,640                    | 1,676                    | 1,713                    |
| DEPARTMENT TOTAL.....                              | <u><u>\$ 624,791</u></u> | <u><u>\$ 658,944</u></u> | <u><u>\$ 680,188</u></u> | <u><u>\$ 684,283</u></u> | <u><u>\$ 679,604</u></u> | <u><u>\$ 674,933</u></u> | <u><u>\$ 670,271</u></u> |

## Program: Community Services for Older Pennsylvanians

*Goal: To enable older Pennsylvanians to maintain active and independent lives in their own homes or alternative community living arrangements.*

The commonwealth's commitment to supporting older Pennsylvanians is demonstrated by a continuum of services ranging from independent living with the support of home and community-based services through institutional care.

The Department of Aging has established a network of in-home and community-based services addressing the varied needs of older Pennsylvanians. These programs enrich the lives of older Pennsylvanians and enable at-risk older Pennsylvanians to delay or avoid institutionalization. The 52 Area Agencies on Aging (AAAs), serving all 67 counties, provide aging services at the local level.

Because many older Pennsylvanians require only minimal outside support to function independently, a basic service of AAAs is to inform them of available supports. AAAs sponsor more than 550 senior centers throughout the commonwealth that provide a full range of social, recreational and educational activities. Congregate meals, served by the centers, provide participating older Pennsylvanians with a hot, nutritionally balanced meal. Transportation services arranged by AAAs allow older Pennsylvanians to visit the doctor, shop or attend senior center events. Job placement services help older Pennsylvanians find private sector employment and offer job training and subsidized part-time community service employment.

At-risk older Pennsylvanians require more extensive and personalized services to remain in their homes and communities and avoid relocating to an institutional setting such as a nursing facility. The level of care assessment program assists older Pennsylvanians and their families in securing and managing intensive in-home services tailored to their needs. The department provides counseling to individuals to apprise them of choices in the continuum of care from community services to nursing facilities. Counseling is also provided to assist individuals currently residing in nursing facilities to transition to community services when their needs can be safely met in the community. A variety of personal support services are available for the growing population of older Pennsylvanians. The continuum of services is available based on the functional and financial qualifications of the participant, ranging from home-delivered meals to

intensive in-home services for older Pennsylvanians needing the level of care available in institutional settings. Services are designed to provide the least restrictive alternative to meet the individual's need. Persons with higher incomes share in the cost of services.

Additionally, under the Older Adult Protection Services Act, protective services are provided to older Pennsylvanians who are at imminent risk of abuse, neglect, exploitation or abandonment. The department, through the AAAs, investigates reports of need and develops individualized plans to eliminate or mitigate the risks.

Attendant care services are maintained for adults with disabilities transitioning at age 60 from the Department of Human Service's Attendant Care program. The enhanced level of personal care services is provided until health changes indicate that a change in service level is appropriate.

The department assists families who support older, at-risk individuals in their home through the Caregiver Support Program. Working through the AAAs, the program provides benefits counseling and, depending on income, financial assistance, including purchasing supplies, services and home adaptations and devices. The PA Caregiver Support Act was amended in 2011 to align the state and federal program requirements, expand the definition of caregiver to include non-relatives, eliminate the requirement that a caregiver live with the care recipient and change the title of the act to Pennsylvania Caregiver Support.

In 2013-14, the department received an increase of \$20 million to provide additional funding to reduce the waiting list for individuals receiving home and community-based services through the OPTIONS program and provide additional services to individuals already in the program. With this additional funding, the department removed over 6,000 Pennsylvanians from the waiting list and served over 10,000 additional individuals needing services. In 2014-15 an additional \$34 million was provided to eliminate the remaining 500 people on the waiting list and provide the continued support of new individuals in the program. The funding was used for direct services, such as home delivered meals, home health, personal care, adult day care, protective services, guardianship and personal assistance services.

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|        |                                      |
|--------|--------------------------------------|
|        | <b>LOTTERY FUND</b>                  |
|        | <b>General Government Operations</b> |
| \$ 781 | —to continue current program.        |

## Program: Community Services for Older Pennsylvanians (continued)

**Program Recommendations: (continued)**

This budget recommends the following changes: (Dollar Amounts in Thousands)

| <b>PENNCARE</b> |   | <b>Pre-Admission Assessment</b> |  |
|-----------------|---|---------------------------------|--|
| \$              | 2,012   | 5,400                           | —Initiative—Rebalancing Long-Term Care Options. To provide 2,290 individuals pre-admission assessments for nursing home eligibility and maximize federal funds available to support the local Area Agencies on Aging in this task. |
|                 | 1,900   |                                 |  |
|                 | 163   |                                 |  |
|                 | 1,809   |                                 |  |
|                 | —annualization of prior year expansion of attendant care services.  |                                 |  |
|                 | —annualization of prior year expansion of OPTIONS program.  |                                 |  |
|                 | —revision of federal financial participation from 51.82% to 52.01%.   |                                 |  |
|                 | —Initiative—Rebalancing Long-Term Care Options. To provide attendant care services for an additional 228 recipients who transfer from the Department of Human Services' Attendant Care program at age 60. |                                 |  |
| \$              | 5,884   |                                 | <i>Appropriation Increase</i>  |

All other appropriations are recommended at the current year funding level.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

|                                     | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>LOTTERY FUND:</b>                |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations ..... | \$ 7,861          | \$ 7,927             | \$ 8,708          | \$ 9,013             | \$ 9,238             | \$ 9,469             | \$ 9,706             |
| PENNCARE .....                      | 275,164           | 299,306              | 305,190           | 307,673              | 307,673              | 307,673              | 307,673              |
| Pre-Admission Assessment .....      | 10,735            | 10,735               | 16,135            | 16,135               | 16,135               | 16,135               | 16,135               |
| Caregiver Support .....             | 12,103            | 12,103               | 12,103            | 12,103               | 12,103               | 12,103               | 12,103               |
| Alzheimer's Outreach .....          | 250               | 250                  | 250               | 250                  | 250                  | 250                  | 250                  |
| Grants to Senior Centers .....      | 2,150             | 2,000                | 2,000             | 2,000                | 2,000                | 2,000                | 2,000                |
| <b>TOTAL LOTTERY FUND .....</b>     | <b>\$ 308,263</b> | <b>\$ 332,321</b>    | <b>\$ 344,386</b> | <b>\$ 347,174</b>    | <b>\$ 347,399</b>    | <b>\$ 347,630</b>    | <b>\$ 347,867</b>    |

## Program: Pharmaceutical Assistance

*Goal: To assist eligible older Pennsylvanians who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives.*

The pharmaceutical assistance program provides limited pharmaceutical assistance to qualified older Pennsylvanians who are 65 years of age and older and who face the burden of the cost of drugs required to maintain healthy, productive lives.

The Pharmaceutical Assistance Contract for the Elderly (PACE) program has two components, PACE and PACENET. PACE, the traditional, comprehensive program is for older Pennsylvanians whose annual income is at or below \$14,500 for single persons and \$17,700 for married persons. The PACE Needs Enhancement Tier (PACENET) program is available for older Pennsylvanians whose annual income is between \$14,500 and \$23,500 for single persons and between \$17,700 and \$31,500 for married persons.

The Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 created a new outpatient drug benefit, Medicare Part D, which began providing drug coverage in January 2006. Act 111 of 2006 created PACE Plus Medicare, which enables cardholders to take advantage of the features of both PACE and Medicare Part D. With the goal of providing seamless coverage, PACE Plus fills the coverage gaps encountered by cardholders in Medicare Part D, including deductibles, the doughnut hole phase of no Medicare coverage, drugs excluded under MMA, drugs not on a plan's formulary and copayment differentials between the Part D plan coverage and the PACE and PACENET copayments. PACE Plus pays the Medicare premiums for Part D coverage for PACE cardholders, while PACENET cardholders must pay the Part D premiums. Act 111 of 2006 also eliminated the monthly deductible for PACENET cardholders.

The PACE program acts as the enrollees' representative and facilitates PACE cardholder enrollment into the Extra Help/Low-Income Subsidy offering under Part D as well as collaborating with selected prescription drug plans to facilitate enrollment of PACE and PACENET cardholders into Part D. PACE covers all medications requiring a prescription in the commonwealth, as well as insulin, insulin syringes and needles, unless a manufacturer does not participate in the manufacturer's rebate

program. PACE does not cover medications that can be purchased without a prescription, cosmetic drugs or "less than effective drugs" without certification by a physician. PACE cardholders pay a mandatory copayment of \$6 for generic and \$9 for brand-name prescriptions. PACENET cardholders pay a copayment of \$8 for generic and \$15 for brand-name prescriptions.

The department is responsible for ensuring compliance with the program requirements. In addition to careful review of eligibility, including income verification by matching with Pennsylvania income tax returns, the department audits providers to detect and deter fraud and has established both a prospective and a retrospective drug utilization review system to monitor and correct misuse of drug therapies.

The department also serves as the administrative and fiscal agent for other commonwealth-sponsored drug reimbursement programs. It processes claims, adjudicates claims, conducts member enrollment, and/or collects drug rebates from pharmaceutical manufacturers for select programs in the departments of Health and Insurance.

In accordance with Act 111 of 2006, participating pharmacies are reimbursed at 88 percent of the average wholesale costs of prescription drugs plus a dispensing fee, their usual and customary charge, or the most current federal upper payment limit established in the Medicaid Program for generic drugs plus a dispensing fee, whichever is less. A prudent pharmaceutical purchasing program ensures that the program receives a discount from drug manufacturers. PACE pays for drug products from manufacturers that agree to pay a rebate percentage of the average manufacturer price for brand and generic drugs pursuant to the determination established by section 1927(c) (1) of the Social Security Act. In addition, participating manufacturers agree to pay an excessive pharmaceutical price inflation discount equivalent to the difference between the quarterly average manufacturer's price charged for a drug, excluding generics, and the average quarterly price charged for that drug one year earlier inflated by the Consumer Price Index-Urban.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|          |  |
|----------|--|
|          | <b>LOTTERY FUND</b>  |
|          | <b>Pharmaceutical Assistance Fund</b>                                  |
| \$ 5,000 | —increase in Lottery Fund transfer needed to support the PACE program. |

## Program: Pharmaceutical Assistance (continued)

## Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>LOTTERY FUND:</b>                 |                   |                      |                   |                      |                      |                      |                      |
| Pharmaceutical Assistance Fund ..... | \$ <u>130,000</u> | \$ <u>155,000</u>    | \$ <u>160,000</u> | \$ <u>185,000</u>    | \$ <u>180,000</u>    | \$ <u>175,000</u>    | \$ <u>170,000</u>    |

## Program Measures

2013-14      2014-15      2015-16      2016-17      2017-18      2018-19      2019-20

### Program: Community Services for Older Pennsylvanians

**Objective: Increase long-term care options so that older Pennsylvanians and Pennsylvanians with physical disabilities can choose how and where they receive services.**

|  |           |           |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of Pennsylvanians age 60 and older  | 2,891,678 | 2,955,910 | 3,018,740 | 3,081,570 | 3,144,400 | 3,207,230 | 3,270,060 |
| Number of Pennsylvanians age 85 and older  | 329,395   | 329,975   | 334,110   | 338,250   | 342,390   | 346,530   | 350,665   |
| Number of persons served in the community who are clinically nursing home eligible | 11,164    | 10,830    | 10,830    | 10,830    | 10,830    | 10,830    | 10,830    |

#### Pre-Admission Assessment

|                                 |         |         |         |         |         |         |         |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Assessments/recertifications    | 112,565 | 114,490 | 116,780 | 116,780 | 116,780 | 116,780 | 116,780 |
| Referrals to nursing homes      | 38,326  | 38,970  | 38,970  | 38,970  | 38,970  | 38,970  | 38,970  |
| Referrals to community services | 48,032  | 48,080  | 48,080  | 48,080  | 48,080  | 48,080  | 48,080  |

#### Persons Receiving Assistance

|                                      |         |         |         |         |         |         |         |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Congregate meals                     | 119,231 | 121,980 | 121,980 | 121,980 | 121,980 | 121,980 | 121,980 |
| Personal assistance services         | 1,826   | 1,880   | 1,880   | 1,880   | 1,880   | 1,880   | 1,880   |
| Attendant care services              | 1,642   | 1,640   | 1,640   | 1,640   | 1,640   | 1,640   | 1,640   |
| Home-delivered meals                 | 38,973  | 38,280  | 38,280  | 38,280  | 38,280  | 38,280  | 38,280  |
| Home support services                | 6,940   | 6,450   | 6,450   | 6,450   | 6,450   | 6,450   | 6,450   |
| Personal care services               | 12,775  | 11,950  | 11,950  | 11,950  | 11,950  | 11,950  | 11,950  |
| Protective services                  | 22,613  | 22,360  | 22,360  | 22,360  | 23,360  | 22,360  | 22,360  |
| Families receiving caregiver support | 6,319   | 6,340   | 6,340   | 6,340   | 6,340   | 6,340   | 6,340   |

### Program: Pharmaceutical Assistance

**Objective: Ensure that eligible older Pennsylvanians who need help in paying for medications are enrolled in PACE/PACENET.**

#### Comprehensive PACE Program

|   |           |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of older Pennsylvanians enrolled (average) in PACE | 107,913   | 105,815   | 103,760   | 101,745   | 99,770    | 97,830    | 95,930    |
| Total prescriptions per year - PACE                       | 3,622,953 | 3,552,570 | 3,481,110 | 3,414,275 | 3,348,725 | 3,284,430 | 3,221,370 |
| Average PACE cost per prescription                        | \$19.75   | \$20.09   | \$20.23   | \$20.40   | \$20.64   | \$20.87   | \$21.08   |

#### PACE Needs Enhancement Tier (PACENET)

|  |           |           |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of older Pennsylvanians enrolled (average) in PACENET | 167,477   | 157,050   | 147,275   | 138,110   | 129,510   | 121,450   | 113,890   |
| Total prescriptions per year - PACENET                       | 5,417,555 | 5,080,325 | 4,770,805 | 4,480,135 | 4,207,160 | 3,950,815 | 3,710,080 |
| Average PACENET cost per prescription                        | \$20.85   | \$22.21   | \$23.49   | \$24.90   | \$25.18   | \$25.45   | \$25.72   |



---

# DEPARTMENT OF AGRICULTURE

*The mission of the Department of Agriculture is to encourage and promote agriculture and related industries throughout the commonwealth.*

The department's mission is accomplished through four major programs: consumer protection, property protection, farmland preservation and farmers and agribusiness development. The department provides a full range of services to farmers and consumers from Harrisburg and through seven regional offices located around the state.

The department carries out activities to ensure wholesome and safe agricultural products for consumers; to expand existing and develop new domestic and foreign markets for Pennsylvania's farmers to compete in the global economy; to develop and encourage proper farming and conservation practices; to prevent, control and eradicate diseases among livestock, poultry and plants; to regulate the conduct of horse racing; and to improve the quality of life in rural Pennsylvania.

## **Programs and Goals**

**Protection and Development of Agricultural Industries:** *To strengthen the agricultural economy and related enterprises.*

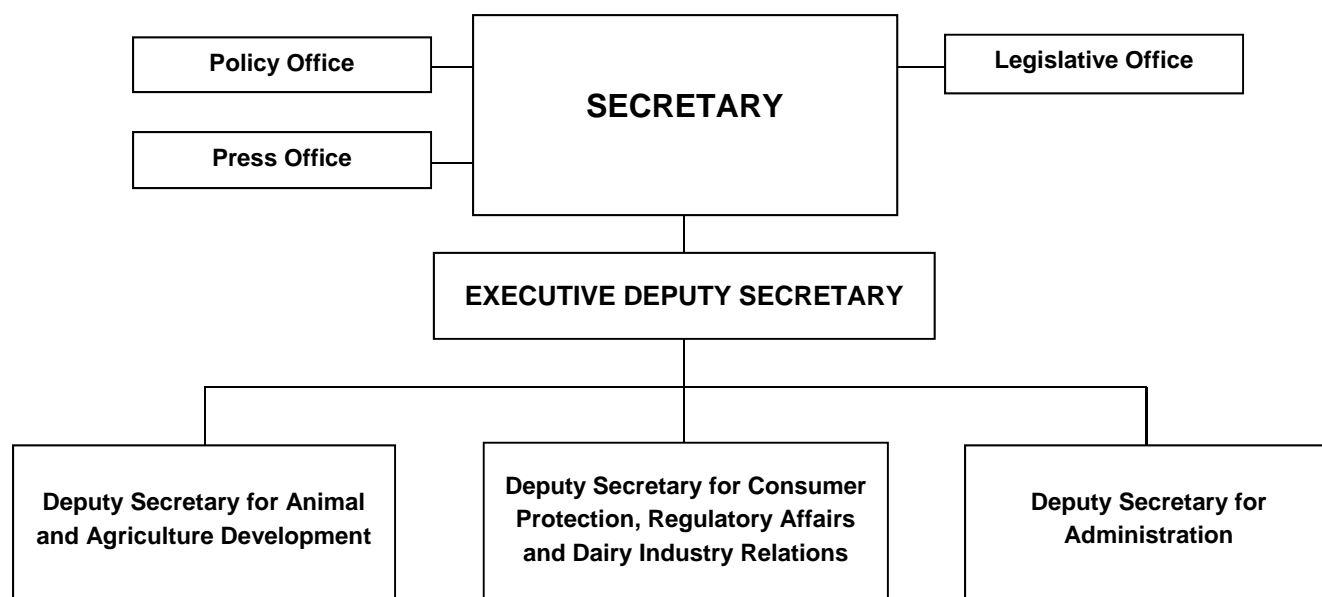
**Horse Racing Regulation:** *To prevent consumer fraud in the racing industry.*

**Emergency Food Assistance:** *To distribute surplus and donated food through institutions and counties or designated lead agencies to individuals and families who are dependent or disadvantaged to support minimum standards of living and economic independence.*

---



## Organization Overview



- **Deputy Secretary for Animal and Agriculture Development** is responsible for the Bureau of Animal Health, Animal Health and Diagnostic Commission, Horse and Harness Racing Commission, Pennsylvania Equine Toxicology Research Laboratory, Livestock Evaluation Center, state-owned farms and other agricultural initiatives.
- **Deputy Secretary for Consumer Protection, Regulatory Affairs and Dairy Industry Relations** is responsible for the Bureau of Food Safety and Laboratory Services, Bureau of Ride and Measurement Standards, Bureau of Plant Industry and Bureau of Food Distribution.
- **Deputy Secretary for Administration** is responsible for the Bureau of Market Development, Bureau of Farmland Preservation, Hardwoods Development Council, Bureau of Administrative Services, Information Technology Services Office and the Human Resources Office.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 612               | 604               | 596               | 594               | 592               |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>   |                   |                      |                   |
| <b>General Government:</b>                                   |                   |                      |                   |
| <b>General Government Operations.....</b>                    | <b>\$ 22,703</b>  | <b>\$ 25,269</b>     | <b>\$ 28,284</b>  |
| (F) Plant Pest Detection System.....                         | 1,300             | 1,300                | 1,300             |
| (F) Poultry Grading Service.....                             | 100               | 100                  | 100               |
| (F) Medicated Feed Mill Inspection.....                      | 50                | 50                   | 50                |
| (F) National School Lunch Administration.....                | 1,700             | 1,700                | 1,700             |
| (F) Emergency Food Assistance.....                           | 4,000             | 4,000                | 4,000             |
| (F) Pesticide Control.....                                   | 1,000             | 1,000                | 1,000             |
| (F) Agricultural Risk Protection.....                        | 1,000             | 1,000                | 1,000             |
| (F) Commodity Supplemental Food.....                         | 3,000             | 3,000                | 3,000             |
| (F) Organic Cost Distribution.....                           | 350               | 350                  | 350               |
| (F) Animal Disease Control.....                              | 2,000             | 2,000                | 2,000             |
| (F) Food Establishment Inspections.....                      | 1,500             | 1,500                | 1,500             |
| (F) Integrated Pest Management.....                          | 250               | 250                  | 250               |
| (F) Johnes Disease Herd Project.....                         | 2,000             | 2,000                | 2,000             |
| (F) Avian Influenza Surveillance.....                        | 2,000             | 2,000                | 2,000             |
| (F) Oral Rabies Vaccine.....                                 | 100               | 100                  | 100               |
| (F) Exotic Newcastle Disease Control.....                    | 300               | 300                  | 300               |
| (F) Scrapie Disease Control.....                             | 60                | 60                   | 60                |
| (F) Foot and Mouth Disease Monitoring.....                   | 150               | 150                  | 150               |
| (F) Wildlife Services.....                                   | 800               | 800                  | 800               |
| (F) Animal Identification.....                               | 2,000             | 2,000                | 2,000             |
| (F) Specialty Crops.....                                     | 1,500             | 1,500                | 1,500             |
| (F) Emerald Ash Borer Mitigation.....                        | 800               | 800                  | 800               |
| (F) Mediation Grant.....                                     | 200               | 200                  | 200               |
| (F) Farmland Protection.....                                 | 6,000             | 6,000                | 6,000             |
| (F) Crop Insurance.....                                      | 2,000             | 2,000                | 2,000             |
| (F) Spotted Lanternfly.....                                  | 0                 | 0                    | 1,500             |
| (A) Lime Control Fees.....                                   | 32                | 20                   | 30                |
| (A) Lime Registration Fees.....                              | 6                 | 3                    | 3                 |
| (A) Commercial Feed Facility Inspections.....                | 43                | 35                   | 46                |
| (A) Commercial Feed Inspections.....                         | 592               | 566                  | 577               |
| (A) Milk Plant Inspections.....                              | 19                | 18                   | 20                |
| (A) Administrative Services.....                             | 3,275             | 3,828                | 3,151             |
| (A) Pesticide Regulation.....                                | 736               | 700                  | 800               |
| (A) Training Rides and Attractions.....                      | 34                | 25                   | 30                |
| (A) Apiary Registration and Fees.....                        | 15                | 14                   | 14                |
| (A) Weights and Measures Inspection Services.....            | 15                | 0                    | 0                 |
| (A) Transfer from Fertilizer Account.....                    | 24                | 23                   | 25                |
| (A) Consumer Fireworks License.....                          | 400               | 360                  | 360               |
| (A) Taxidermy Permit Registrations.....                      | 110               | 105                  | 110               |
| (A) Transfer from Motor License Fund.....                    | 0 <sup>a</sup>    | 0 <sup>a</sup>       | 0 <sup>a</sup>    |
| (A) Transfer from Other State Agencies.....                  | 215               | 132                  | 137               |
| (A) Transfer from Education.....                             | 139               | 139                  | 139               |
| (A) Conference Registration Fees.....                        | 2                 | 2                    | 2                 |
| (A) Vet Lab Diagnostic Fees.....                             | 794               | 700                  | 750               |
| (A) Domestic Animal Dealer License.....                      | 57                | 50                   | 53                |
| (A) Food Site Inspection, License and Registration Fees..... | 52                | 52                   | 52                |
| (A) Transfer from Environmental Stewardship Fund.....        | 216               | 244                  | 244               |
| Subtotal.....  | <b>\$ 63,639</b>  | <b>\$ 66,445</b>     | <b>\$ 70,487</b>  |
| <b>Agricultural Excellence.....</b>                          | <b>600</b>        | <b>1,100</b>         | <b>0</b>          |
| <b>Farmers' Market Food Coupons.....</b>                     | <b>2,079</b>      | <b>2,079</b>         | <b>2,079</b>      |
| (F) Farmers' Market Food Coupons.....                        | 3,500             | 3,500                | 3,500             |
| (F) Senior Farmers' Market Nutrition.....                    | 2,200             | 2,200                | 2,200             |
| <b>Agricultural Research.....</b>                            | <b>787</b>        | <b>787</b>           | <b>0</b>          |

## Summary by Fund and Appropriation

|   | (Dollar Amounts in Thousands) |                          |                          |
|---|-------------------------------|--------------------------|--------------------------|
|   | 2013-14<br>ACTUAL             | 2014-15<br>AVAILABLE     | 2015-16<br>BUDGET        |
| <b>Agricultural Promotion, Education and Exports.....</b>       | <b>196</b>                    | <b>250</b>               | <b>0</b>                 |
| <b>Hardwoods Research and Promotion.....</b>                    | <b>350</b>                    | <b>350</b>               | <b>0</b>                 |
| Subtotal - State Funds.....                                     | \$ 26,715                     | \$ 29,835                | \$ 30,363                |
| Subtotal - Federal Funds.....                                   | 39,860                        | 39,860                   | 41,360                   |
| Subtotal - Augmentations.....                                   | 6,776                         | 7,016                    | 6,543                    |
| Total - General Government.....                                 | <u>\$ 73,351</u>              | <u>\$ 76,711</u>         | <u>\$ 78,266</u>         |
| <b>Grants and Subsidies:</b>                                    |                               |                          |                          |
| Livestock Show.....   | \$ 177                        | \$ 177                   | \$ 0                     |
| Open Dairy Show.....  | 177                           | 177                      | 0                        |
| Youth Shows.....  | 140                           | 140                      | 140                      |
| State Food Purchase.....  | 17,438                        | 17,438                   | 20,338                   |
| Food Marketing and Research.....                                | 494                           | 494                      | 0                        |
| (F)Market Improvement.....                                      | 250                           | 250                      | 250                      |
| Transfer to Nutrient Management Fund.....                       | 2,714                         | 2,714                    | 2,714                    |
| Transfer to Conservation District Fund.....                     | 869                           | 869                      | 869                      |
| Transfer to Agricultural College Land Scrip Fund.....           | 46,237                        | 46,237                   | 46,237                   |
| PA Preferred Program Trademark Licensing.....                   | 550                           | 550                      | 550                      |
| University of Pennsylvania - Veterinary Activities.....         | 28,000                        | 28,000                   | 28,000                   |
| University of Pennsylvania - Center for Infectious Disease..... | 261                           | 261                      | 261                      |
| Subtotal - State Funds.....                                     | \$ 97,057                     | \$ 97,057                | \$ 99,109                |
| Subtotal - Federal Funds.....                                   | 250                           | 250                      | 250                      |
| Total - Grants and Subsidies.....                               | <u>\$ 97,307</u>              | <u>\$ 97,307</u>         | <u>\$ 99,359</u>         |
| STATE FUNDS.....  | \$ 123,772                    | \$ 126,892               | \$ 129,472               |
| FEDERAL FUNDS.....  | 40,110                        | 40,110                   | 41,610                   |
| AUGMENTATIONS.....  | 6,776                         | 7,016                    | 6,543                    |
| <b>GENERAL FUND TOTAL.....</b>                                  | <b><u>\$ 170,658</u></b>      | <b><u>\$ 174,018</u></b> | <b><u>\$ 177,625</u></b> |
| <b>MOTOR LICENSE FUND:</b>                                      |                               |                          |                          |
| <b>General Government:</b>                                      |                               |                          |                          |
| Weights & Measures Administration.....                          | \$ 4,328                      | \$ 4,328                 | \$ 4,728                 |
| <b>Grants and Subsidies:</b>                                    |                               |                          |                          |
| Dirt, Gravel and Low Volume Roads.....                          | \$ 0                          | \$ 28,000                | \$ 28,000                |
| <b>MOTOR LICENSE FUND TOTAL.....</b>                            | <b><u>\$ 4,328</u></b>        | <b><u>\$ 32,328</u></b>  | <b><u>\$ 32,728</u></b>  |
| <b>OTHER FUNDS:</b>   |                               |                          |                          |
| <b>FARM PRODUCTS SHOW FUND:</b>                                 |                               |                          |                          |
| General Operations (EA).....                                    | \$ 10,688                     | \$ 10,800                | \$ 11,791                |
| <b>RACING FUND:</b>   |                               |                          |                          |
| State Racing Commissions (EA).....                              | \$ 12,920                     | \$ 13,453                | \$ 12,974                |
| Equine Toxicology and Research Laboratory (EA).....             | 2,724                         | 2,981                    | 4,890                    |
| (A)Reimbursements - Out of State Testing.....                   | 24                            | 30                       | 30                       |
| Pennsylvania Fairs - Administration (EA).....                   | 320                           | 320                      | 320                      |
| Loan Repayment to General Fund.....                             | 300                           | 0                        | 0                        |
| (R)Sire Stakes Fund.....  | 9,404                         | 9,000                    | 9,000                    |
| (R)Breeders' Fund.....  | 13,851                        | 17,300                   | 17,300                   |
| (R)PA Standardbred Breeders Development Fund.....               | 7,799                         | 8,200                    | 8,200                    |
| <b>RACING FUND TOTAL.....</b>                                   | <b><u>\$ 47,342</u></b>       | <b><u>\$ 51,284</u></b>  | <b><u>\$ 52,714</u></b>  |

## Summary by Fund and Appropriation

|  | (Dollar Amounts in Thousands) |                      |                   |
|--|-------------------------------|----------------------|-------------------|
|  | 2013-14<br>ACTUAL             | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
| <b>GENERAL FUND:</b>   |                               |                      |                   |
| Agriculture Farm Operations.....                                 | \$ 791                        | \$ 712               | \$ 712            |
| Dog Law Administration.....                                      | 6,711                         | 7,811                | 6,923             |
| Pesticide Regulation.....  | 3,752                         | 4,280                | 4,352             |
| Plant Pest Management.....                                       | 419                           | 468                  | 502               |
| National School Lunch.....                                       | 8                             | 60                   | 60                |
| Agronomic Regulatory Account.....                                | 438                           | 309                  | 309               |
| Fruit and Vegetable Inspection and Grading.....                  | 247                           | 430                  | 430               |
| Cervidae Livestock Operations.....                               | 24                            | 50                   | 50                |
| <b>GENERAL FUND TOTAL.....</b>                                   | <b>\$ 12,390</b>              | <b>\$ 14,120</b>     | <b>\$ 13,338</b>  |
| <b>AGRICULTURAL COLLEGE LAND SCRIP FUND:</b>                     |                               |                      |                   |
| Agricultural Research Programs and Extension Services.....       | \$ 0 <sup>b</sup>             | \$ 0 <sup>b</sup>    | \$ 0 <sup>b</sup> |
| <b>AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:</b>         |                               |                      |                   |
| Purchase of County Easements (EA).....                           | \$ 35,000                     | \$ 27,500            | \$ 30,000         |
| <b>CONSERVATION DISTRICT FUND:</b>                               |                               |                      |                   |
| Conservation District Grants (EA).....                           | \$ 2,119                      | \$ 2,791             | \$ 2,839          |
| <b>ENVIRONMENTAL STEWARDSHIP FUND:</b>                           |                               |                      |                   |
| Transfer to Agricultural Conservation Easement Program (EA)..... | \$ 8,652                      | \$ 9,773             | \$ 10,052         |
| <b>NUTRIENT MANAGEMENT FUND:</b>                                 |                               |                      |                   |
| Planning, Loans, Grants and Technical Assistance (EA).....       | \$ 298                        | \$ 375               | \$ 375            |
| Nutrient Management - Administration (EA).....                   | 473                           | 564                  | 675               |
| <b>NUTRIENT MANAGEMENT FUND TOTAL.....</b>                       | <b>\$ 771</b>                 | <b>\$ 939</b>        | <b>\$ 1,050</b>   |
| <b>PA RACE HORSE DEVELOPMENT FUND:</b>                           |                               |                      |                   |
| (R)Animal Health and Diagnostic Commission.....                  | \$ 5,350                      | \$ 5,350             | \$ 5,350          |
| (R)Payments to Pennsylvania Fairs.....                           | 3,000                         | 3,000                | 3,000             |
| (R)Pennsylvania Veterinary Lab.....                              | 5,309                         | 5,309                | 5,309             |
| (R)Transfer to State Farm Products Show Fund.....                | 4,000                         | 4,000                | 5,000             |
| Transfer to State Racing Fund.....                               | 0                             | 0                    | 6,500             |
| <b>PA RACE HORSE DEVELOPMENT FUND TOTAL.....</b>                 | <b>\$ 17,659</b>              | <b>\$ 17,659</b>     | <b>\$ 25,159</b>  |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                              |                               |                      |                   |
| GENERAL FUND.....  | \$ 123,772                    | \$ 126,892           | \$ 129,472        |
| SPECIAL FUNDS.....   | 4,328                         | 32,328               | 32,728            |
| FEDERAL FUNDS.....   | 40,110                        | 40,110               | 41,610            |
| AUGMENTATIONS.....   | 6,776                         | 7,016                | 6,543             |
| OTHER FUNDS.....   | 134,621                       | 134,866              | 146,943           |
| <b>TOTAL ALL FUNDS.....</b>                                      | <b>\$ 309,607</b>             | <b>\$ 341,212</b>    | <b>\$ 357,296</b> |

<sup>a</sup> Not added to avoid double counting. See Motor License Fund section of this summary for dollar amount.

<sup>b</sup> Not added to the total to avoid double counting. 2013-14 Actual is \$46,237,000, 2014-15 Available is \$46,237,000 and 2015-16 Budget is \$46,237,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....  | \$ 104,255               | \$ 107,375               | \$ 107,055               | \$ 108,045               | \$ 108,777               | \$ 109,527               | \$ 110,296               |
| SPECIAL FUNDS.....   | 4,328                    | 32,328                   | 32,728                   | 32,728                   | 32,728                   | 32,728                   | 32,728                   |
| FEDERAL FUNDS.....   | 24,550                   | 24,550                   | 26,050                   | 26,050                   | 26,050                   | 26,050                   | 26,050                   |
| OTHER FUNDS.....   | 94,055                   | 90,598                   | 100,772                  | 100,772                  | 100,772                  | 100,772                  | 100,772                  |
| SUBCATEGORY TOTAL.....                                       | <u>\$ 227,188</u>        | <u>\$ 254,851</u>        | <u>\$ 266,605</u>        | <u>\$ 267,595</u>        | <u>\$ 268,327</u>        | <u>\$ 269,077</u>        | <u>\$ 269,846</u>        |
| <b>HORSE RACING REGULATION</b>                               |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....  | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     |
| SPECIAL FUNDS.....   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....   | 47,342                   | 51,284                   | 52,714                   | 51,325                   | 51,795                   | 52,281                   | 52,784                   |
| SUBCATEGORY TOTAL.....                                       | <u>\$ 47,342</u>         | <u>\$ 51,284</u>         | <u>\$ 52,714</u>         | <u>\$ 51,325</u>         | <u>\$ 51,795</u>         | <u>\$ 52,281</u>         | <u>\$ 52,784</u>         |
| <b>EMERGENCY FOOD ASSISTANCE</b>                             |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....  | \$ 19,517                | \$ 19,517                | \$ 22,417                | \$ 22,417                | \$ 22,417                | \$ 22,417                | \$ 22,417                |
| SPECIAL FUNDS.....   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....   | 15,560                   | 15,560                   | 15,560                   | 15,560                   | 15,560                   | 15,560                   | 15,560                   |
| OTHER FUNDS.....   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| SUBCATEGORY TOTAL.....                                       | <u>\$ 35,077</u>         | <u>\$ 35,077</u>         | <u>\$ 37,977</u>         | <u>\$ 37,977</u>         | <u>\$ 37,977</u>         | <u>\$ 37,977</u>         | <u>\$ 37,977</u>         |
| <b>ALL PROGRAMS:</b>   |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....  | \$ 123,772               | \$ 126,892               | \$ 129,472               | \$ 130,462               | \$ 131,194               | \$ 131,944               | \$ 132,713               |
| SPECIAL FUNDS.....   | 4,328                    | 32,328                   | 32,728                   | 32,728                   | 32,728                   | 32,728                   | 32,728                   |
| FEDERAL FUNDS.....   | 40,110                   | 40,110                   | 41,610                   | 41,610                   | 41,610                   | 41,610                   | 41,610                   |
| OTHER FUNDS.....   | 141,397                  | 141,882                  | 153,486                  | 152,097                  | 152,567                  | 153,053                  | 153,556                  |
| DEPARTMENT TOTAL.....  | <u><u>\$ 309,607</u></u> | <u><u>\$ 341,212</u></u> | <u><u>\$ 357,296</u></u> | <u><u>\$ 356,897</u></u> | <u><u>\$ 358,099</u></u> | <u><u>\$ 359,335</u></u> | <u><u>\$ 360,607</u></u> |

## Program: Protection and Development of Agricultural Industries

*Goal: To strengthen the agricultural economy and related enterprises.*

### **Program Element: Protection of Agricultural Industries and Resources**

The Bureaus of Animal Health and Diagnostic Services, Food Safety and Laboratory Services, Plant Industry, Ride and Measurement Standards and the State Conservation Commission are responsible for protecting agriculture and consumers in Pennsylvania. The Bureaus of Farmland Preservation and Market Development are charged with preserving agricultural resources in the commonwealth, promoting Pennsylvania products nationally and internationally, and providing resources to farmers to ensure that they have tools to maintain profitability and transition farms and businesses to the next generation. These six bureaus and one commission, through their regulatory and development programs, are engaged in protecting and developing Pennsylvania's agricultural industries and resources, as well as consumers.

The Bureau of Animal Health and Diagnostic Services (BAHDS), with support from the Pennsylvania Animal Diagnostic Laboratory System (PADLS) and the Animal Health and Diagnostic Commission, is responsible for the detection, identification, containment and eradication of livestock and poultry diseases. Disease control programs seek to reduce significant economic loss to producers and prevent transmission of zoonotic organisms from animals to humans. Each disease control program has field, laboratory and administrative components to ensure the department is complying with mandated responsibilities and animal health is protected. The bureau also provides quality assurance programs, including the Avian Influenza Monitored Flock Program, John's Disease National Status Program, the Dairy Quality Assurance Program and the CWD Monitored Herd Program. BAHDS has invested in the development and implementation of USAHERDS, an animal tracking application and a veterinary laboratory information management system, which allows entities to perform detailed analysis of animal disease and provides the capability to effectively locate and eradicate disease outbreaks.

The Pennsylvania Veterinary Laboratory (PVL) is one of three Pennsylvania laboratories that make up the PADLS. PVL is also part of a nationwide network of state and federal laboratories dedicated to identifying and combating animal diseases. PVL provides rapid and accurate diagnostic services to clients while maintaining a bio-secure environment. The laboratory provides animal health services for producers' domestic animals with emphasis on infectious, nutritional and toxic diseases. State-of-the-art testing methods help diagnose common diseases and provide surveillance to detect emerging diseases.

The Bureau of Plant Industry inspects all nurseries and greenhouses to determine the presence of regulated plant pests and diseases and potential invasive species that would be harmful to Pennsylvania agriculture. Field staffs are supported by plant pathologists, entomologists, and other program and laboratory professionals in Harrisburg. These highly trained professionals ensure correct diagnoses of disease or environmental conditions, identification of insects and other arthropod pests and recommend proper treatment to growers. Program staff issue quarantine orders to ensure plants contaminated with diseases or pests are not relocated, in an attempt to limit the spread of economically detrimental diseases. They also issue certificates which allow plants and plant materials to be exported to other states or countries.

The bureau administers the Pesticide Control Act, which regulates the sale, use, handling, storage and transportation of pesticides. The bureau also conducts routine and for-cause inspections and investigations of those who manufacture, distribute, transport or use pesticides.

The State Conservation Commission, administratively housed within the department, oversees a number of programs that relate to the protection of agricultural resources and the agricultural community. The Nutrient Management program, which seeks to reduce the amount of nutrients that are washed from agricultural soils, provides support for nutrient plan development and reviews grant applications for best management practices and a recognized certification process for nutrient management specialists. Nutrient management plans and implementation of related best practices is critical to Pennsylvania's success in complying with federally mandated nutrient reductions in the Chesapeake Bay watershed. The Resource Enhancement and Protection program awards state tax credits to eligible farmers for planning and implementation of conservation best management practices on agricultural operations. The Odor Management program seeks to reduce the potential of off-site migration of odors from agricultural animal housing and manure storage facilities. This is accomplished through the development and review of odor management plans under a recognized certification process for odor management specialists and implementation of odor best management practices to lessen the impact on the environment and neighboring communities.

### **Program Element: Protection of Consumers**

Among the most significant of the department's consumer protection activities are its inspections and

## Program: Protection and Development of Agricultural Industries (continued)

testing activity for food safety. The Bureau of Food Safety and Laboratory Services has primary responsibility for regulating food-related activities in the commonwealth. The bureau regulates the tens of thousands of eating and drinking establishments, retail food stores, and food manufacturers found across the state to ensure compliance with food safety laws. Across Pennsylvania the bureau impacts the lives of citizens from the farm to the fork, including services through Good Agricultural Practice audits on farms, commodity inspections in processing facilities, and milk inspection services.

The Bureau of Ride and Measurement Standards provides consumer protection through its ride safety program and its weights and measures division. The bureau's Amusement Ride Safety Program serves citizens and visitors by enforcing the safety laws specific to amusement rides and attractions, keeping citizens safe when enjoying leisure time at state fairs, carnivals, and amusement parks. The bureau's Weights and Measures Division focuses on making sure Pennsylvania consumers get what they paid for. The bureau provides consumers with real-time access to the inspection reports for weighing and measuring devices from across the state.

### Program Element: Preserving and Promoting Agriculture

The Bureau of Farmland Preservation, through administration of the Agricultural Land Preservation section of Act 64 of 1988, purchases development easements on prime agriculture land to assure its continued use for agricultural purposes. More than 4,700 farms and 503,000 acres have been preserved. The unprecedented investment in farmland preservation has made Pennsylvania's program a national leader in preservation efforts.

The Bureau of Market Development is responsible for the domestic and worldwide promotion/marketing of Pennsylvania agribusiness products and services, and developing and administering programs to assist agribusinesses in locating and/or expanding within the commonwealth. These efforts to increase both domestic and international sales of agricultural and food products produced in Pennsylvania have an important impact on the profitability of farmers and agribusinesses. The PA Preferred program, Center for Farm Transitions, PAgrows program and the PA Fair Fund all reside in the Bureau of Market Development.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| GENERAL FUND   |  |
|--|--|
| <b>General Government Operations</b>                 |  |
| \$ 881   | —to continue current program.  |
| 2,134  | —Initiative—General Government Operations.<br>To provide for a staffing realignment for personnel formerly charged to special funds in response to an audit finding. |
| <hr/>  |  |
| \$ 3,015   | <i>Appropriation Increase</i>  |
| <b>Agricultural Excellence</b>                       |  |
| \$ -1,100  | —program elimination.  |
| <b>Agricultural Research</b>                         |  |
| \$ -787  | —program elimination.  |
| <b>Agricultural Promotion, Education and Exports</b> |  |
| \$ -250  | —program elimination.  |

|   |                       |
|---|-----------------------|
| <b>Hardwoods Research and Promotion</b> |                       |
| \$ -350                                 | —program elimination. |
| <b>Livestock Show</b>                   |                       |
| \$ -177                                 | —program elimination. |
| <b>Open Dairy Show</b>                  |                       |
| \$ -177                                 | —program elimination. |
| <b>Food Marketing and Research</b>      |                       |
| \$ -494                                 | —program elimination. |

All other General Fund appropriations are recommended at the current year funding levels.

| MOTOR LICENSE FUND                         |                               |
|--|-------------------------------|
| <b>Weights and Measures Administration</b> |                               |
| \$ 400                                     | —to continue current program. |

## Program: Protection and Development of Agricultural Industries (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>  |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....                                 | \$ 22,703         | \$ 25,269            | \$ 28,284         | \$ 29,274            | \$ 30,006            | \$ 30,756            | \$ 31,525            |
| Agricultural Excellence .....                                       | 600               | 1,100                | 0                 | 0                    | 0                    | 0                    | 0                    |
| Agricultural Research .....   | 787               | 787                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Agricultural Promotion, Education and<br>Exports .....              | 196               | 250                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Hardwoods Research and Promotion .....                              | 350               | 350                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Livestock Show .....  | 177               | 177                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Open Dairy Show .....   | 177               | 177                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Youth Shows .....   | 140               | 140                  | 140               | 140                  | 140                  | 140                  | 140                  |
| Food Marketing and Research .....                                   | 494               | 494                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Transfer to Nutrient Management Fund ....                           | 2,714             | 2,714                | 2,714             | 2,714                | 2,714                | 2,714                | 2,714                |
| Transfer to Conservation District Fund .....                        | 869               | 869                  | 869               | 869                  | 869                  | 869                  | 869                  |
| Transfer to Agricultural College Land<br>Scrip Fund .....           | 46,237            | 46,237               | 46,237            | 46,237               | 46,237               | 46,237               | 46,237               |
| PA Preferred Program Trademark<br>Licensing .....                   | 550               | 550                  | 550               | 550                  | 550                  | 550                  | 550                  |
| University of Pennsylvania - Veterinary<br>Activities .....         | 28,000            | 28,000               | 28,000            | 28,000               | 28,000               | 28,000               | 28,000               |
| University of Pennsylvania - Center for<br>Infectious Disease ..... | 261               | 261                  | 261               | 261                  | 261                  | 261                  | 261                  |
| <b>TOTAL GENERAL FUND .....</b>                                     | <b>\$ 104,255</b> | <b>\$ 107,375</b>    | <b>\$ 107,055</b> | <b>\$ 108,045</b>    | <b>\$ 108,777</b>    | <b>\$ 109,527</b>    | <b>\$ 110,296</b>    |
| <b>FARM PRODUCTS SHOW FUND:</b>                                     |                   |                      |                   |                      |                      |                      |                      |
| General Operations (EA) .....                                       | \$ 10,688         | \$ 10,800            | \$ 11,791         | \$ 11,791            | \$ 11,791            | \$ 11,791            | \$ 11,791            |
| <b>MOTOR LICENSE FUND:</b>  |                   |                      |                   |                      |                      |                      |                      |
| Weights & Measures Administration .....                             | \$ 4,328          | \$ 4,328             | \$ 4,728          | \$ 4,728             | \$ 4,728             | \$ 4,728             | \$ 4,728             |
| Dirt, Gravel and Low Volume Roads .....                             | 0                 | 28,000               | 28,000            | 28,000               | 28,000               | 28,000               | 28,000               |
| <b>TOTAL MOTOR LICENSE FUND .....</b>                               | <b>\$ 4,328</b>   | <b>\$ 32,328</b>     | <b>\$ 32,728</b>  | <b>\$ 32,728</b>     | <b>\$ 32,728</b>     | <b>\$ 32,728</b>     | <b>\$ 32,728</b>     |



## Program: Horse Racing Regulation

*Goal: To prevent consumer fraud in the racing industry.*

Activities in this program area include the development and implementation of rules, regulations and procedures to ensure honest, safe and competitive pari-mutuel harness and horse racing.

Horse racing in Pennsylvania is governed by Act 93 of 1983. This act merged the State Harness Racing Fund and the State Horse Racing Fund into the Racing Fund, adjusted the tax schedule and revised the distribution of funds in order to assist the racing industry by increasing the funds retained by the tracks.

The Racing Fund pays all expenses of the State Racing Commissions. After these obligations have been met, percentages of the amount wagered as specified by law are credited to the Breeders' Fund and to the Sire Stakes Fund. Act 23 of 2000 amended the Race Horse Industry Reform Act to increase the percentage credited to the Breeders' Fund from 0.7 percent to 1.0 percent of the amount wagered on thoroughbred races. The Sire Stakes Fund is credited with 1.5 percent of wagers on harness races. Act 71 of 2004 established the Pennsylvania

Race Horse Development Fund which receives revenue generated by licensed gaming facilities. Proceeds are distributed to licensees conducting live horse racing for purse augmentation, breeders' awards and horsemen's organizations for health and welfare programs.

The Equine Toxicology and Research Laboratory performs testing of blood and urine samples of race horses to ensure that no foreign substances have been administered. This budget includes funding for upgrade and replacement of testing equipment.

This budget proposes annual transfers from the Pennsylvania Race Horse Development Fund to the State Racing Fund to ensure the department continues to perform its regulatory obligations in support of horse racing in Pennsylvania. Continual declines in live handle at race tracks have made it necessary to identify an additional source of revenue to maintain stability in the State Racing Fund.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| RACING FUND<br>State Racing Commissions (EA) |  | Equine Toxicology and Research<br>Laboratory (EA) |   |
|--|--|---|---|
| \$   | —479   | \$  | 1,909                                     |
|  | —to provide for staffing realignment for personnel transferred to General Government Operations in response to an audit finding. |   | —to replace laboratory testing equipment. |

Pennsylvania Fairs - Administration (EA) is recommended at current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>RACING FUND:</b>                                 |                   |                      |                   |                      |                      |                      |                      |
| State Racing Commissions (EA) .....                 | \$ 12,920         | \$ 13,453            | \$ 12,974         | \$ 13,428            | \$ 13,898            | \$ 14,384            | \$ 14,887            |
| Equine Toxicology and Research Laboratory (EA)..... | 2,724             | 2,981                | 4,890             | 3,047                | 3,047                | 3,047                | 3,047                |
| Pennsylvania Fairs - Administration (EA) ..         | 320               | 320                  | 320               | 320                  | 320                  | 320                  | 320                  |
| Loan Repayment to General Fund .....                | 300               | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| <b>TOTAL RACING FUND .....</b>                      | <b>\$ 16,264</b>  | <b>\$ 16,754</b>     | <b>\$ 18,184</b>  | <b>\$ 16,795</b>     | <b>\$ 17,265</b>     | <b>\$ 17,751</b>     | <b>\$ 18,254</b>     |

## Program: Emergency Food Assistance

*Goal: To distribute surplus and donated food through institutions and counties or designated lead agencies to individuals and families who are dependent or disadvantaged to support minimum standards of living and economic independence.*

The State Food Purchase program provides cash grants to counties for the purchase and distribution of food to needy individuals. Funding is allocated to each of the commonwealth's 67 county lead agencies based on unemployment, eligibility for non-public assistance food stamps and medical assistance. County lead agencies are authorized to expend a percentage of the grant for administrative costs.

Food acquired and donated by the USDA is distributed through the Emergency Food Assistance Program (TEFAP), which provides USDA commodities for household use, specifically for individuals and families who meet established eligibility criteria. TEFAP commodities

are allocated to each of the commonwealth's 67 counties based on a formula that considers the number of unemployed residents and the number of persons in poverty status. TEFAP administrative monies, provided by the USDA, are allocated based on the same formula.

The Farmers Market Nutrition Program (FMNP) provides eligible WIC and senior participants with vouchers to purchase fresh Pennsylvania grown produce at more than 1,500 farm stands and markets. The program is funded by a combination of state and federal funds. FMNP vouchers are allocated to each of the commonwealth's 67 counties based on the number of eligible participants.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|       |       |   |
|-------|-------|---|
|       |       | <b>State Food Purchase</b>  |
| \$    | -100  | —non-recurring projects.  |
|       | 3,000 | —Initiative—State Food Purchase. To expand the distribution of foods to needy families and individuals. |
| <hr/> |       |   |
| \$    | 2,900 | <i>Appropriation Increase</i>   |

The Farmers' Market Food Coupons appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-----------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>              |                   |                      |                   |                      |                      |                      |                      |
| Farmers' Market Food Coupons..... | \$ 2,079          | \$ 2,079             | \$ 2,079          | \$ 2,079             | \$ 2,079             | \$ 2,079             | \$ 2,079             |
| State Food Purchase.....          | 17,438            | 17,438               | 20,338            | 20,338               | 20,338               | 20,338               | 20,338               |
| <b>TOTAL GENERAL FUND .....</b>   | <b>\$ 19,517</b>  | <b>\$ 19,517</b>     | <b>\$ 22,417</b>  | <b>\$ 22,417</b>     | <b>\$ 22,417</b>     | <b>\$ 22,417</b>     | <b>\$ 22,417</b>     |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Protection and Development of Agricultural Industries

**Objective: Increase awareness and consumption of food and fiber grown, harvested, processed and produced in Pennsylvania.**

#### Development of Pennsylvania's Agriculture Industry

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Dollar value of food and agricultural exports excluding hardwoods (in millions) | \$2,050 | \$2,000 | \$2,200 | \$2,300 | \$2,400 | \$2,500 | \$2,500 |
| Dollar value of Pennsylvania hardwood exports (in millions)                     | \$1,300 | \$1,350 | \$1,350 | \$1,350 | \$1,400 | \$1,400 | \$1,400 |
| Occupancy rate at the Pennsylvania Farm Show Complex and Expo Center            | 77%     | 79%     | 79%     | 79%     | 78%     | 78%     | 78%     |

**Objective: Increase access to capital for Pennsylvania farmers, processors, farm markets and agribusinesses through expansion of agricultural loan opportunities.**

#### Development of Pennsylvania's Agriculture Industry

|  |         |          |          |          |          |          |          |
|--|---------|----------|----------|----------|----------|----------|----------|
| Value of the loan portfolio for the PAgrows Program (in thousands) | \$5,849 | \$11,000 | \$11,000 | \$11,000 | \$11,000 | \$11,000 | \$11,000 |
|--|---------|----------|----------|----------|----------|----------|----------|

**Objective: Decrease potential financial losses to farmers from natural disasters and market catastrophes.**

#### Development of Pennsylvania's Agriculture Industry

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Value of crop insurance protection policies (in millions) | \$580 | \$558 | \$564 | \$575 | \$581 | \$581 | \$581 |
|---|-------|-------|-------|-------|-------|-------|-------|

**Objective: Increase agricultural resource conservation through farmland preservation.**

#### Development of Pennsylvania's Agriculture Industry

|                        |        |        |        |        |        |        |        |
|------------------------|--------|--------|--------|--------|--------|--------|--------|
| Farm acreage preserved | 17,500 | 17,500 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|

**Objective: Improve profitability and maintain dairy farms and dairy herd size in Pennsylvania.**

#### Development of Pennsylvania's Agriculture Industry

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Farms participating in dairy on-farm resource teams | 355 | 400 | 420 | 460 | 490 | 490 | 490 |
|---|-----|-----|-----|-----|-----|-----|-----|

**Objective: Decrease the risk to Pennsylvania consumers when engaging in commercial transactions.**

#### Consumer Commodity Inspections

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Number of amusement rides inspected       | 9,000  | 9,000  | 9,000  | 9,000  | 9,000  | 9,000  | 9,000  |
| Number of fuel dispenser meters certified | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 |

**Objective: Increase access to real-time data for citizens and partnering organizations**

#### Consumer Commodity Inspections

|   |        |         |         |         |         |         |         |
|---|--------|---------|---------|---------|---------|---------|---------|
| Number of food safety inspection reports available online | 99,116 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
|---|--------|---------|---------|---------|---------|---------|---------|

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Objective: Decrease nutrient runoff and conserve Pennsylvania's natural resources through increased opportunities and incentives in addition to Best Management Practices.**

### Nutrient Management

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Number of farm acres covered by approved Nutrient Management Plans (in thousands) | 82  | 85  | 87  | 89  | 90  | 90  | 90  |
| Nutrient management plans approved  | 370 | 375 | 385 | 390 | 390 | 390 | 390 |
| Nutrient Balance Sheets approved  | 448 | 470 | 500 | 515 | 515 | 515 | 515 |
| Number of farm acres covered by approved Nutrient Balance Sheets (in thousands)   | 62  | 66  | 67  | 67  | 68  | 68  | 68  |

**Objective: Decrease threats to animal and human health in Pennsylvania through inspections and laboratory testing.**

### Animal Health

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Animal health diagnostic tests performed at the Pennsylvania Veterinary Laboratory (in thousands) | 572   | 550   | 550   | 550   | 550   | 550   | 550   |
| Animal health inspections   | 9,227 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |

### Program: Horse Racing Regulation

**Objective: Ensure the integrity of Pennsylvania horse and harness racing and racetrack wagering through enforcement of racing regulations.**

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Participant licenses issued by the Pennsylvania Horse and Harness Racing Commissions                 | 11,975 | 13,500 | 13,500 | 15,800 | 15,800 | 15,800 | 15,800 |
| Investigations to ensure compliance with established rules and regulations: harness and horse racing | 8,712  | 9,000  | 9,000  | 9,500  | 9,500  | 9,500  | 9,500  |
| Licenses suspended for noncompliance of rules and regulations: harness and horse racing              | 394    | 400    | 400    | 450    | 450    | 450    | 450    |
| Samples processed at the Equine Toxicology and Research Lab (in thousands)                           | 33     | 41     | 41     | 55     | 55     | 55     | 55     |

### Program: Emergency Food Assistance

**Objective: Increase access to food for nutritionally at-risk Pennsylvanians.**

#### Improving Participant Access to Pennsylvania fruits and vegetables

|  |          |          |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|----------|
| Dollar value of commodities distributed (in thousands) | \$66,300 | \$66,300 | \$66,300 | \$66,300 | \$66,300 | \$66,300 | \$66,300 |
|--|----------|----------|----------|----------|----------|----------|----------|

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
| <b>Persons receiving donated or surplus foods</b>  |         |         |         |         |         |         |         |
| State Food Purchase program:<br>Individuals Served (in millions)   | 2       | 2       | 2.30    | 2.30    | 2.30    | 2.30    | 2.30    |
| Emergency Food Assistance<br>Program: Individuals Served (in<br>millions)  | 7.50    | 7.50    | 7.50    | 7.50    | 7.50    | 7.50    | 7.50    |
| <b>Percentage of farmers' market coupons redeemed</b>  |         |         |         |         |         |         |         |
| Redemption rate for WIC<br>participants in the Farmers' Market<br>Nutrition program                                    | 53%     | 53%     | 53%     | 53%     | 53%     | 53%     | 53%     |
| Redemption rate for senior<br>participants in the Farmers' Market<br>Nutrition program                                 | 87%     | 87%     | 87%     | 87%     | 87%     | 87%     | 87%     |
| <b>Program: Dirt and Gravel Roads and Low Volume Roads</b>   |         |         |         |         |         |         |         |
| <b>Objective: Reduce long-term maintenance costs and road-based pollutants from dirt, gravel and low volume roads.</b> |         |         |         |         |         |         |         |
| Number of individuals trained<br>annually in Environmentally<br>Sensitive Maintenance (ESM)<br>practices*              | 441     | 1,300   | 800     | 800     | 800     | 800     | 800     |
| Dirt, Gravel and Low Volume<br>Environmentally Sensitive<br>Maintenance worksites (project<br>miles) completed*        | 167     | 170     | 510     | 680     | 680     | 600     | 600     |

\* New Program Measure



---

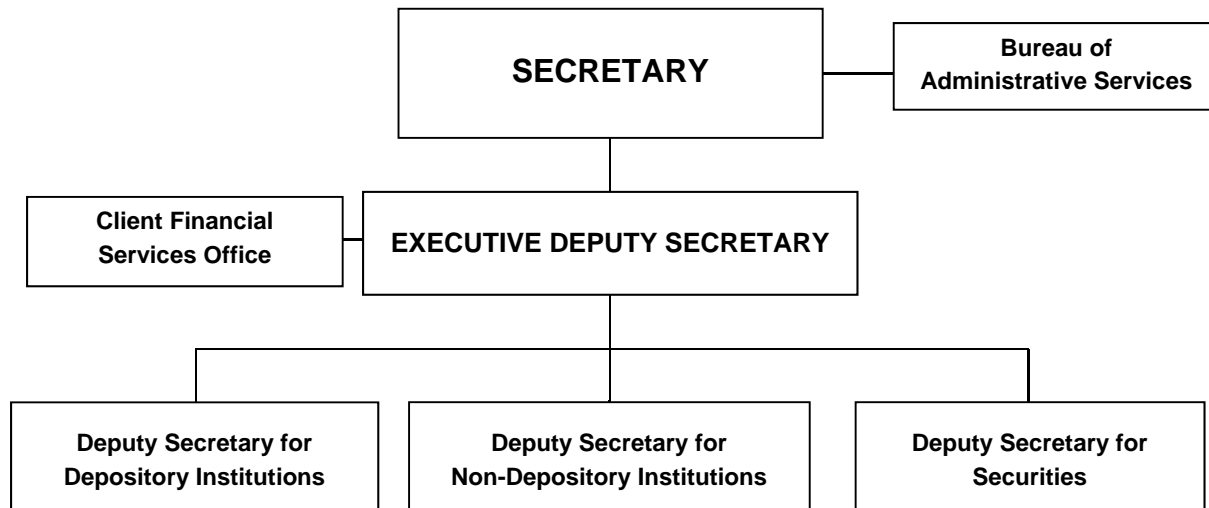
# DEPARTMENT OF BANKING AND SECURITIES

*The mission of the Department of Banking and Securities is to foster a strong economy for Pennsylvania by ensuring the safety and soundness of financial institutions, encouraging capital formation, regulating financial services providers, and protecting consumers and investors.*

## **Programs and Goals**

**Financial Services Industry Regulation:** *To ensure the maintenance of an economically sound and competitive system of state-chartered financial institutions, to protect consumers in the financial marketplace and to protect investors engaged in securities transactions.*

## Organization Overview



- **Deputy Secretary for Depository Institutions** oversees the safety and soundness of examinations conducted on more than 200 Pennsylvania state-chartered banks, credit unions, and non-depository trust companies. The deputy oversees the Bureau of Commercial Institutions, the Bureau of Risk Management, IT Examinations and Applications, the Trusts Office, and the Credit Unions Office.
- **Deputy Secretary for Non-Depository Institutions** oversees the licensing, examination, and compliance functions for over 18,000 non-bank financial services institutions and professionals doing business in Pennsylvania. These companies include residential mortgage lenders and brokers, check cashers, auto sales finance companies, pawnbrokers, debt management companies, debt settlement companies, and money transmitters. The deputy oversees the Licensing Office, the Bureau of Non-Depository Examination, the Compliance Office, and the Consumer Services Office which responds to inquiries and complaints from consumers.
- **Deputy Secretary for Securities** oversees the licensing/registration, examination, and compliance functions for over 200,000 securities entities conducting business in Pennsylvania. These entities include broker-dealers, broker-dealer agents, investment advisers, investment adviser representatives, and investment adviser notice filers. The deputy oversees the Chief Accountant Office, the Corporation Finance Office, the Bureau of Securities Licensing, Compliance and Examinations, and the Investor Education and Consumer Outreach Office which conducts comprehensive investor education and outreach programs for Pennsylvania citizens.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 275               | 275               | 280               | 251               | 243               |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| <b><u>OTHER FUNDS:</u></b>                           |                   |                      |                   |
| <b>BANKING FUND:</b>                                 |                   |                      |                   |
| General Government Operations.....                   | \$ 21,097         | \$ 21,330            | \$ 23,178         |
| Transfer to Institution Resolution Account (EA)..... | 2,500             | 2,500                | 2,000             |
| <b>BANKING FUND TOTAL.....</b>                       | <b>\$ 23,597</b>  | <b>\$ 23,830</b>     | <b>\$ 25,178</b>  |
| <b>GENERAL FUND:</b>                                 |                   |                      |                   |
| (R)Securities Operations.....                        | \$ 7,188          | \$ 7,916             | \$ 8,005          |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                  |                   |                      |                   |
| GENERAL FUND.....                                    | \$ 0              | \$ 0                 | \$ 0              |
| SPECIAL FUNDS.....                                   | 0                 | 0                    | 0                 |
| OTHER FUNDS.....                                     | 30,785            | 31,746               | 33,183            |
| <b>TOTAL ALL FUNDS.....</b>                          | <b>\$ 30,785</b>  | <b>\$ 31,746</b>     | <b>\$ 33,183</b>  |



## Program Funding Summary

(Dollar Amounts in Thousands)

|                                    | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>FINANCIAL SERVICES INDUSTRY</b> |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                  | \$ 0              | \$ 0                 | \$ 0              | \$ 0                 | \$ 0                 | \$ 0                 | 0                    |
| SPECIAL FUNDS.....                 | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                 | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                   | 30,785            | 31,746               | 33,183            | 34,274               | 35,081               | 35,909               | 36,756               |
| SUBCATEGORY TOTAL.....             | <u>\$ 30,785</u>  | <u>\$ 31,746</u>     | <u>\$ 33,183</u>  | <u>\$ 34,274</u>     | <u>\$ 35,081</u>     | <u>\$ 35,909</u>     | <u>\$ 36,756</u>     |
| <b>ALL PROGRAMS:</b>               |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                  | \$ 0              | \$ 0                 | \$ 0              | \$ 0                 | \$ 0                 | \$ 0                 | 0                    |
| SPECIAL FUNDS.....                 | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                 | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                   | 30,785            | 31,746               | 33,183            | 34,274               | 35,081               | 35,909               | 36,756               |
| DEPARTMENT TOTAL.....              | <u>\$ 30,785</u>  | <u>\$ 31,746</u>     | <u>\$ 33,183</u>  | <u>\$ 34,274</u>     | <u>\$ 35,081</u>     | <u>\$ 35,909</u>     | <u>\$ 36,756</u>     |

## Program: Financial Services Industry Regulation

*Goal: To ensure the maintenance of an economically sound and competitive system of state-chartered financial institutions, to protect consumers in the financial marketplace and to protect investors engaged in securities transactions.*

This program fosters a strong economy for Pennsylvania by ensuring the safety and soundness of financial institutions, encouraging capital formation, regulating financial services providers, and protecting consumers and investors. The program achieves these goals through regulatory, registration, licensing and enforcement policies and practices, including the examination of the records, filings, accounts, policies and practices of financial services institutions and professionals.

The department oversees state-chartered banks, bank and trust companies, trust companies, bank holding companies, savings banks, credit unions, consumer discount companies, sales finance companies, installment sellers, money transmitters, collector-repossessors, pawnbrokers, check cashers, debt management companies, mortgage bankers, mortgage brokers, loan

originators and loan correspondents, securities agents, broker-dealers, investment advisers and notice filers, and investment adviser representatives.

Act 86 of 2012 created the Institution Resolution Restricted Account to pay costs related to insolvent financial institutions. This account is funded through transfers from the Banking Fund. The act authorizes the Secretary of the Department of Banking and Securities to determine the amount to be transferred from the Banking Fund each fiscal year based upon economic and regulatory conditions.

The department received and responded to more than 5,917 consumer inquiries during the 2013-14 fiscal year. As of June 30, 2014 the department provided regulation and oversight for the following:

| Financial Institutions              |            | Non-Depository Licensees              |               | Securities Industry                  |                |
|-------------------------------------|------------|---------------------------------------|---------------|--------------------------------------|----------------|
| Credit unions                       | 55         | Mortgage originators                  | 11,255        | Securities agents                    | 186,122        |
| Commercial banks                    | 52         | Installment sellers                   | 2,888         | Investment adviser representatives   | 18,303         |
| Savings banks                       | 50         | Mortgage lenders                      | 1,192         | Investment adviser and notice filers | 3,020          |
| Bank and trust companies            | 42         | Check cashers                         | 863           | Broker-dealers                       | 2,153          |
| Non-depository trust companies      | 17         | Sales finance companies               | 952           | <b>Total Securities Industry</b>     | <b>209,958</b> |
| Private banks                       | 1          | Mortgage brokers                      | 411           |                                      |                |
| <b>Total Financial Institutions</b> | <b>217</b> | Debt management services              | 262           |                                      |                |
|                                     |            | Mortgage discount companies           | 157           |                                      |                |
|                                     |            | Other licensees                       | 682           |                                      |                |
|                                     |            | <b>Total Non-Depository Licensees</b> | <b>18,662</b> |                                      |                |

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| BANKING FUND                  |                               | Transfer to Institution Resolution Account (EA) |  |
|-------------------------------|-------------------------------|---|--|
| General Government Operations |                               | —based on available fund balance for transfer.  |  |
| \$ 1,848                      | —to continue current program. | \$ -500   |  |

In addition, \$8,005,000 for Securities Operations is provided for securities regulation.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>BANKING FUND:</b>                                     |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....                      | \$ 21,097         | \$ 21,330            | \$ 23,178         | \$ 23,989            | \$ 24,589            | \$ 25,204            | \$ 25,834            |
| Transfer to Institution Resolution<br>Account (EA) ..... | 2,500             | 2,500                | 2,000             | 2,000                | 2,000                | 2,000                | 2,000                |
| <b>TOTAL BANKING FUND .....</b>                          | <b>\$ 23,597</b>  | <b>\$ 23,830</b>     | <b>\$ 25,178</b>  | <b>\$ 25,989</b>     | <b>\$ 26,589</b>     | <b>\$ 27,204</b>     | <b>\$ 27,834</b>     |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Program: Financial Services Industry Regulation****Objective: Conduct and complete independent depository examinations in a timely manner.**

|  |       |    |    |    |    |    |    |
|--|-------|----|----|----|----|----|----|
| Average number of days for turnaround of independent depository institution examinations | 30.81 | 30 | 30 | 30 | 30 | 30 | 30 |
|--|-------|----|----|----|----|----|----|

**Objective: Develop an expert depository examination staff.**

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Percentage of depository examiners with the highest certification available for their level of experience | 93% | 90% | 90% | 90% | 90% | 90% | 90% |
|---|-----|-----|-----|-----|-----|-----|-----|

**Objective: Examine non-depository licensees on an annual basis.**

|   |        |     |     |     |     |     |     |
|---|--------|-----|-----|-----|-----|-----|-----|
| Percentage of all non-depository licensees examined | 21.70% | 20% | 20% | 20% | 20% | 20% | 20% |
|---|--------|-----|-----|-----|-----|-----|-----|

**Objective: Respond to consumer complaints in a timely and fair manner.**

|  |      |    |    |    |    |    |    |
|--|------|----|----|----|----|----|----|
| Average number of days to respond to consumer complaints | 8.64 | 10 | 10 | 10 | 10 | 10 | 10 |
|--|------|----|----|----|----|----|----|

**Objective: Increase the number of Securities compliance examinations conducted.**

|  |    |    |    |    |    |     |     |
|--|----|----|----|----|----|-----|-----|
| Securities compliance examinations conducted | 49 | 50 | 60 | 80 | 90 | 100 | 110 |
|--|----|----|----|----|----|-----|-----|

**Objective: Process Securities notice, registration and exemption filings promptly.**

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Securities notice filings received and docketed | 6,499 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 |
|---|-------|-------|-------|-------|-------|-------|-------|



---

# CIVIL SERVICE COMMISSION

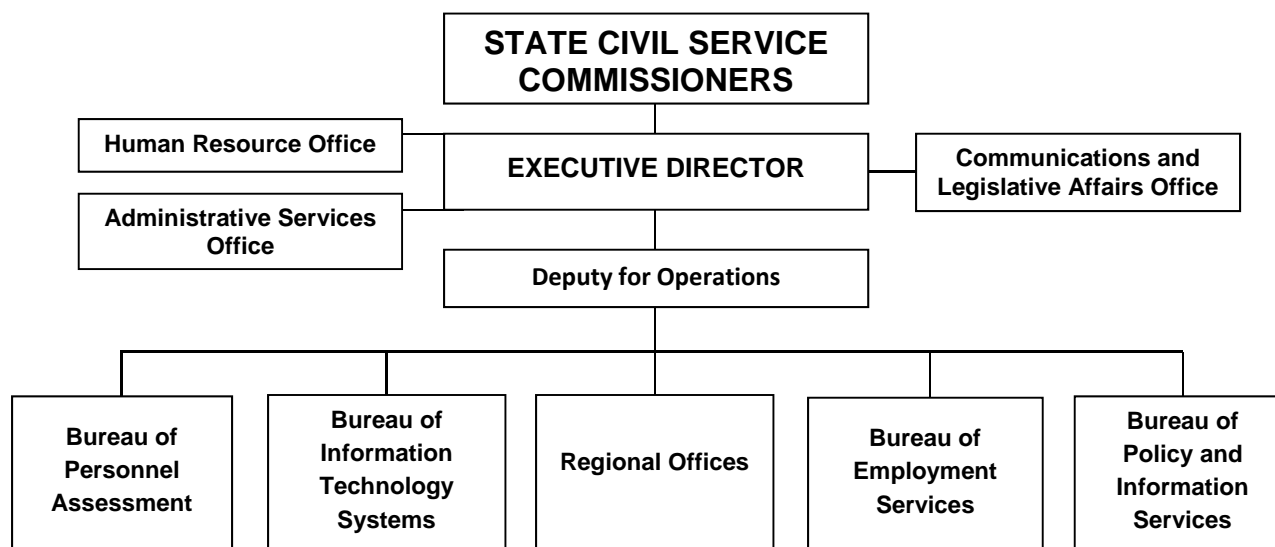
*The mission of the Civil Service Commission is to provide greater efficiency and economy in the government of the commonwealth by establishing conditions of employment that will attract qualified persons of character and ability and appointing and promoting all persons on the basis of merit and fitness.*

The commission administers the commonwealth's merit system. The responsibilities of the commission include recruitment of qualified candidates; evaluation of applicants' education and experience to determine if minimum requirements have been met; development and administration of examinations; and certification of eligible candidates to the appointing agencies.

## **Programs and Goals**

**Personnel Selection:** *To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.*

## Organization Overview



- **Director of the Bureau of Personnel Assessment** is responsible for the Test Administration Division, Test Development Division and the Research Division.
- **Director of the Bureau of Information Technology Systems** is responsible for the Network Enterprise and Technical Support Division, Enterprise Governance and Program Management Division and the Application Development Division.
- **Regional Offices** include the Eastern Regional Office in Philadelphia and the Western Regional Office in Pittsburgh.
- **Director of the Bureau of Employment Services** is responsible for the Recruitment and Workforce Diversity Division and the Counseling and Testing Division.
- **Director of the Bureau of Policy and Information Services** is responsible for the Policy Assistance and Audit Division, Veterans' Preference and Certification Division and the Investigations and Information Services Division.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 160               | 140               | 137               | 131               | 121               |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL       | 2014-15<br>AVAILABLE    | 2015-16<br>BUDGET       |
|--|-------------------------|-------------------------|-------------------------|
| <b>GENERAL FUND:</b>                   |                         |                         |                         |
| <i>General Government:</i>             |                         |                         |                         |
| General Government Operations.....     | \$ 1                    | \$ 1                    | \$ 1                    |
| (A) Fees From Agencies.....            | 12,817                  | 12,768                  | 13,611                  |
| (A) Special Merit System Services..... | 818                     | 815                     | 869                     |
| Subtotal - State Funds.....            | \$ 1                    | \$ 1                    | \$ 1                    |
| Subtotal - Augmentations.....          | 13,635                  | 13,583                  | 14,480                  |
| Total - General Government.....        | <u>\$ 13,636</u>        | <u>\$ 13,584</u>        | <u>\$ 14,481</u>        |
| STATE FUNDS.....                       | \$ 1                    | \$ 1                    | \$ 1                    |
| AUGMENTATIONS.....                     | 13,635                  | 13,583                  | 14,480                  |
| <b>GENERAL FUND TOTAL.....</b>         | <b><u>\$ 13,636</u></b> | <b><u>\$ 13,584</u></b> | <b><u>\$ 14,481</u></b> |

## Program Funding Summary

(Dollar Amounts in Thousands)

|                            | 2013-14<br>Actual       | 2014-15<br>Available    | 2015-16<br>Budget       | 2016-17<br>Estimated    | 2017-18<br>Estimated    | 2018-19<br>Estimated    | 2019-20<br>Estimated    |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>PERSONNEL SELECTION</b> |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....          | \$ 1                    | \$ 1                    | \$ 1                    | \$ 1                    | \$ 1                    | \$ 1                    | \$ 1                    |
| SPECIAL FUNDS.....         | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....         | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| OTHER FUNDS.....           | 13,635                  | 13,583                  | 14,480                  | 14,986                  | 15,362                  | 15,746                  | 16,140                  |
| SUBCATEGORY TOTAL.....     | <u>\$ 13,636</u>        | <u>\$ 13,584</u>        | <u>\$ 14,481</u>        | <u>\$ 14,987</u>        | <u>\$ 15,363</u>        | <u>\$ 15,747</u>        | <u>\$ 16,141</u>        |
| <b>ALL PROGRAMS:</b>       |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....          | \$ 1                    | \$ 1                    | \$ 1                    | \$ 1                    | \$ 1                    | \$ 1                    | \$ 1                    |
| SPECIAL FUNDS.....         | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....         | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| OTHER FUNDS.....           | 13,635                  | 13,583                  | 14,480                  | 14,986                  | 15,362                  | 15,746                  | 16,140                  |
| DEPARTMENT TOTAL.....      | <u><u>\$ 13,636</u></u> | <u><u>\$ 13,584</u></u> | <u><u>\$ 14,481</u></u> | <u><u>\$ 14,987</u></u> | <u><u>\$ 15,363</u></u> | <u><u>\$ 15,747</u></u> | <u><u>\$ 16,141</u></u> |

## Program: Personnel Selection

*Goal: To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.*

Through this program, the Civil Service Commission provides qualified persons to meet merit system staffing needs.

The commission ensures the commonwealth's merit system is in full compliance with all state laws and regulations concerning employee selection procedures and the Federal Uniform Guidelines on Employee Selection Procedures. This includes job analysis and implementation of a program to identify and correct adverse impacts of examinations on protected groups.

Goals of the commission include development of valid evaluations; identification and elimination of discrimination in merit-system-covered human resource systems; increased efficiency in meeting personnel needs of state and local client agencies; and prompt and accurate resolution or adjudication of complaints, grievances and appeals.

In recent years, the commission has improved operations through the implementation of computerized application, applicant self-scheduling, examination and imaging and workflow systems. These improvements have reduced the time required to apply for and take an exam, receive an examination score and be placed on a candidate eligibility listing. These enhancements have increased the commission's ability to provide real-time candidate eligibility listings to client agencies seeking to fill vacancies.

The majority of funds supporting this program are received from billing state and local client agencies.

### Program Recommendations:

This budget recommends the following changes in augmentations received from agency billings: (Dollar Amounts in Thousands)

**General Government Operations**  
\$ 897 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                     | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations ..... | \$ 1              | \$ 1                 | \$ 1              | \$ 1                 | \$ 1                 | \$ 1                 | \$ 1                 |



## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Personnel Selection

**Objective: To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.**

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Total eligibles on list  | 162,305 | 161,000 | 161,000 | 161,000 | 161,000 | 161,000 | 161,000 |
| Persons scheduled for exams  | 153,459 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 |
| Persons taking computerized exams  | 101,357 | 104,000 | 104,000 | 104,000 | 104,000 | 104,000 | 104,000 |
| Certifications audited of eligible individuals for civil service positions | 12,108  | 11,000  | 11,000  | 11,000  | 11,000  | 11,000  | 11,000  |
| Appeal requests received and processed                                     | 415     | 415     | 415     | 415     | 415     | 415     | 415     |
| Annual cost of merit system per covered employee                           | \$206   | \$229   | \$229   | \$229   | \$229   | \$229   | \$229   |



---

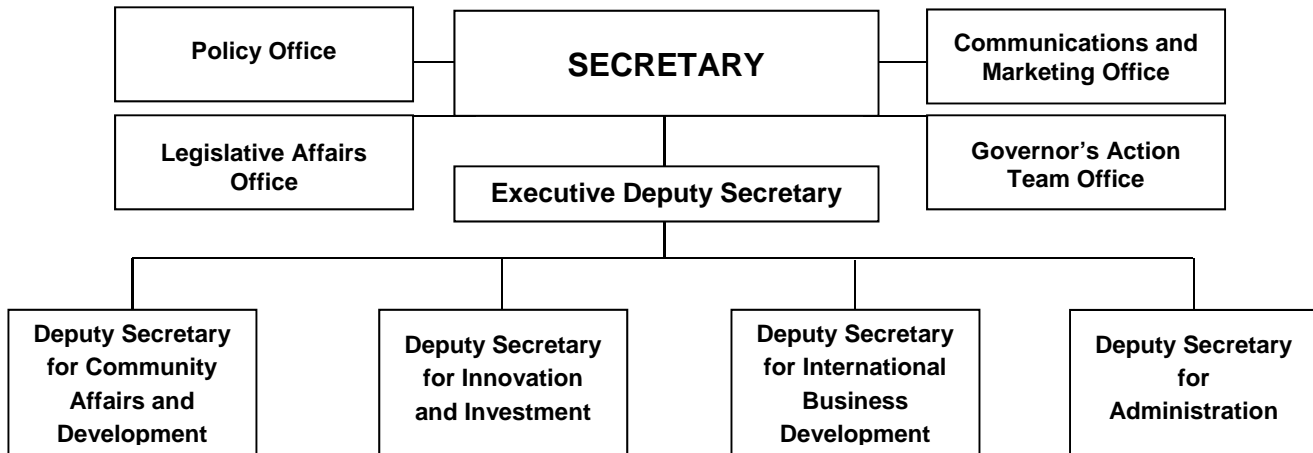
# DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

*The mission of the Department of Community and Economic Development is to foster opportunities for businesses to grow and for communities to succeed and thrive in a global economy. The department strives to improve the quality of life for Pennsylvania citizens while assuring transparency and accountability in the expenditure of public funds.*

## **Programs and Goals**

- PA Job Creation, Business Growth and Attraction:** *To support and promote initiatives that grow Pennsylvania's economy by partnering with the private sector to create and retain jobs; to ensure that capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle; and to make possible lower capital costs to attract businesses to invest in Pennsylvania.*
- PA Innovation Economy:** *To catalyze growth and competitiveness for Pennsylvania companies and universities by growing venture capital investments to support early stage and emerging technology firms; accelerating technology transfer to commercialize new products and services; and revitalizing Pennsylvania's manufacturing economy.*
- PA Worldwide:** *To contribute to the growth and strength of the commonwealth's economy by attracting foreign direct capital investments to Pennsylvania and providing value-added business development services to Pennsylvania companies to facilitate increased exports from the commonwealth.*
- PA Assets:** *To ensure economic competitiveness and job creation; to increase domestic and international leisure travel to the commonwealth in order to grow the tourism industry's economic impact and position Pennsylvania as a top tourism destination for both domestic and international visitors; and to maximize Pennsylvania's energy resources, including coal, natural gas, water, oil and timber.*
- PA Core Communities:** *To attain more effective delivery of housing and community development services; to provide resources and technical assistance that enhance the performance and quality of local governments, including fiscal stability; and to effectively create attractive, livable communities by revitalizing downtowns and surrounding neighborhoods, while promoting sound land-use practices.*
-

## Organization Overview



- **Deputy Secretary for Community Affairs and Development** oversees the Center for Community Financing, the Center for Community Services, the State Tax Equalization Board, the Governor's Center for Local Government Services and the Community Action Team.
- **Deputy Secretary for Innovation and Investment** leads the commonwealth's efforts to create family-sustaining jobs through advancing technology and innovation, supporting business growth and bolstering Pennsylvania's robust tourism industry.
- **Deputy Secretary for International Business Development** leads a professional team of international economic development specialists that contribute to the growth and strength of the commonwealth's economy by attracting foreign investment to the state and providing value-added international trade services to Pennsylvania's businesses and ports.
- **Deputy Secretary for Administration** is responsible for all Human Resources, Information Technology, Financial Management, Customer and Administrative Services for the department.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 343               | 320               | 309               | 315               | 307               |

# Community and Economic Development

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

### GENERAL FUND:

#### General Government:

|   | 2013-14<br>ACTUAL  | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|--------------------|----------------------|-------------------|
| <b>General Government Operations.....</b>                           | <b>\$ 13,095 a</b> | <b>\$ 14,422</b>     | <b>\$ 14,658</b>  |
| (F)ARC - Technical Assistance.....                                  | 225                | 225                  | 225               |
| (F)DOE - Weatherization Administration.....                         | 775                | 800                  | 1,200             |
| (F)ARRA - DOE Weatherization Administration.....                    | 200                | 0                    | 0                 |
| (F)SCDBG - Administration.....                                      | 1,680              | 1,680                | 3,000             |
| (F)SCDBG - Neighborhood Stabilization Administration.....           | 800                | 800                  | 800               |
| (F)CSBG - Administration.....                                       | 1,507              | 1,507                | 1,607             |
| (F)LIHEABG - Administration.....                                    | 1,000              | 1,000                | 1,500             |
| (F)State Small Business Credit Initiative Administration.....       | 487                | 487                  | 487               |
| (F)Americorps Training and Technical Assistance.....                | 75                 | 75                   | 0                 |
| (F)EMG Solutions Administration.....                                | 250                | 600                  | 1,000             |
| (F)EDA - Emergency Management.....                                  | 450                | 450                  | 450               |
| (F)SCDBG - Disaster Recovery Administration.....                    | 1,000              | 1,000                | 1,000             |
| (F)ARRA - Broadband Technology Opportunity Administration (EA)..... | 60                 | 150                  | 0                 |
| (F)ARRA - Broadband Technology Opportunities (EA).....              | 800                | 1,300                | 0                 |
| (A)Pennsylvania Industrial Development Authority.....               | 1,005              | 1,202                | 1,204             |
| (A)Pennsylvania Economic Development Financing Authority.....       | 438                | 459                  | 458               |
| (A)Community Development Bank.....                                  | 55                 | 57                   | 56                |
| (A)Commonwealth Financing Authority.....                            | 2,480              | 2,653                | 2,653             |
| (A)Local Match.....   | 75                 | 75                   | 75                |
| (R)Small Business Advocate - Utilities.....                         | 1,092              | 1,163                | 1,210             |
| <b>Center for Local Government Services.....</b>                    | <b>7,308 a</b>     | <b>8,534</b>         | <b>8,547</b>      |
| (F)Economic Adjustment Assistance.....                              | 0                  | 5,000                | 5,000             |
| (F)State Energy Program.....  | 0                  | 180                  | 0                 |
| (A)Local Government Training.....                                   | 304                | 1,609                | 1,314             |
| (A)State Planning Board Expense.....                                | 141                | 1                    | 0                 |
| <b>Office of Open Records.....</b>                                  | <b>1,684</b>       | <b>2,002</b>         | <b>2,141</b>      |
| <b>World Trade PA.....</b>  | <b>7,223</b>       | <b>8,824</b>         | <b>6,834</b>      |
| (F)SBA State Trade and Export Promotion (STEP).....                 | 2,000              | 2,000                | 950               |
| (F)Mining Equipment Export Expansion Initiative.....                | 100                | 100                  | 0                 |
| (F)EDA - Expanding Exports.....                                     | 1,000              | 1,000                | 0                 |
| <b>Marketing to Attract Tourists.....</b>                           | <b>7,235</b>       | <b>7,264</b>         | <b>4,264</b>      |
| (A)Reimbursement for Travel Advertisements.....                     | 60                 | 60                   | 60                |
| (A)Film Tax Credit App.....   | 161                | 95                   | 50                |
| <b>Marketing to Attract Business.....</b>                           | <b>3,360</b>       | <b>2,008</b>         | <b>3,008</b>      |
| (A)Reimbursement for Services.....                                  | 0                  | 300                  | 0                 |
| <b>Base Realignment and Closure.....</b>                            | <b>0</b>           | <b>0</b>             | <b>775</b>        |
| <br>Subtotal - State Funds.....                                     | <br>\$ 39,905      | <br>\$ 40,054        | <br>\$ 40,227     |
| Subtotal - Federal Funds.....                                       | 12,409             | 18,354               | 17,219            |
| Subtotal - Augmentations.....                                       | 4,719              | 6,511                | 5,870             |
| Subtotal - Restricted Revenues.....                                 | 1,092              | 1,163                | 1,210             |
| <b>Total - General Government.....</b>                              | <b>\$ 58,125</b>   | <b>\$ 66,082</b>     | <b>\$ 64,526</b>  |

#### Grants and Subsidies:

|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| <b>Transfer to Municipalities Financial Recovery Revolving Fund.....</b> | <b>\$ 7,096</b> | <b>\$ 4,000</b> | <b>\$ 3,000</b> |
| <b>Transfer to Ben Franklin Tech. Development Authority Fund.....</b>    | <b>14,500</b>   | <b>14,500</b>   | <b>14,500</b>   |
| <b>Transfer to Commonwealth Financing Authority.....</b>                 | <b>72,665</b>   | <b>77,755</b>   | <b>97,000</b>   |
| (A)Transfer From the Department of Environmental Protection.....         | 9,517           | 8,673           | 0               |
| <b>Intergovernmental Cooperation Authority-2nd Class Cities.....</b>     | <b>228</b>      | <b>250</b>      | <b>250</b>      |
| <b>Pennsylvania First.....</b>   | <b>37,800</b>   | <b>20,000</b>   | <b>45,000</b>   |
| (A)Interagency Reimbursement.....  | 0               | 5,000           | 0               |
| <b>Municipal Assistance Program.....</b>                                 | <b>642</b>      | <b>642</b>      | <b>642</b>      |
| (F)FEMA Technical Assistance.....  | 350             | 350             | 350             |
| (F)FEMA - Mapping.....   | 100             | 100             | 100             |
| <b>Keystone Communities.....</b>   | <b>11,251</b>   | <b>6,150</b>    | <b>21,150</b>   |
| (F)DOE - Weatherization.....   | 10,000          | 12,000          | 18,000          |
| (F)LIHEABG - Weatherization Program.....                                 | 40,000          | 40,000          | 40,000          |
| (F)SCDBG - HUD Disaster Recovery.....                                    | 2,000           | 2,000           | 2,000           |
| (F)SCDBG - Neighborhood Stabilization Program.....                       | 17,000          | 17,000          | 17,000          |

# Community and Economic Development

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL    | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|----------------------|----------------------|-------------------|
| (F)Assets for Independence.....                              | 500                  | 500                  | 500               |
| (F)EMG Solutions Program.....                                | 8,000                | 8,000                | 8,000             |
| (F)SCDBG - Disaster Recovery Grant.....                      | 56,000               | 56,000               | 56,000            |
| (F)Community Services Block Grant.....                       | 29,500               | 29,500               | 35,000            |
| (F)Centralia Recovery (EA).....                              | 430                  | 430                  | 0                 |
| <b>Appalachian Regional Commission.....</b>                  | <b>0<sup>b</sup></b> | <b>0</b>             | <b>0</b>          |
| <b>Partnerships for Regional Economic Performance.....</b>   | <b>11,880</b>        | <b>11,880</b>        | <b>11,880</b>     |
| (F)State Small Business Credit Initiative.....               | 20,000               | 20,000               | 20,000            |
| <b>Discovered in PA, Developed in PA.....</b>                | <b>9,862</b>         | <b>5,000</b>         | <b>0</b>          |
| <b>Industrial Resource Centers.....</b>                      | <b>0</b>             | <b>0</b>             | <b>12,000</b>     |
| <b>Tourism - Accredited Zoos.....</b>                        | <b>550</b>           | <b>550</b>           | <b>0</b>          |
| <b>Rural Leadership Training.....</b>                        | <b>100</b>           | <b>100</b>           | <b>0</b>          |
| <b>Super Computer Center.....</b>                            | <b>500</b>           | <b>500</b>           | <b>0</b>          |
| <b>Infrastructure Technology Assistance Program.....</b>     | <b>1,750</b>         | <b>1,750</b>         | <b>0</b>          |
| <b>Early Intervention for Distressed Municipalities.....</b> | <b>1,785</b>         | <b>1,785</b>         | <b>2,785</b>      |
| <b>Powdered Metals.....</b>                                  | <b>100</b>           | <b>100</b>           | <b>0</b>          |
| <b>Infrastructure and Facilities Improvement Grants.....</b> | <b>19,007</b>        | <b>19,000</b>        | <b>30,000</b>     |
| <b>Public Television Technology.....</b>                     | <b>0</b>             | <b>0</b>             | <b>4,000</b>      |
| Subtotal - State Funds.....                                  | \$ 189,716           | \$ 163,962           | \$ 242,207        |
| Subtotal - Federal Funds.....                                | 183,880              | 185,880              | 196,950           |
| Subtotal - Augmentations.....                                | 9,517                | 13,673               | 0                 |
| Total - Grants and Subsidies.....                            | \$ 383,113           | \$ 363,515           | \$ 439,157        |
| STATE FUNDS.....   | \$ 229,621           | \$ 204,016           | \$ 282,434        |
| FEDERAL FUNDS.....   | 196,289              | 204,234              | 214,169           |
| AUGMENTATIONS.....   | 14,236               | 20,184               | 5,870             |
| RESTRICTED REVENUES.....                                     | 1,092                | 1,163                | 1,210             |
| <b>GENERAL FUND TOTAL.....</b>                               | <b>\$ 441,238</b>    | <b>\$ 429,597</b>    | <b>\$ 503,683</b> |
| <b><u>MOTOR LICENSE FUND:</u></b>                            |                      |                      |                   |
| <b><i>General Government:</i></b>                            |                      |                      |                   |
| Appalachian Regional Commission.....                         | \$ 1,073             | \$ 1,073             | \$ 1,073          |
| <b><u>OTHER FUNDS:</u></b>                                   |                      |                      |                   |
| <b>GENERAL FUND:</b>   |                      |                      |                   |
| Industrial Sites Environmental Assessment Fund.....          | \$ 0                 | \$ 493               | \$ 3,000          |
| Industrialized Housing.....                                  | 0                    | 406                  | 525               |
| <b>GENERAL FUND TOTAL.....</b>                               | <b>\$ 0</b>          | <b>\$ 899</b>        | <b>\$ 3,525</b>   |
| <b>BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND:</b>   |                      |                      |                   |
| Ben Franklin Technology.....                                 | \$ 19,000            | \$ 19,000            | \$ 119,000        |
| <b>BROADBAND OUTREACH AND AGGREGATION FUND:</b>              |                      |                      |                   |
| Broadband Outreach Administration (EA).....                  | \$ 50                | \$ 90                | \$ 22             |
| Broadband Outreach Grants (EA).....                          | 1,450                | 3,259                | 743               |
| <b>BROADBAND OUTREACH AND AGGREGATION FUND TOTAL.....</b>    | <b>\$ 1,500</b>      | <b>\$ 3,349</b>      | <b>\$ 765</b>     |
| <b>HOME INVESTMENT TRUST FUND:</b>                           |                      |                      |                   |
| HOME Investment Partnership.....                             | \$ 1,486             | \$ 1,486             | \$ 0              |
| (F)Affordable Housing Act Admin.....                         | 0                    | 0                    | 2,000             |
| <b>HOME INVESTMENT TRUST FUND TOTAL.....</b>                 | <b>\$ 1,486</b>      | <b>\$ 1,486</b>      | <b>\$ 2,000</b>   |
| <b>INDUSTRIAL SITES CLEANUP FUND:</b>                        |                      |                      |                   |
| Industrial Sites Cleanup - Administration (EA).....          | \$ 314               | \$ 314               | \$ 314            |
| Industrial Sites Cleanup - Projects (EA).....                | 5,000                | 6,300                | 5,300             |
| <b>INDUSTRIAL SITES CLEANUP FUND TOTAL.....</b>              | <b>\$ 5,314</b>      | <b>\$ 6,614</b>      | <b>\$ 5,614</b>   |

# Community and Economic Development

## Summary by Fund and Appropriation

|  | (Dollar Amounts in Thousands) |                      |                   |
|--|-------------------------------|----------------------|-------------------|
|  | 2013-14<br>ACTUAL             | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
| <b>LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND:</b>           |                               |                      |                   |
| Local Government Capital Project Loans (EA).....             | \$ 1,000                      | \$ 1,000             | \$ 1,000          |
| <b>MACHINERY AND EQUIPMENT LOAN FUND:</b>                    |                               |                      |                   |
| General Operations (EA).....                                 | \$ 778                        | \$ 778               | \$ 778            |
| Machinery and Equipment Loans (EA).....                      | 25,000                        | 25,000               | 11,000            |
| <b>MACHINERY AND EQUIPMENT LOAN FUND TOTAL.....</b>          | <b>\$ 25,778</b>              | <b>\$ 25,778</b>     | <b>\$ 11,778</b>  |
| <b>MARCELLUS LEGACY FUND:</b>                                |                               |                      |                   |
| Energy Development Projects.....                             | \$ 0                          | \$ 7,695             | \$ 0              |
| <b>MINORITY BUSINESS DEVELOPMENT FUND:</b>                   |                               |                      |                   |
| General Operations (EA).....                                 | \$ 302                        | \$ 302               | \$ 302            |
| Minority Business Development Loans (EA).....                | 1,000                         | 1,000                | 1,000             |
| <b>MINORITY BUSINESS DEVELOPMENT FUND TOTAL.....</b>         | <b>\$ 1,302</b>               | <b>\$ 1,302</b>      | <b>\$ 1,302</b>   |
| <b>MUNICIPALITIES FINANCIAL RECOVERY REVOLVING AID FUND:</b> |                               |                      |                   |
| Distressed Community Assistance (EA).....                    | \$ 9,000                      | \$ 9,000             | \$ 9,000          |
| <b>SMALL BUSINESS FIRST FUND:</b>                            |                               |                      |                   |
| Administration (EA).....                                     | \$ 1,958                      | \$ 1,958             | \$ 1,958          |
| Loans (EA).....  | 19,000                        | 17,000               | 8,542             |
| Pollution Prevention Loans (EA).....                         | 1,500                         | 1,500                | 1,500             |
| Community Economic Development Loans (EA).....               | 3,000                         | 3,000                | 3,000             |
| <b>SMALL BUSINESS FIRST FUND TOTAL.....</b>                  | <b>\$ 25,458</b>              | <b>\$ 23,458</b>     | <b>\$ 15,000</b>  |
| <b>TOBACCO SETTLEMENT FUND:</b>                              |                               |                      |                   |
| Tobacco Settlement Investment Board.....                     | \$ 284                        | \$ 217 <sup>c</sup>  | \$ 0              |
| Life Sciences Greenhouses.....                               | 0                             | 3,000                | 3,000             |
| <b>TOBACCO SETTLEMENT FUND TOTAL.....</b>                    | <b>\$ 284</b>                 | <b>\$ 3,217</b>      | <b>\$ 3,000</b>   |
| <b>WORKMEN'S COMPENSATION ADMINISTRATION FUND:</b>           |                               |                      |                   |
| Small Business Advocate - Workers' Compensation (R).....     | \$ 194                        | \$ 194               | \$ 194            |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                          |                               |                      |                   |
| GENERAL FUND.....  | \$ 229,621                    | \$ 204,016           | \$ 282,434        |
| SPECIAL FUNDS.....   | 1,073                         | 1,073                | 1,073             |
| FEDERAL FUNDS.....   | 196,289                       | 204,234              | 214,169           |
| AUGMENTATIONS.....   | 14,236                        | 20,184               | 5,870             |
| RESTRICTED.....  | 1,092                         | 1,163                | 1,210             |
| OTHER FUNDS.....   | 90,316                        | 102,992              | 172,178           |
| <b>TOTAL ALL FUNDS.....</b>                                  | <b>\$ 532,627</b>             | <b>\$ 533,662</b>    | <b>\$ 676,934</b> |

<sup>a</sup> Transferred \$2,804,000 from General Government Operations to the Center for Local Government Services.

<sup>b</sup> Beginning in 2013-14, Appalachian Regional Commission funding moved from the General Fund to the Motor License Fund.

<sup>c</sup> Elimination of the Tobacco Settlement Investment Board effective January 2015.

Homeowner Assistance Settlement Fund and Housing Affordability and Rehabilitation Enhancement Fund shown in Housing Finance Agency.

## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>PA JOB CREATION, BUSINESS GROWTH AND<br/>ATTRACTION</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....  | \$ 168,549               | \$ 157,351               | \$ 225,009               | \$ 225,093               | \$ 225,762               | \$ 226,428               | \$ 227,115               |
| SPECIAL FUNDS.....   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....   | 29,309                   | 35,074                   | 36,269                   | 36,269                   | 36,269                   | 36,269                   | 36,269                   |
| OTHER FUNDS.....   | 73,153                   | 79,031                   | 43,858                   | 43,858                   | 43,858                   | 43,858                   | 43,858                   |
| SUBCATEGORY TOTAL.....                                     | <u>\$ 271,011</u>        | <u>\$ 271,456</u>        | <u>\$ 305,136</u>        | <u>\$ 305,220</u>        | <u>\$ 305,889</u>        | <u>\$ 306,555</u>        | <u>\$ 307,242</u>        |
| <b>PA INNOVATION ECONOMY</b>                               |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....  | \$ 24,962                | \$ 20,100                | \$ 18,500                | \$ 18,500                | \$ 18,500                | \$ 18,500                | \$ 18,500                |
| SPECIAL FUNDS.....   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....   | 20,784                   | 33,261                   | 122,765                  | 22,000                   | 22,000                   | 22,000                   | 22,000                   |
| SUBCATEGORY TOTAL.....                                     | <u>\$ 45,746</u>         | <u>\$ 53,361</u>         | <u>\$ 141,265</u>        | <u>\$ 40,500</u>         | <u>\$ 40,500</u>         | <u>\$ 40,500</u>         | <u>\$ 40,500</u>         |
| <b>PA WORLDWIDE</b>  |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....  | \$ 7,223                 | \$ 5,824                 | \$ 6,834                 | \$ 7,073                 | \$ 7,250                 | \$ 7,431                 | \$ 7,617                 |
| SPECIAL FUNDS.....   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....   | 3,100                    | 3,100                    | 950                      | 950                      | 950                      | 950                      | 950                      |
| OTHER FUNDS.....   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| SUBCATEGORY TOTAL.....                                     | <u>\$ 10,323</u>         | <u>\$ 8,924</u>          | <u>\$ 7,784</u>          | <u>\$ 8,023</u>          | <u>\$ 8,200</u>          | <u>\$ 8,381</u>          | <u>\$ 8,567</u>          |
| <b>PA ASSETS</b>   |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....  | \$ 7,785                 | \$ 7,814                 | \$ 4,264                 | \$ 4,264                 | \$ 4,264                 | \$ 4,264                 | \$ 4,264                 |
| SPECIAL FUNDS.....   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....   | 221                      | 155                      | 110                      | 110                      | 110                      | 110                      | 110                      |
| SUBCATEGORY TOTAL.....                                     | <u>\$ 8,006</u>          | <u>\$ 7,969</u>          | <u>\$ 4,374</u>          | <u>\$ 4,374</u>          | <u>\$ 4,374</u>          | <u>\$ 4,374</u>          | <u>\$ 4,374</u>          |
| <b>PA CORE COMMUNITIES</b>                                 |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....  | \$ 21,102                | \$ 12,927                | \$ 27,827                | \$ 27,827                | \$ 27,827                | \$ 27,827                | \$ 27,827                |
| SPECIAL FUNDS.....   | 1,073                    | 1,073                    | 1,073                    | 1,073                    | 1,073                    | 1,073                    | 1,073                    |
| FEDERAL FUNDS.....   | 163,880                  | 166,060                  | 176,950                  | 176,950                  | 176,950                  | 176,950                  | 176,950                  |
| OTHER FUNDS.....   | 11,486                   | 11,892                   | 12,525                   | 12,525                   | 12,525                   | 12,525                   | 12,525                   |
| SUBCATEGORY TOTAL.....                                     | <u>\$ 197,541</u>        | <u>\$ 191,952</u>        | <u>\$ 218,375</u>        | <u>\$ 218,375</u>        | <u>\$ 218,375</u>        | <u>\$ 218,375</u>        | <u>\$ 218,375</u>        |
| <b>ALL PROGRAMS:</b>                                       |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....  | \$ 229,621               | \$ 204,016               | \$ 282,434               | \$ 282,757               | \$ 283,603               | \$ 284,450               | \$ 285,323               |
| SPECIAL FUNDS.....   | 1,073                    | 1,073                    | 1,073                    | 1,073                    | 1,073                    | 1,073                    | 1,073                    |
| FEDERAL FUNDS.....   | 196,289                  | 204,234                  | 214,169                  | 214,169                  | 214,169                  | 214,169                  | 214,169                  |
| OTHER FUNDS.....   | 105,644                  | 124,339                  | 179,258                  | 78,493                   | 78,493                   | 78,493                   | 78,493                   |
| DEPARTMENT TOTAL.....                                      | <u><u>\$ 532,627</u></u> | <u><u>\$ 533,662</u></u> | <u><u>\$ 676,934</u></u> | <u><u>\$ 576,492</u></u> | <u><u>\$ 577,338</u></u> | <u><u>\$ 578,185</u></u> | <u><u>\$ 579,058</u></u> |



## Program: PA Job Creation, Business Growth and Attraction

*Goal: To support and promote initiatives that grow Pennsylvania's economy by partnering with the private sector to create and retain jobs; to ensure that capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle; and to make possible lower capital costs to attract businesses to invest in Pennsylvania.*

### **Program Element: PA First**

PA First is a comprehensive program that offers grants for job creation and retention, infrastructure projects and workforce development. PA First provides the flexibility necessary for the commonwealth to rapidly respond to companies' needs, thus facilitating increased investment in the state and enabling Pennsylvania to compete more effectively with neighboring and competitor states.

PA First leverages private dollars, stimulates job creation and encourages development of critical infrastructure and advances workforce development efforts. It secures job creation and economic development opportunities through the preservation and expansion of existing industries and the attraction of additional economic development prospects to the commonwealth. Eligible uses for the grant funding may include customized or advanced training for new, entry-level or existing employees; infrastructure improvements necessary to facilitate planned industrial investment by private companies, to restore blighted land to productive use and to develop the restored land, or to develop local infrastructure at business sites; land and building acquisition and/or improvement costs; machinery and equipment purchases; working capital; and environmental assessment and remediation.

The Department of Community and Economic Development monitors PA First projects for compliance with the commitments made by the grantee upon receipt of the funds. If the grantee does not meet its commitments and cannot provide an acceptable reason for its failure to do so, the department may require repayment of some or all of the grant funds.

### **Program Element: Infrastructure and Facilities Improvement Program**

The Infrastructure and Facilities Improvement Program, established by Act 23 of 2004, awards multi-year grants to debt-issuing authorities toward the payment of debt service and related costs for economic development projects. Grant awards are calculated based on the expected sales tax, hotel occupancy tax or personal income tax to be generated by the project.

Unlike local tax increment financing projects, where incremental tax revenues generated by a project are collected and deposited into a debt service reserve fund for the payment of debt, under this program, annual grants

are awarded based on the incremental amount of state personal income tax, sales tax and hotel occupancy tax generated by the project.

### **Program Element: Partnerships for Regional Economic Performance**

Historically, Pennsylvania's economic development efforts have been supported by a number of core service providers, including Industrial Resource Centers, industrial development organizations, Local Development Districts, and Small Business Development Centers. Partnerships for Regional Economic Performance, known as PREP, is designed to integrate these networks by encouraging regional coordination of economic development efforts, which will yield superior customer service to the business community and a comprehensive, efficient, statewide economic development delivery strategy.

Funding is provided to regional networks to serve current and potential businesses in good standing across the commonwealth. PREP partner organizations deliver a wide array of coordinated business development services designed to encourage the creation of new businesses and increase and strengthen the capacity of all Pennsylvania businesses to compete successfully in the global economy.

### **Program Element: Marketing to Attract Business**

Pennsylvania's key strengths must be regularly and effectively communicated to the national and global business community. Pennsylvania's Marketing to Attract Business program funds the department's economic development marketing and advertising contract, which includes public relations, radio and television advertising, industry trade shows and direct support of the department and the Governor's Action Team for one-to-one marketing efforts. The Governor's Action Team and the department's International Office depend on company leads generated by marketing to prepare deals to attract companies to Pennsylvania.

### **Program Element: Tax Credits**

Tax credits are established for the purpose of securing job-creating economic development opportunities and fostering the growth and development of economic development prospects to the commonwealth.

The Job Creation Tax Credit secures job-creating



# Community and Economic Development

## Program: PA Job Creation, Business Growth and Attraction (continued)

economic development opportunities through business expansion and attraction.

The Pennsylvania Film Production Tax Credit encourages filmmakers and production companies to film projects in the commonwealth.

Opportunity Scholarship Tax Credits are available

to eligible businesses that contribute to Opportunity Scholarship organizations. These organizations provide scholarships for students in low-achieving school districts to attend other public or non-public schools.

Additional details on these and other tax credits can be found in Section D of the Governor's Executive Budget.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| GENERAL FUND  |  | Pennsylvania First   |   |
|---|--|--|---|
| <b>General Government Operations</b>                |  | <b>—Initiative — Jobs that Pay.</b> To foster investment, job creation and provide support for WEDnetPA, a critical employee training program available to Pennsylvania's employers. |   |
| \$ 86   | —to continue current program.  | \$ 25,000  |   |
| 150   | —Initiative — Housing and Urban Development. To increase monitoring and compliance of federally funded programs. |  |   |
| <u>236</u>  | <i>Appropriation Increase</i>  |  |   |
| <b>Center for Local Government Services</b>         |  | <b>Industrial Resource Centers</b>   |   |
| \$ 13   | —to continue current program.  | \$ 12,000  | —Initiative — Jobs that Pay. To support Industrial Resource Centers and to utilize Pennsylvania universities to advance manufacturing technology and commercialization. |
| <b>Office of Open Records</b>                       |  | <b>Infrastructure Technology Assistance Program</b>  |   |
| \$ 139  | —to continue current program.  | \$ -1,750  | —program elimination.   |
| <b>Marketing to Attract Business</b>                |  | <b>Infrastructure and Facilities Improvement Grants</b>  |   |
| \$ 1,000  | —Initiative — Jobs that Pay. To develop and purchase marketing and communication tools to attract business.      | \$ 11,000  | —Initiative — Jobs that Pay. To increase multi-year financial assistance to service debt on major infrastructure projects.  |
| <b>Base Realignment and Closure</b>                 |  |  |   |
| \$ 775  | —Initiative — Jobs that Pay. To preserve Pennsylvania's military communities.                                    |  |   |
| <b>Transfer to Commonwealth Financing Authority</b> |  |  |   |
| \$ 19,245   | —to provide debt service for economic development bonds.   |  |   |

The Partnerships for Regional Economic Performance is recommended at the current year funding level.

The Small Business Advocate appropriation is increased by \$47,000 to a total of \$1,210,000.

### Appropriations within this Program:

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                                   |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....                    | \$ 13,095         | \$ 14,422            | \$ 14,658         | \$ 15,171            | \$ 15,550            | \$ 15,939            | \$ 16,337            |
| Center for Local Government Services .....             | 7,308             | 8,534                | 8,547             | 8,846                | 9,067                | 9,294                | 9,526                |
| Office of Open Records .....                           | 1,684             | 2,002                | 2,141             | 2,216                | 2,271                | 2,328                | 2,386                |
| Marketing to Attract Business .....                    | 3,360             | 2,008                | 3,008             | 3,008                | 3,008                | 3,008                | 3,008                |
| Base Realignment and Closure .....                     | 0                 | 0                    | 775               | 775                  | 775                  | 775                  | 775                  |
| Transfer to Commonwealth Financing Authority .....     | 72,665            | 77,755               | 97,000            | 96,197               | 96,211               | 96,204               | 96,203               |
| Pennsylvania First .....                               | 37,800            | 20,000               | 45,000            | 45,000               | 45,000               | 45,000               | 45,000               |
| Partnerships for Regional Economic Performance .....   | 11,880            | 11,880               | 11,880            | 11,880               | 11,880               | 11,880               | 11,880               |
| Industrial Resource Centers .....                      | 0                 | 0                    | 12,000            | 12,000               | 12,000               | 12,000               | 12,000               |
| Infrastructure Technology Assistance Program .....     | 1,750             | 1,750                | 0                 | 0                    | 0                    | 0                    | 0                    |
| Infrastructure and Facilities Improvement Grants ..... | 19,007            | 19,000               | 30,000            | 30,000               | 30,000               | 30,000               | 30,000               |
| <b>TOTAL GENERAL FUND .....</b>                        | <b>\$ 168,549</b> | <b>\$ 157,351</b>    | <b>\$ 225,009</b> | <b>\$ 225,093</b>    | <b>\$ 225,762</b>    | <b>\$ 226,428</b>    | <b>\$ 227,115</b>    |

## Program: PA Innovation Economy

*Goal: To catalyze growth and competitiveness for Pennsylvania companies and universities by growing venture capital investments to support early stage and emerging technology firms; accelerating technology transfer to commercialize new products and services; and revitalizing Pennsylvania's manufacturing economy.*

### Program Element: Ben Franklin Technology Development Authority

The Ben Franklin Technology Development Authority ensures that Pennsylvania companies and entrepreneurs have the necessary tools to build their businesses. The authority has promoted advanced technology in traditional and emerging industries, as well as small business, through a series of programs that are flexible and dynamic and are built to proactively meet changes in markets and key industry sectors. These initiatives are also tailored to meet companies' needs throughout the business lifecycle, providing support and making services available at each step of the process.

The authority also provides vehicles for investment for university-based and entrepreneurial innovation through the following programs:

- Ben Franklin Technology Partners, which are strategically located throughout the commonwealth to bring together the best of the state's people, ideas and technology.
- Venture Investment, which provides risk capital to venture partnerships that invest in Pennsylvania companies.
- Technology Development Grants, which help position the consortia of Pennsylvania companies at the cutting edge of emerging technologies.

- University Research Commercialization Grants, which promote stronger synergy between university-based research and development and technology transfer for economic and workforce development.

### Program Element: The Pennsylvania Life Sciences Greenhouse Initiative

To ensure continued growth and leadership in life sciences, The Pennsylvania Life Sciences Greenhouse Initiative supports early-stage risk capital and serves as a catalyst for development and creation of new life-science-related products and companies. Three regionally based organizations in Central Pennsylvania, Pittsburgh and Philadelphia aggressively focus on increasing formation and growth of life sciences companies in the commonwealth.

Over the course of the past decade, this initiative has established a national reputation and is cited by the Battelle Technology Partnership as one of only two university/industry funding programs in the U.S. to focus solely on life sciences. The initiative has quickly become a national model for state funding of early stage risk capital in life sciences.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND**  
**Discovered in PA, Developed in PA**  
 \$ -5,000 —program elimination.

**Super Computer Center**  
 \$ -500 —program elimination.

**Powdered Metals**  
 \$ -100 —program elimination.

**Public Television Technology**  
 \$ 4,000 —Initiative — PA Public Television Network.  
 To increase technology to educate, inform and connect the citizens of Pennsylvania.

All other appropriations are recommended at the current year funding levels.

The Tobacco Settlement Investment Board was eliminated effective January 2015.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>  |                   |                      |                   |                      |                      |                      |                      |
| Transfer to Ben Franklin Technology Development Authority Fund..... | \$ 14,500         | \$ 14,500            | \$ 14,500         | \$ 14,500            | \$ 14,500            | \$ 14,500            | \$ 14,500            |
| Discovered in PA, Developed in PA.....                              | 9,862             | 5,000                | 0                 | 0                    | 0                    | 0                    | 0                    |
| Super Computer Center .....   | 500               | 500                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Powdered Metals.....  | 100               | 100                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Public Television Technology.....                                   | 0                 | 0                    | 4,000             | 4,000                | 4,000                | 4,000                | 4,000                |
| <b>TOTAL GENERAL FUND.....</b>                                      | <b>\$ 24,962</b>  | <b>\$ 20,100</b>     | <b>\$ 18,500</b>  | <b>\$ 18,500</b>     | <b>\$ 18,500</b>     | <b>\$ 18,500</b>     | <b>\$ 18,500</b>     |

# Community and Economic Development

## Program: PA Worldwide

*Goal: To contribute to the growth and strength of the commonwealth's economy by attracting foreign direct capital investments to Pennsylvania and providing value-added business development services to Pennsylvania companies to facilitate increased exports from the commonwealth.*

### Program Element: World Trade PA

In today's increasingly complex global economy, international trade is not simply a trend, but a competitive necessity. The World Trade PA program, managed by the department's Office of International Business Development, works to promote Pennsylvania exports in key international markets and to attract foreign investments to Pennsylvania by ensuring that international companies are adequately informed and familiar with Pennsylvania's strengths – leading universities and research institutions; manufacturing, energy and life science industries; competitive business environment; and a skilled workforce.

The department will continue to build on World Trade PA's success as the nation's largest and best-performing international program, and the only department program with a unique, performance-based metrics and compensation system for its international contractors and

regional partners. New initiatives include sector-specific, fee-based initiatives such as the PA Mining Equipment Export Initiative and the India Higher Education Initiative, and enhanced private sector participation through trade events, missions, and the Team Pennsylvania International Business Advisory Board. By increasing export capacity and establishing new connections between Pennsylvania companies, universities and partners worldwide, Pennsylvania businesses will continue to become more competitive in the global marketplace. At the same time, Pennsylvania communities will become increasingly successful in competing for international investment projects that support existing and new jobs across the commonwealth. This will help Pennsylvania remain a leading state for international business development.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| World Trade PA |   |
|----------------|---|
| \$ 10          | —to continue current program.   |
| \$ 1,000       | —Initiative — Jobs That Pay. To maintain Pennsylvania's status as a leader in international business development. |
| \$ 1,010       | <i>Appropriation Increase</i>   |

### Appropriations within this Program:

|                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|----------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b> |                   |                      |                   |                      |                      |                      |                      |
| World Trade PA.....  | \$ 7,223          | \$ 5,824             | \$ 6,834          | \$ 7,073             | \$ 7,250             | \$ 7,431             | \$ 7,617             |

# Community and Economic Development

## Program: PA Assets

*Goal: To ensure economic competitiveness and job creation; to increase domestic and international leisure travel to the commonwealth in order to grow the tourism industry's economic impact and position Pennsylvania as a top tourism destination for both domestic and international visitors; and to maximize Pennsylvania's energy resources, including coal, natural gas, water, oil and timber.*

### Program Element: Marketing to Attract Tourists

Tourism is a key industry for Pennsylvania, injecting an estimated \$40 billion annually into the commonwealth's economy and generating nearly \$4 billion in tax revenues each year. Pennsylvania has invested in tourism marketing for decades in recognition of the industry's substantial contributions to the state's economy, most notably in jobs the industry provides commonwealth residents and tax revenues the industry generates for the state and local governments, which support a host of essential government programs and services. The Pennsylvania Tourism Office's marketing activities provide exposure to out-of-state markets for the many small Pennsylvania tourism businesses that lack the resources to advertise beyond their local area.

Marketing to Attract Tourists has enabled the commonwealth to provide a domestic and international tourism marketing program that helps to attract more than 175 million travelers annually. The funding supports a comprehensive and effective marketing agenda including the popular visitPA.com website and various print and online publications. The tourism office will encourage public/private partnerships within the industry to maximize Pennsylvania's presence on the national and global travel and tourism stage. The tourism office will also continue

to leverage online marketing platforms including Twitter, Facebook, YouTube, Flickr, Foursquare and Pinterest, among others to provide highly customized, personalized and targeted information directly to travelers in an authentic and real-time medium, extending the reach of the office's traditional marketing efforts.

### Program Element: Alternative Energy

The Alternate Energy Investment Act was signed into law in July 2008. The act is comprised of several components administered in the Departments of Environmental Protection, Human Services and Community and Economic Development. The Commonwealth Financing Authority manages programs and funds administered within the Department of Community and Economic Development's Center for Business Financing. Funding includes grants to businesses, non-profit economic development organizations and political subdivisions for clean and alternative energy projects. These projects include buildings, equipment and land development activities. In addition, loans and grants are provided for high-performance energy-efficient building projects, for geothermal and wind energy projects and for alternative energy production projects involving solar technologies.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| GENERAL FUND                  |   | Tourism - Accredited Zoos |      |
|-------------------------------|---|---------------------------|------|
| Marketing to Attract Tourists |   | —program elimination.     |      |
| \$                            | —5,000                                  | \$                        | —550 |
|                               | 2,000                                   |                           |      |
|                               | —non-recurring projects.                |                           |      |
|                               | —Initiative — Jobs that Pay. To promote |                           |      |
|                               | commonwealth-wide tourism efforts.      |                           |      |
| \$                            | —3,000                                  |                           |      |
|                               | Appropriation Decrease                  |                           |      |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                     | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                |                   |                      |                   |                      |                      |                      |                      |
| Marketing to Attract Tourists ..... | \$ 7,235          | \$ 7,264             | \$ 4,264          | \$ 4,264             | \$ 4,264             | \$ 4,264             | \$ 4,264             |
| Tourism - Accredited Zoos .....     | 550               | 550                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| <b>TOTAL GENERAL FUND .....</b>     | <b>\$ 7,785</b>   | <b>\$ 7,814</b>      | <b>\$ 4,264</b>   | <b>\$ 4,264</b>      | <b>\$ 4,264</b>      | <b>\$ 4,264</b>      | <b>\$ 4,264</b>      |

## Program: PA Core Communities

*Goal: To attain more effective delivery of housing and community development services; to provide resources and technical assistance that enhance the performance and quality of local governments, including fiscal stability; and to effectively create attractive, livable communities by revitalizing downtowns and surrounding neighborhoods, while promoting sound land-use practices.*

### **Program Element: Keystone Opportunity Zones (KOZ)**

This program provides tax relief to economically distressed urban and rural communities in an attempt to revive these areas. Several laws have changed the KOZ program over the years, including Act 16 of 2012, which allowed communities to extend benefits to unoccupied parcels for seven to ten years in existing zones. Additional information can be found in Section D of the Governor's Executive Budget.

### **Program Element: Keystone Communities**

The Keystone Communities program is designed to encourage the creation of partnerships between the public and private sectors in communities to support joint local initiatives that foster growth and stability in neighborhoods and communities, social and economic diversity and a strong and secure quality of life. The program offers designation opportunities and financial resources to assist communities in achieving revitalization goals and provides for physical improvements that support the commonwealth's core communities.

Keystone Communities offers four designation types and several grant types that can, in most cases, be independently awarded. An applicant for a planning or development grant or accessible housing funding does not have to seek a designation status. Any community may apply and receive designation or grant funding in whatever order the community deems appropriate, depending on its local needs and circumstances. With only two exceptions (Implementation Grants and Enterprise Zone Revolving Loan Fund Grants), designation is not a prerequisite to apply for or to receive program funding.

Since funding is limited, priority is given to communities administering designated programs. Designation also offers some benefits that may assist a community in non-financial ways, such as providing a roadmap and a process to guide a community's revitalization efforts. The department will provide either designation, grant funding, or both as warranted to help communities achieve their local goals and address specific local revitalization needs.

The department strongly encourages community-based organizations, public agencies, business leaders, private developers, financial institutions and private citizens to work in partnership with local governments to develop a comprehensive approach to address community

development and housing needs. These partnerships can and will create more attractive places to live, and will encourage business and job expansion and retention in Pennsylvania.

### **Program Element: Municipal Assistance Program**

The Municipal Assistance Program was created to help local governments plan for and effectively implement a variety of services, improvements and soundly-managed development. The program provides funding for three groups of activities:

- Shared service activities – Provides assistance for high impact projects; regionalization, consolidation or merging of services; boundary change; or shared vehicles/motorized equipment.
- Community planning – Provides assistance for community plans, plan implementation and Transit Revitalization Investment District (TRID) planning studies.
- Floodplain management – Provides funds to reimburse municipalities for costs incurred in the preparation, enactment, administration and enforcement of floodplain management regulations.

Any municipality may apply for program funding. Applicants may also be a public or quasi-public body duly authorized to act on behalf of one or more municipalities.

### **Program Element: Early Intervention Program**

In order to assist municipalities experiencing fiscal difficulties, the Early Intervention program provides grants to municipal and county governments to develop and implement a five-year financial management plan and undergo a departmental operational review. The plans supply governments with both short-term and long-term strategies to address fiscal difficulties before they reach a crisis point. The ultimate goal is to avert an Act 47 Municipality Financial Recovery Program filing.

The department's Center for Local Government Services has developed an early warning system approach to help determine if a municipality is experiencing fiscal difficulties. The system looks at multiple financial factors to assess a municipality's fiscal position. The Early Intervention program can assist a municipality experiencing fiscal challenges and can provide the tools needed to improve its fiscal circumstances and move in a positive direction.



# Community and Economic Development

## Program: PA Core Communities (continued)

### **Program Element: Municipalities Financial Recovery Program – Act 47**

When local governments are facing potential financial insolvency, the Municipalities Financial Recovery program – Act 47 – empowers the department to issue a distress declaration and assist in the recovery through grants and no-interest loans, as well as extensive technical assistance through the preparation and implementation of comprehensive recovery plans. Act 47 also empowers the governor to issue a declaration of fiscal emergency to enable the department to prepare an emergency action plan and to appoint a receiver to prepare a recovery plan to be confirmed by Commonwealth Court.

### **Program Element: Weatherization Assistance Program**

In order to help low-income Pennsylvanians reduce energy costs, the Weatherization Assistance program makes homes more energy efficient, saving money and keeping homes warmer. There are two weatherization funding streams from the federal government:

- Funds from the U.S. Department of Energy support activities such as the installation of insulation, shell repairs and heating system improvements.
- Funds from the U.S. Department of Health and Human Services also support home weatherization efforts in addition to a heating crisis program that operates during the winter in coordination with the Pennsylvania Department of Human Service's Low- Income Home Energy Assistance program.

### **Program Element: Small Community Development Block Grant**

The federal Small Community Development Block Grant program, commonly known as the Community

Development Block Grant program, provides financial assistance to expand low and moderate-income housing opportunities; enhances economic development and job opportunities for low and moderate-income individuals; corrects deficiencies in water and sewer systems; and improves streets, streetscapes, recreational facilities and public facilities in an overall effort to strengthen a pro-growth and pro-business environment.

### **Program Element: Community Services Block Grant**

The federal Community Services Block Grant program provides funds for community-based programs that demonstrate proven expertise in providing health, nutrition and housing, employment/training and asset development services to improve the standard of living for low-income persons and to improve the communities in which they live. Other program efforts include economic development and revitalization projects that focus on neighborhood preservation and enhance the collaboration of services in communities. By law, 90 percent of the funds must go to the existing network of community action agencies.

### **Program Element: Transportation Projects**

Act 89 of 2013 provides for funding to be transferred to the Commonwealth Financing Authority each year to assist with the implementation of a variety of transportation projects including: projects that coordinate local land use with transportation assets to enhance existing communities; projects related to streetscape, lighting, sidewalk enhancement and pedestrian safety; projects that will improve connectivity or the use of existing transportation assets; and projects related to transit-oriented development. Financial assistance provided by the authority will be matched by local funding in an amount not less than 30 percent of the non-federal share of the project costs.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

### **GENERAL FUND**

#### **Transfer to Municipalities Financial Recovery Revolving Fund**

\$ -1,000 —based on current estimates to continue the current program.

#### **Keystone Communities**

\$ 15,000 —Initiative — Jobs that Pay. To foster growth and stability in Pennsylvania communities and neighborhoods.

#### **Early Intervention for Distressed Municipalities**

\$ 1,000 —Initiative — Local Financial Management. To assist municipalities experiencing fiscal difficulties.

#### **Rural Leadership Training**

-100 —program elimination.

### **MOTOR LICENSE FUND**

The Appalachian Regional Commission appropriation is recommended at the current year funding level.

All other appropriations are recommended at the current year funding levels.

# Community and Economic Development

## Program: PA Core Communities (continued)

### Appropriations within this Program:

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                 |                   |                      |                   |                      |                      |                      |                      |
| Transfer to Municipalities Financial |                   |                      |                   |                      |                      |                      |                      |
| Recovery Revolving Fund.....         | \$ 7,096          | \$ 4,000             | \$ 3,000          | \$ 3,000             | \$ 3,000             | \$ 3,000             | \$ 3,000             |
| Intergovernmental Cooperation        |                   |                      |                   |                      |                      |                      |                      |
| Authority-2nd Class Cities.....      | 228               | 250                  | 250               | 250                  | 250                  | 250                  | 250                  |
| Municipal Assistance Program .....   | 642               | 642                  | 642               | 642                  | 642                  | 642                  | 642                  |
| Keystone Communities.....            | 11,251            | 6,150                | 21,150            | 21,150               | 21,150               | 21,150               | 21,150               |
| Rural Leadership Training .....      | 100               | 100                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Early Intervention for Distressed    |                   |                      |                   |                      |                      |                      |                      |
| Municipalities .....                 | 1,785             | 1,785                | 2,785             | 2,785                | 2,785                | 2,785                | 2,785                |
| TOTAL GENERAL FUND .....             | <u>\$ 21,102</u>  | <u>\$ 12,927</u>     | <u>\$ 27,827</u>  | <u>\$ 27,827</u>     | <u>\$ 27,827</u>     | <u>\$ 27,827</u>     | <u>\$ 27,827</u>     |
| <b>MOTOR LICENSE FUND:</b>           |                   |                      |                   |                      |                      |                      |                      |
| Appalachian Regional Commission..... | <u>\$ 1,073</u>   | <u>\$ 1,073</u>      | <u>\$ 1,073</u>   | <u>\$ 1,073</u>      | <u>\$ 1,073</u>      | <u>\$ 1,073</u>      | <u>\$ 1,073</u>      |

# Community and Economic Development

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: PA Assets

**Objective: Increase domestic and international leisure travel to Pennsylvania to grow the tourism industry's economic impact.**

#### Tourism Promotion

|                                       |             |             |             |             |             |             |             |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Hotel rooms sold (in thousands)       | 29,630      | 30,667      | 31,280      | 31,750      | 32,067      | 32,388      | 32,712      |
| Travelers' expenditures (in millions) | \$39,615    | \$40,407    | \$41,215    | \$41,833    | \$42,252    | \$42,674    | \$43,101    |
| Tax revenues generated (in thousands) | \$4,146,000 | \$4,233,000 | \$4,318,000 | \$4,404,000 | \$4,471,000 | \$4,515,000 | \$4,560,000 |

### Program: PA Job Creation, Business Growth and Attraction

**Objective: Increase the number of jobs created/pledged to be created and jobs retained/pledged to be retained in Pennsylvania.**

#### Business Assistance

|   |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Jobs pledged to be created                  | 55,657      | 56,770      | 62,170      | 63,413      | 64,682      | 64,682      | 65,975      |
| Jobs pledged to be retained                 | 86,391      | 88,119      | 111,286     | 113,512     | 115,782     | 115,782     | 118,098     |
| Businesses assisted                         | 17,405      | 17,753      | 18,787      | 19,163      | 19,546      | 19,546      | 19,937      |
| Private funds leveraged (in thousands)      | \$2,603,574 | \$2,655,645 | \$2,989,869 | \$3,049,666 | \$3,110,660 | \$3,110,660 | \$3,172,873 |
| Public funds leveraged (in thousands)       | \$587,778   | \$599,534   | \$611,524   | \$623,755   | \$636,230   | \$636,230   | \$648,954   |
| Persons receiving job training (CJT/WedNet) | 40,359      | 52,596      | 60,106      | 61,308      | 62,534      | 62,534      | 63,785      |
| Brownfield redevelopment projects assisted  | 63          | 64          | 66          | 67          | 68          | 68          | 70          |

**Objective: Increase the number of successful innovative technology companies in Pennsylvania.**

#### Technology Investment

|                                       |           |           |           |           |           |           |           |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Jobs created                          | 3,462     | 3,200     | 3,200     | 3,200     | 3,200     | 3,200     | 3,200     |
| Jobs retained                         | 4,657     | 4,000     | 4,000     | 4,000     | 4,000     | 4,000     | 4,000     |
| Businesses assisted                   | 3,835     | 3,175     | 3,175     | 3,175     | 3,175     | 3,175     | 3,175     |
| Public funds leveraged (in thousands) | \$121,630 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| New technology companies established  | 278       | 200       | 200       | 200       | 200       | 200       | 200       |

### Program: PA Worldwide

**Objective: Increase DCED-Export Sales Facilitated and Foreign Direct Investments (FDI).**

#### International Business Development

|  |           |           |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Tax revenues generated (in thousands)                | \$98,064  | \$78,452  | \$91,788  | \$91,788  | \$91,788  | \$91,788  | \$91,788  |
| Export sales facilitated (in thousands)              | \$864,903 | \$691,923 | \$809,550 | \$809,550 | \$809,550 | \$809,550 | \$809,550 |
| Foreign direct investments (FDI): Projects completed | 24        | 19        | 22        | 22        | 22        | 22        | 22        |



# Community and Economic Development

## Program Measures

|   | 2013-14   | 2014-15   | 2015-16   | 2016-17   | 2017-18   | 2018-19   | 2019-20   |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Businesses assisted                                   | 1,364     | 1,091     | 1,276     | 1,276     | 1,276     | 1,276     | 1,276     |
| FDI:Capital investments facilitated<br>(in thousands) | \$180,645 | \$144,516 | \$169,083 | \$169,083 | \$169,083 | \$169,083 | \$169,083 |

### Program: PA Core Communities

**Objective: Provide resources and technical assistance that enhance the performance and quality of Pennsylvania's local governments and core communities.**

#### Early Intervention Program

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Local governments assisted                                      | 14      | 16      | 18      | 19      | 19      | 20      | 22      |
| Homes weatherized   | 1,027   | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   |
| Job training and human services:<br>CSBG: Persons participating | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 |

#### Early Intervention Program

|   |    |    |    |    |    |    |    |
|---|----|----|----|----|----|----|----|
| Act 47: Designated distressed<br>communities assisted | 21 | 19 | 19 | 19 | 19 | 19 | 19 |
| Keystone Communities Projects                         | 45 | 22 | 65 | 65 | 65 | 65 | 65 |



---

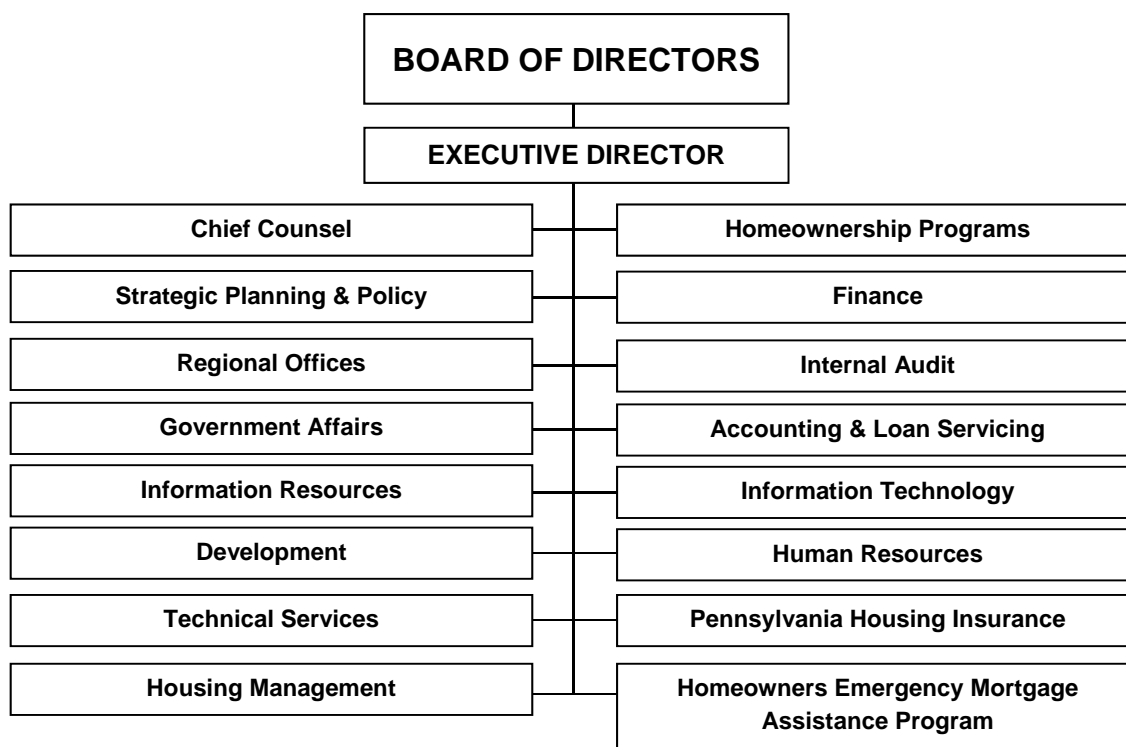
# HOUSING FINANCE AGENCY

*The Pennsylvania Housing Finance Agency works to provide affordable homeownership and rental apartment options for senior adults, low- and moderate-income families, and people with special housing needs. Through its carefully managed mortgage programs and investments in multifamily housing developments, the agency also promotes economic development across the state.*

## **Programs and Goals**

**Community Development and Conservation:** *To make the commonwealth a better place to live while fostering community and economic development and to provide the capital for decent, safe, and affordable homes and apartments for older adults, persons of modest means, and those with special housing needs.*

## Organization Overview



- **Multifamily Rental Housing Programs Division** oversees the administration of federal, low income housing tax credits that support the construction of affordable rental housing statewide. This division also promotes the provision of housing services to encourage independent living for seniors, people living with disabilities, and families with low to moderate incomes living in PHFA-funded developments.
- **Comprehensive Homeownership Counseling Initiative** trains and certifies organizations to provide homebuyer workshops, pre-settlement, and pre-purchase counseling to prospective homeowners throughout the state. The agency supports a network of 81 counseling organizations statewide to promote affordable opportunities statewide.
- **Homeowners Programs** offer affordable first home loan products in conjunction with assistance loan programs to help new buyers come up with the initial money required to purchase a home.
- **Homeowners Emergency Mortgage Assistance** administers mortgage assistance to homeowners who have recently experienced circumstances beyond their control.

## Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 295               | 295               | 292               | 294               | 299               |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>  |                   |                      |                   |
| <i>Grants and Subsidies:</i>                                      |                   |                      |                   |
| Mixed Use Development Program.....                                | \$ 0              | \$ 0                 | \$ 15,000         |
| <b>OTHER FUNDS:</b>   |                   |                      |                   |
| <b>HOMEOWNER ASSISTANCE SETTLEMENT FUND:</b>                      |                   |                      |                   |
| Homeowner's Emergency Mortgage Assistance .....                   | \$ 10,800 a       | \$ 10,800 a          | \$ 10,800 a       |
| <b>HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND:</b> |                   |                      |                   |
| Housing Affordability and Rehabilitation Program .....            | \$ 0 a            | \$ 9,647 a           | \$ 5,001 a        |
| DEPARTMENT TOTAL - ALL FUNDS                                      |                   |                      |                   |
| GENERAL FUND.....   | \$ 0              | \$ 0                 | \$ 15,000         |
| SPECIAL FUNDS.....  | 0                 | 0                    | 0                 |
| OTHER FUNDS.....  | 10,800            | 20,447               | 15,801            |
| <b>TOTAL ALL FUNDS.....</b>                                       | <b>\$ 10,800</b>  | <b>\$ 20,447</b>     | <b>\$ 30,801</b>  |

<sup>a</sup> Funds previously shown in the Department of Community & Economic Development

## Program Funding Summary

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual       | 2014-15<br>Available    | 2015-16<br>Budget       | 2016-17<br>Estimated    | 2017-18<br>Estimated    | 2018-19<br>Estimated    | 2019-20<br>Estimated    |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>COMMUNITY DEVELOPMENT AND CONSERVATION</b> |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....                             | \$ 0                    | \$ 0                    | \$ 15,000               | \$ 15,000               | \$ 15,000               | \$ 15,000               | \$ 15,000               |
| SPECIAL FUNDS.....                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| OTHER FUNDS.....                              | 10,800                  | 20,447                  | 15,801                  | 10,876                  | 5,000                   | 5,000                   | 5,000                   |
| SUBCATEGORY TOTAL.....                        | <u>\$ 10,800</u>        | <u>\$ 20,447</u>        | <u>\$ 30,801</u>        | <u>\$ 25,876</u>        | <u>\$ 20,000</u>        | <u>\$ 20,000</u>        | <u>\$ 20,000</u>        |
| <b>ALL PROGRAMS:</b>                          |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....                             | \$ 0                    | \$ 0                    | \$ 15,000               | \$ 15,000               | \$ 15,000               | \$ 15,000               | \$ 15,000               |
| SPECIAL FUNDS.....                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....                            | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| OTHER FUNDS.....                              | 10,800                  | 20,447                  | 15,801                  | 10,876                  | 5,000                   | 5,000                   | 5,000                   |
| DEPARTMENT TOTAL.....                         | <u><u>\$ 10,800</u></u> | <u><u>\$ 20,447</u></u> | <u><u>\$ 30,801</u></u> | <u><u>\$ 25,876</u></u> | <u><u>\$ 20,000</u></u> | <u><u>\$ 20,000</u></u> | <u><u>\$ 20,000</u></u> |

## Program: Community Development and Conservation

*Goal: To make the commonwealth a better place to live while fostering community and economic development and to provide the capital for decent, safe, and affordable homes and apartments for older adults, persons of modest means, and those with special housing needs.*

### Program Element: Homeownership Programs

The Pennsylvania Housing Finance Agency offers a number of opportunities for Pennsylvania families to buy homes of their own. Qualification factors vary among programs and in some cases also vary between counties. All agency homeownership programs are available to persons with disabilities.

The agency also administers the Renovate and Repair Loan Program that provides subordinate funding to homeowners for home improvement and repair.

### Program Element: Homeowners' Emergency Mortgage Assistance Program

This program provides short-term, temporary funding to cure loan delinquencies (foreclosure prevention), by making mortgage payments to lenders on behalf of qualifying homeowners for up to 24 to 36 months. Recipients must meet eligibility guidelines defined in the Pennsylvania Emergency Mortgage Act. Repayment of assistance is required.

### Program Element: Rental Housing Development

Programs to finance rental housing offer project sponsors construction and/or permanent financing from a wide variety of sources, including: federal HOME dollars, the allocation of housing tax credits and the allocation of a private activity bond cap for qualified residential rental facilities. Restrictions and application deadlines vary among programs.

### Program Element: PENNVEST Homeowner Septic Program

This program provides up to \$25,000 for 20-year, low interest rate loans to homeowners for the repair or upgrade of malfunctioning on-lot septic systems. These loans are insured under the FHA Title I Home Improvement Loan Program.

### Program Element: Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund

The Marcellus Shale impact fee legislation, Act 13 of 2012, specifically allocates monies into this fund. The agency administers this fund which was created to address the need for affordable housing in the counties producing nonconventional gas wells.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 15,000

**GENERAL FUND:**  
**Mixed Use Development Program**  
 —Initiative — Jobs that Pay. To increase affordable housing and commercial development.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                    | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>               |                   |                      |                   |                      |                      |                      |                      |
| Mixed Use Development Program..... | \$ 0              | \$ 0                 | \$ 15,000         | \$ 15,000            | \$ 15,000            | \$ 15,000            | \$ 15,000            |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Community Development

**Objective: Increase the number of homes saved from foreclosure.**

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Homeowners Emergency Mortgage Assistance Program: Loan disbursements (in millions) | \$19.20 | \$11.20 | \$11.30 | \$11.40 | \$11.50 | \$11.60 | \$11.70 |
| Homeowners Emergency Mortgage Assistance Program: Repayments (in millions)         | \$8.38  | \$8.30  | \$8     | \$8     | \$8     | \$8     | \$8     |
| Homeowners Emergency Mortgage Assistance Program: Applications received            | 6,153   | 4,735   | 4,775   | 4,800   | 4,850   | 4,900   | 5,000   |
| Homeowners Emergency Mortgage Assistance Program: Applications approved            | 1,393   | 815     | 825     | 850     | 875     | 900     | 950     |
| Homeowners Emergency Mortgage Assistance Program: Loan payoffs                     | 535     | 540     | 550     | 575     | 575     | 580     | 580     |
| Homeowners Emergency Mortgage Assistance Program: Loans closed                     | 1,300   | 770     | 800     | 810     | 820     | 830     | 850     |

**Objective: Increase opportunities for Pennsylvanians to buy homes.**

|                                    |       |       |       |       |       |       |       |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Total number of PHFA loans         | 4,844 | 3,040 | 4,000 | 4,500 | 5,000 | 5,000 | 5,000 |
| Total dollars loaned (in millions) | \$628 | \$392 | \$500 | \$600 | \$700 | \$700 | \$700 |

**Objective: Increase educational opportunities to help consumers make informed choices when buying houses and to help homeowners prevent foreclosure.**

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Number of consumers receiving homeownership counseling | 12,500 | 12,500 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
|--|--------|--------|--------|--------|--------|--------|--------|

### Program: HOME Investment Partnerships (Federal Tax Credit Assistance Program)

**Objective: Increase the number of affordable rental housing units and preserve existing rental units through innovative, cost-effective and efficient means.**

#### Housing and Redevelopment

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Number of affordable rental housing units constructed or preserved | 3,076 | 3,109 | 3,100 | 3,150 | 3,150 | 3,150 | 3,150 |
|--|-------|-------|-------|-------|-------|-------|-------|

### Program: Mixed-Use Development Fund

**Objective: Leverage resources while fostering sustainable partnerships to address the need for increased housing and commercial space, and retain corridor development opportunities in targeted communities.**

|   |     |     |         |         |         |         |         |
|---|-----|-----|---------|---------|---------|---------|---------|
| Number of projects funded                           | N/A | N/A | 10      | 10      | 15      | 15      | 15      |
| Funds allocated to approved projects (in millions)  | N/A | N/A | \$15    | \$15    | \$15    | \$15    | \$15    |
| Number of residential units created                 | N/A | N/A | 30      | 30      | 35      | 35      | 35      |
| Commercial space created (sq. ft.)                  | N/A | N/A | 225,000 | 225,000 | 240,000 | 240,000 | 240,000 |
| Other leveraged funds, private/public (in millions) | N/A | N/A | \$15    | \$15    | \$15    | \$15    | \$15    |



---

# DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

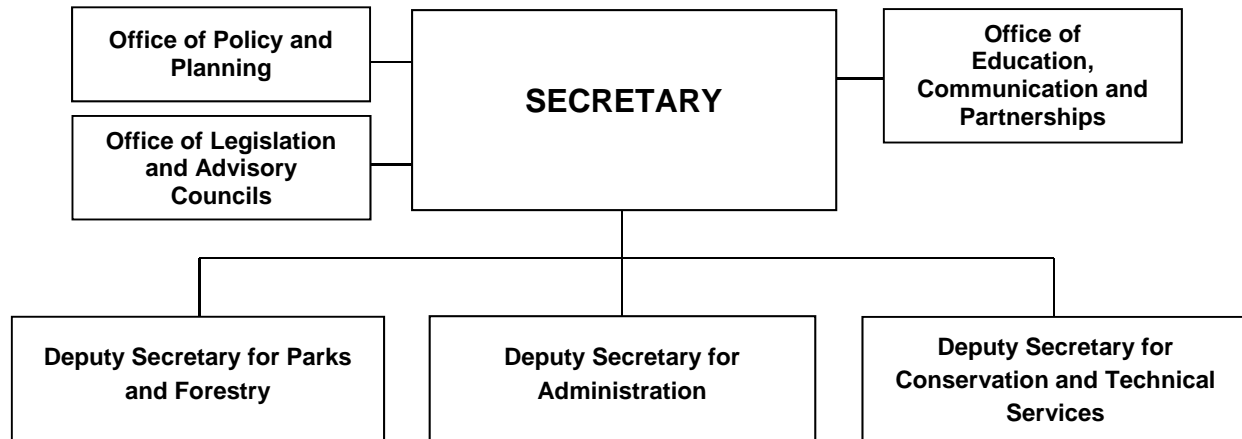
*The mission of the Department of Conservation and Natural Resources is to maintain, improve and preserve state parks; to manage state forest lands to assure their long-term health, sustainability and economic use; to provide information on Pennsylvania's ecological use; to provide information on ecological and geologic resources; and to administer grant and technical assistance programs to benefit river conservation, trails and greenways, local recreation, regional heritage conservation and environmental education programs across the commonwealth.*

## **Programs and Goals**

**Parks and Forests Management:** *to manage state park and forest lands for their long-term use and enjoyment; to provide the resources and expertise to help conserve and protect all the commonwealth's natural resources; and help create and sustain economically vibrant communities through quality recreational resources and investments.*



## Organization Overview



- **Deputy Secretary for Parks and Forestry** is responsible for managing and directing the operations of the bureaus of Facility Design and Construction, State Parks and Forestry.
- **Deputy Secretary for Administration** is responsible for managing and directing the operations of the human resources, administrative services and information technology bureaus.
- **Deputy Secretary for Conservation and Technical Services** is responsible for managing and directing the operations of the bureaus of Topographic and Geologic Survey and Recreation and Conservation.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1,362             | 1,389             | 1,389             | 1,383             | 1,403             |

# Conservation and Natural Resources

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL  | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|--------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>  |                    |                      |                   |
| <b>General Government:</b>  |                    |                      |                   |
| <b>General Government Operations.....</b>                           | <b>\$ 16,185</b>   | <b>\$ 5,809</b>      | <b>\$ 8,310</b>   |
| (F)Topographic and Geologic Survey Grants.....                      | 500                | 500                  | 500               |
| (F)Bituminous Coal Resources.....                                   | 25                 | 25                   | 25                |
| (F)Land and Water Conservation Fund.....                            | 12,000             | 12,000               | 12,000            |
| (F)Highlands Conservation Program.....                              | 2,000              | 2,000                | 2,000             |
| (F)Cooperative Endangered Species.....                              | 28                 | 28                   | 28                |
| (F)Intermodal Surface Transportation (EA).....                      | 5,000 <sup>a</sup> | 5,000                | 5,000             |
| (A)Payment for Department Services.....                             | 157                | 1,937                | 2,000             |
| (A)Water Well Drillers.....   | 10                 | 38                   | 38                |
| (A)Keystone Recreation, Park and Conservation Fund.....             | 2,454              | 2,420                | 2,555             |
| (A)Internet Record Imaging System.....                              | 247                | 200                  | 200               |
| (A)Environmental Stewardship Fund Admin.....                        | 352                | 293                  | 409               |
| Subtotal.....   | <u>\$ 38,958</u>   | <u>\$ 30,250</u>     | <u>\$ 33,065</u>  |
| <b>State Parks Operations.....</b>                                  | <b>4,473</b>       | <b>2,276</b>         | <b>16,045</b>     |
| (F)PA Recreation Trails (EA).....                                   | 6,000 <sup>b</sup> | 7,000                | 7,000             |
| (F)Lake Erie Lakeside Management (EA).....                          | 25                 | 25                   | 25                |
| (F)Summer 2011 Storm Disaster Relief - Parks (EA).....              | 2,625              | 100                  | 100               |
| (F)Coastal Zone Management Special Projects (EA).....               | 0                  | 50                   | 50                |
| (F)Presque Isle Historical Structures Restoration Project (EA)..... | 80                 | 0                    | 0                 |
| (F)DEP-DCNR Special Projects (EA).....                              | 0                  | 2,000                | 2,000             |
| (A)State Parks User Fees.....                                       | 22,848             | 22,000               | 22,000            |
| (A)Reimbursement for Services.....                                  | 778                | 786                  | 786               |
| (A)Vehicle Sale.....  | 62                 | 47                   | 47                |
| Subtotal.....   | <u>\$ 36,891</u>   | <u>\$ 34,284</u>     | <u>\$ 48,053</u>  |
| <b>State Forests Operations.....</b>                                | <b>1,245</b>       | <b>1,050</b>         | <b>6,719</b>      |
| (F)Forest Fire Protection and Control.....                          | 2,000              | 2,000                | 2,000             |
| (F)Forestry Incentives and Agriculture Conservation.....            | 175                | 175                  | 175               |
| (F)Forest Management and Processing.....                            | 3,800              | 3,800                | 3,800             |
| (F)Great Lakes Restoration.....                                     | 900                | 900                  | 900               |
| (F)Aid to Volunteer Fire Companies.....                             | 750                | 750                  | 750               |
| (F)Forest Insect and Disease Control.....                           | 4,000              | 4,000                | 4,000             |
| (F)Wetland Protection Fund.....                                     | 300                | 300                  | 300               |
| (F)Summer 2011 Storm Disaster Relief - Forest (EA).....             | 2,140              | 100                  | 100               |
| (F)Wetlands Program Development (EA).....                           | 250                | 0                    | 0                 |
| (A)Reimbursement for Services.....                                  | 308                | 305                  | 305               |
| (A)Reimbursement - Forest Fires.....                                | 1,547              | 1,000                | 1,000             |
| (A)Sale of Vehicles - Forests.....                                  | 152                | 153                  | 153               |
| (A)Timber Sales.....  | 27,109             | 25,500               | 25,500            |
| (A)Miscellaneous Tickets and Fines.....                             | 1                  | 1                    | 2                 |
| Subtotal.....   | <u>\$ 44,677</u>   | <u>\$ 40,034</u>     | <u>\$ 45,704</u>  |
| Subtotal - State Funds.....   | \$ 21,903          | \$ 9,135             | \$ 31,074         |
| Subtotal - Federal Funds.....                                       | 42,598             | 40,753               | 40,753            |
| Subtotal - Augmentations.....                                       | 56,025             | 54,680               | 54,995            |
| Total - General Government.....                                     | <u>\$ 120,526</u>  | <u>\$ 104,568</u>    | <u>\$ 126,822</u> |
| <b>Grants and Subsidies:</b>  |                    |                      |                   |
| <b>Heritage and Other Parks.....</b>                                | <b>\$ 2,250</b>    | <b>\$ 2,250</b>      | <b>\$ 0</b>       |
| Annual Fixed Charges - Flood Lands.....                             | 52                 | 65                   | 65                |
| Annual Fixed Charges - Project 70.....                              | 29                 | 40                   | 40                |
| Annual Fixed Charges - Forest Lands.....                            | 2,526              | 2,612                | 2,612             |
| Annual Fixed Charges - Park Lands.....                              | 354                | 425                  | 425               |
| Total - Grants and Subsidies.....                                   | <u>\$ 5,211</u>    | <u>\$ 5,392</u>      | <u>\$ 3,142</u>   |

# Conservation and Natural Resources

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| STATE FUNDS.....  | \$ 27,114         | \$ 14,527            | \$ 34,216         |
| FEDERAL FUNDS.....  | 42,598            | 40,753               | 40,753            |
| AUGMENTATIONS.....  | 56,025            | 54,680               | 54,995            |
| <b>GENERAL FUND TOTAL.....</b>                                    | <b>\$ 125,737</b> | <b>\$ 109,960</b>    | <b>\$ 129,964</b> |
| <b><u>MOTOR LICENSE FUND:</u></b>                                 |                   |                      |                   |
| <b><i>General Government:</i></b>                                 |                   |                      |                   |
| Dirt and Gravel Roads.....  | \$ 1,000          | \$ 7,000             | \$ 7,000          |
| <b><i>Grants and Subsidies:</i></b>                               |                   |                      |                   |
| (R)Forestry Bridges - Excise Tax (EA).....                        | \$ 5,077          | \$ 7,073             | \$ 8,326          |
| STATE FUNDS.....  | \$ 1,000          | \$ 7,000             | \$ 7,000          |
| RESTRICTED REVENUES.....  | 5,077             | 7,073                | 8,326             |
| <b>MOTOR LICENSE FUND TOTAL.....</b>                              | <b>\$ 6,077</b>   | <b>\$ 14,073</b>     | <b>\$ 15,326</b>  |
| <b><u>OTHER FUNDS:</u></b>  |                   |                      |                   |
| <b>GENERAL FUND:</b>  |                   |                      |                   |
| Snowmobile & ATV Regulation.....                                  | \$ 4,301          | \$ 9,168             | \$ 4,351          |
| Forest Regeneration.....  | 2,188             | 7,747                | 2,770             |
| Forestry Research.....  | 232               | 944                  | 250               |
| <b>GENERAL FUND TOTAL.....</b>                                    | <b>\$ 6,721</b>   | <b>\$ 17,859</b>     | <b>\$ 7,371</b>   |
| <b>ENVIRONMENTAL EDUCATION FUND:</b>                              |                   |                      |                   |
| General Operations (EA).....                                      | \$ 160            | \$ 160               | \$ 134            |
| <b>ENVIRONMENTAL STEWARDSHIP FUND:</b>                            |                   |                      |                   |
| Parks & Forest Facility Rehabilitation (EA).....                  | \$ 7,644          | \$ 11,279            | \$ 11,829         |
| Community Conservation Grants (EA).....                           | 6,079             | 4,269                | 4,174             |
| Natural Diversity Conservation Grants (EA).....                   | 366               | 366                  | 366               |
| <b>ENVIRONMENTAL STEWARDSHIP FUND TOTAL.....</b>                  | <b>\$ 14,089</b>  | <b>\$ 15,914</b>     | <b>\$ 16,369</b>  |
| <b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>           |                   |                      |                   |
| Park & Forest Facility Rehabilitation (EA).....                   | \$ 22,650         | \$ 22,348            | \$ 23,582         |
| Grants for Local Recreation (EA).....                             | 18,875            | 18,624               | 19,650            |
| Grants to Land Trusts (EA).....                                   | 7,550             | 7,449                | 7,860             |
| <b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....</b> | <b>\$ 49,075</b>  | <b>\$ 48,421</b>     | <b>\$ 51,092</b>  |
| <b>OIL AND GAS LEASE FUND:</b>                                    |                   |                      |                   |
| State Parks Operations.....                                       | \$ 39,160         | \$ 45,009            | \$ 38,765         |
| General Government Operations.....                                | 0                 | 10,000               | 9,210             |
| General Operations (EA).....                                      | 50,000            | 50,000               | 50,000            |
| State Forests Operations.....                                     | 17,386            | 17,537               | 19,045            |
| Transfer to Marcellus Legacy Fund (EA).....                       | 0 <sup>c</sup>    | 0 <sup>c</sup>       | 0 <sup>c</sup>    |
| <b>OIL AND GAS LEASE FUND TOTAL.....</b>                          | <b>\$ 106,546</b> | <b>\$ 122,546</b>    | <b>\$ 117,020</b> |
| <b>STATE GAMING FUND:</b>   |                   |                      |                   |
| Payments in Lieu of Taxes (EA).....                               | \$ 5,146          | \$ 5,146             | \$ 5,146          |

# Conservation and Natural Resources

## Summary by Fund and Appropriation

|   | (Dollar Amounts in Thousands) |                      |                   |
|---|-------------------------------|----------------------|-------------------|
|   | 2013-14<br>ACTUAL             | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
| <b>WILD RESOURCE CONSERVATION FUND:</b> |                               |                      |                   |
| General Operations (EA) .....           | \$ 72                         | \$ 177               | \$ 142            |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>     |                               |                      |                   |
| GENERAL FUND.....                       | \$ 27,114                     | \$ 14,527            | \$ 34,216         |
| SPECIAL FUNDS.....                      | 1,000                         | 7,000                | 7,000             |
| FEDERAL FUNDS.....                      | 42,598                        | 40,753               | 40,753            |
| AUGMENTATIONS.....                      | 56,025                        | 54,680               | 54,995            |
| RESTRICTED.....                         | 5,077                         | 7,073                | 8,326             |
| OTHER FUNDS.....                        | 181,809                       | 210,223              | 197,274           |
| <b>TOTAL ALL FUNDS.....</b>             | <b>\$ 313,623</b>             | <b>\$ 334,256</b>    | <b>\$ 342,564</b> |

<sup>a</sup> Appropriated as Intermodal Surface Transportation Act.

<sup>b</sup> Appropriated as Recreational Trails.

<sup>c</sup> Not added to the total to avoid double counting with the program expenditures from the Environmental Stewardship Fund and Hazardous Sites Cleanup Fund shown in various agencies. Environmental Stewardship Fund: 2013-14 Actual is \$20,000,000, 2014-15 Available is \$35,000,000 and 2015-16 Budget is \$35,000,000. Hazardous Sites Cleanup Fund: 2013-14 Actual is \$0, 2014-15 Available is \$0 and 2015-16 Budget is \$5,000,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

|                                     | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>PARKS AND FORESTS MANAGEMENT</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                   | \$ 27,114                | \$ 14,527                | \$ 34,216                | \$ 35,304                | \$ 36,108                | \$ 36,932                | \$ 37,777                |
| SPECIAL FUNDS.....                  | 1,000                    | 7,000                    | 7,000                    | 7,000                    | 7,000                    | 7,000                    | 7,000                    |
| FEDERAL FUNDS.....                  | 42,598                   | 40,753                   | 40,753                   | 40,753                   | 40,753                   | 40,753                   | 40,753                   |
| OTHER FUNDS.....                    | 242,911                  | 271,976                  | 260,595                  | 261,221                  | 262,673                  | 262,760                  | 262,840                  |
| SUBCATEGORY TOTAL.....              | <u>\$ 313,623</u>        | <u>\$ 334,256</u>        | <u>\$ 342,564</u>        | <u>\$ 344,278</u>        | <u>\$ 346,534</u>        | <u>\$ 347,445</u>        | <u>\$ 348,370</u>        |
| <b>ALL PROGRAMS:</b>                |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                   | \$ 27,114                | \$ 14,527                | \$ 34,216                | \$ 35,304                | \$ 36,108                | \$ 36,932                | \$ 37,777                |
| SPECIAL FUNDS.....                  | 1,000                    | 7,000                    | 7,000                    | 7,000                    | 7,000                    | 7,000                    | 7,000                    |
| FEDERAL FUNDS.....                  | 42,598                   | 40,753                   | 40,753                   | 40,753                   | 40,753                   | 40,753                   | 40,753                   |
| OTHER FUNDS.....                    | 242,911                  | 271,976                  | 260,595                  | 261,221                  | 262,673                  | 262,760                  | 262,840                  |
| DEPARTMENT TOTAL.....               | <u><u>\$ 313,623</u></u> | <u><u>\$ 334,256</u></u> | <u><u>\$ 342,564</u></u> | <u><u>\$ 344,278</u></u> | <u><u>\$ 346,534</u></u> | <u><u>\$ 347,445</u></u> | <u><u>\$ 348,370</u></u> |

## Program: Parks and Forests Management

*Goal: To manage state park and forest lands for their long-term use and enjoyment; to provide the resources and expertise to help conserve and protect all the commonwealth's natural resources; and help create and sustain economically vibrant communities through quality recreational resources and investments.*

### **Program Element: Pursue Excellence in the Management of State Park and Forest Lands**

Pennsylvania has a forest and park system that ranks among the best in the nation. Each of our state parks and forests provides proven and beloved benefits to our citizens and to the many visitors who frequent their trails, mountains, streams, lakes, and all-season adventures and activities to experience the remarkable beauty and rich heritage that make Pennsylvania unique. These treasured assets also provide an important catalyst for local community development, attract residents and employers to Pennsylvania, and are critical to economic development and workforce retention.

The commonwealth's 2.2 million acres of state forest help to keep Pennsylvania clean and beautiful by protecting our drinking water and air, sequestering carbon, abating floods, absorbing sediment and pollutants, and protecting wildlife. In addition, Penn's Woods continue to attract many outdoor adventure seekers, as they have for centuries, including a growing number of young people increasingly drawn to popular activities like mountain biking, geocaching, rock climbing and trail running. Hunting, an important component of Pennsylvania's rich outdoor heritage, is available on 99 percent of state forest land each year.

Pennsylvania's state forests also comprise one of the largest tracts of forest in North America certified by the Forest Stewardship Council as managed in an environmentally responsible manner. By tracking wood from forest to final product, certification enables consumers to support responsible forestry and provides forest owners with an incentive to maintain and improve forest management practices. In fact, Pennsylvania leads the nation in the volume of hardwood growing stock and in the export of hardwood lumber and wood products; as a result, the forest products industry is a vital part of Pennsylvania's economy and jobs in many local communities. The industry produces over \$11 billion in timber products annually, supporting more than 2,200 businesses, and employing about 60,000 Pennsylvanians, accounting for one of every ten manufacturing jobs in the state.

The Bureau of Forestry maintains high standards that ensure the long-term health and productivity of Pennsylvania's forests and provides fire suppression services on both public and private forest lands, insect and disease control, watershed protection and planning, and oversight of the responsible production of natural resources, including forest products and minerals. The bureau educates the public about fire prevention and

monitors forest lands for native and non-native invasive pests like the gypsy moth.

Taken together, our 120 state parks are not unlike the exhibits of an outdoor gallery highlighting Pennsylvania's many natural, aesthetic, geologic, scenic and historical treasures that make our commonwealth so unique and diverse. About 38 million visitors visit this gallery annually to participate in a variety of outdoor recreation, environmental education and overnight accommodation opportunities. Our state parks also provide 300,000 acres of outdoor classrooms that draw visitors for both formal and informal education programs, helping Pennsylvania's citizens and visitors understand and better appreciate the natural resources available to us. Nearly 446,000 visitors attended just over 11,000 environmental education, interpretation and recreation programs in state parks in 2013-14, from teacher workshops to guided hikes to historical demonstrations to canoe trips. As a result, state parks are heavily integrated into local economies. A 2011 Penn State study found that every \$1 invested in state parks generates \$12 in economic development, contributing sizable collateral benefits for surrounding businesses and communities.

For all of these reasons, state parks are beloved and protected by their local communities. Thanks to many public-private partnerships and the dedication and loyal commitment of many of our citizens to their parks and the work of department staff, the department is able to facilitate and improve services and programs at little cost to the department, but to the great benefit of the public. Public-private partnerships in state parks have generated about 144 concession contracts, which provide, among other things, food and refreshment sales, watercraft and bicycle rentals, golf course operations, ski facilities, swimming pools and whitewater rafting operations. Where it makes sense to do so, the Bureau of State Parks cooperates with various non-profit organizations and municipalities to operate and protect unique and interesting natural, historical and cultural features without using significant public resources. In addition, state parks have sought to build on the commitment of time, talents and devotion in our communities through the use of volunteers, with more than 40 "friends" groups and almost 160,000 volunteer hours logged in 2013.

Overall, the department is responsible for nearly 2.5 million acres of state park and forest lands. Key to maintaining these assets and ensuring a high-quality visitor experience on these lands is the responsible maintenance of the extensive system of infrastructure that supports

## Program: Parks and Forests Management (continued)

them. The department is continually making improvements and repairs to the following:

| State Park and Forest Infrastructure |       |
|--------------------------------------|-------|
| Buildings                            | 4,700 |
| Miles of roads                       | 3,720 |
| Bridges                              | 842   |
| Dams                                 | 121   |
| Public water supplies                | 172   |
| Boat launches                        | 180   |
| Wastewater treatment facilities      | 68    |
| Ski areas                            | 4     |

By incorporating sustainable building practices into construction and renovation of facilities on state park and forest lands, the department has the opportunity to demonstrate our commitment to natural resource stewardship, save money on maintenance and support through energy efficiency and also provide opportunities for visitors to learn about important conservation strategies. One way the department does this is by pursuing LEED (Leadership in Energy and Environmental Design Green Building Rating System®) certification for large new structures and adopting LEED standards for smaller structures. The LEED assessment framework includes site development, water savings, energy efficiency, materials selection and indoor environmental quality. Thus far, the department has 10 LEED-certified park and forest buildings. In fact, Pennsylvania state parks have the largest number of LEED-rated buildings of any state park system in the country. The newly constructed Weiser State Forest Resource Management Center, Jacobsburg Environmental Education Center, and Ohiopyle State Park visitor center are all pursuing LEED certification.

By implementing the latest green technology in construction and land use and by using alternative energy such as solar and wind power, state parks are averaging a 25 percent to 33 percent decrease in yearly electrical bills. A recent study found that five state parks saved more than \$27,000 in just three years merely by upgrading their lighting to more efficient bulbs and fixtures.

### **Program Element: Promote Responsible Stewardship of the Commonwealth's Natural Resources**

When created in 1995, the department's charge was to serve as a "cabinet-level advocate for our state parks, forests, rivers, trails, greenways and community recreation and heritage conservation programs to provide more focused management of the commonwealth's recreation, natural and river environments." Although the department is the commonwealth's advocate for our natural resources, it also has a responsibility to manage these resources. The stewardship of Pennsylvania's natural resources is the collective responsibility of local communities,

counties, state and federal agencies, businesses, nonprofit conservation organizations, private landowners and every citizen of our commonwealth. The department is uniquely positioned to provide leadership and connections between these individuals and organizations, to offer programs and services that facilitate the exchange of information and to provide needed resources, all of which contribute to responsible management of Pennsylvania's natural resources.

The department works with member-supported groups and committees to support land conservation through a number of methods, including acquisition of lands that are added to state parks and forests, funding for acquisition of conservation lands by local government or nonprofit entities and funding of the purchase of easements on privately held property.

Forest, land and water conservation is multifaceted, and includes developing greenway connectors between conserved lands and communities, protecting open space and ecologically and geologically significant lands, supporting Pennsylvania's private forest resources, and encouraging more environmentally sensitive growth in developing areas. The department contributes to these conservation efforts by helping local communities, counties, regional organizations, not-for-profit stakeholders, private landowners and other governmental entities achieve their conservation goals by providing technical assistance, ecological and geologic information, grant funding for research, planning, project development, and land acquisition. The department also provides management assistance to private forest landowners, who possess three-quarters of all forest land in the state, in an effort to improve conservation efforts. The department's conservation science programs and topographic and geologic resources — digital maps, data and geographic information systems — help communities make wise land use decisions that support sustainable development, such as identifying where unique plant or animal species should be protected or where sinkhole potential might affect a development site choice.

In addition, the department performs many other important services for the commonwealth that support industry, research, economic development, permitting and public safety. Its biodiversity and conservation science programs also support the management of our natural resources in many ways. As an example, the Pennsylvania Natural Heritage Program inventories significant natural features, evaluates and ranks species of special concern and compiles natural features data in order to provide current, reliable and objective information to inform environmental decision-making. The Wild Resource Conservation Program directs resources and education toward endangered and threatened species, awarding grants for projects that protect or study plants, birds, mammals, fish, reptiles, amphibians and other species.



## Program: Parks and Forests Management (continued)

The Bureau of Topographic and Geologic Survey provides many unique services and a wealth of information that industries, planners, developers, conservationists, scientists, academics and many others rely on for numerous reasons. The bureau monitors the commonwealth's revenue-producing or critical natural resources such as coal, hydrocarbons (shale gas), aggregate and other construction resources, cement raw materials and groundwater; maps geologic hazards such as landslides and sinkholes; conducts geologic investigations in support of statewide initiatives; and provides educational information to the public such as seismic data on the earthquakes, or maps and reports that planners can use in making wise decisions on future land use.

### ***Program Element: Improve Communities Through Access to Conservation and Recreation Resources***

One of the department's primary goals is to enhance and promote community conservation and economic opportunity throughout Pennsylvania by investing in our communities' natural and recreational resources, and promoting citizen stewardship. The department has built its community work around a landscape-scale approach to conservation, designed to create vibrant communities that are connected to their natural assets.

The department offers grants through the Community Conservation Partnerships Program, the Wild Resource Conservation Program, and through support of the PA Urban and Community Forestry Grants program. The Community Conservation Partnerships Program combines state and federal funding sources and programs to provide technical assistance and matching grants for parks and trails, snowmobile and ATV trails and parks, land conservation, river conservation, and rail-trails. These grants, which have assisted every Pennsylvania county and reached more than 50 percent of the commonwealth's communities, are in great demand for the resources they provide to valuable projects. Economic studies of land and water trails in Pennsylvania show strong community investment and health benefits from the presence and expansion of trails in and around communities. These investments often have strong public-private participation and create and support new jobs. For example, in May 2014, the first phase of the Anthracite Outdoor Adventure Areas (AOAA) was opened to the public. The AOAA is a 6,500-acre motorized and non-motorized recreation facility providing opportunities for walking, hiking, camping, horseback riding, biking, hunting, cross-country skiing, and motorized recreation for vehicles of all types (all-terrain, side-by-side, and utility task vehicles, dirt bikes, and full size vehicles). DCNR has provided grant funding in support of this project as part of the agency's motorized trail plan. In just the first few months of operation, this unique public-private partnership has served thousands of visitors and has already exceeded its first-year revenue

targets, encouraging outdoor recreation tourism and fostering economic benefits for the surrounding community.

On Earth Day 2014, DCNR unveiled Kids in Nature to establish a renewed focus on getting Pennsylvania's families to spend more time enjoying the outdoors. A new website PANatureKids.org consolidates resources found throughout DCNR's main website to make it easier for families to find activities, programs, and places to explore nature. During the summer of 2014, a new social media twist on the Capture the Flag game inspired families to find a flag that was hidden in a state park or forest, with only a Facebook picture and clue to guide them. Successful families posted their pictures to Facebook to prove their "capture." While natural environs are an important part of many Pennsylvanians' lives, some citizens struggle to connect to the outdoors. The department works to increase enthusiasm for nature and outdoor recreation, provide life-long conservation learning, and generate stewardship activities with the commonwealth's park and forest lands, greenways, heritage areas and community recreation resources.

In April 2013, the department expanded the award-winning TreeVitalize community tree-planting and education program to communities across the state. The program, which previously had been a success in 14 major urban areas, has resulted in more than 392,000 new trees planted to make Pennsylvania's cities greener. Funded through Bureau of Forestry grants and municipal, private agency and company involvement, TreeVitalize depends on community support to increase tree canopies across the state and educate and engage citizens in the care and selection of these new trees as well as the tangible benefits of the program to local communities and economies.

Helping to guide the department's outdoor recreation initiatives is the Statewide Comprehensive Outdoor Recreation Plan (SCORP). This is a nationally recognized five-year outdoor recreation strategy intended to improve the health of citizens and the economic vitality of our communities. The 2014-19 plan, developed with the help of a technical advisory committee and input from thousands of Pennsylvania residents, is currently being finalized for publication. Among the department's accomplishments inspired by the 2009-14 SCORP plan are: establishing a statewide trails committee, standardizing a trail planning guideline and trail funding decision criteria; expanding the successful state parks Get Outdoors PA program into local communities; convening a statewide health summit; conducting economic studies of outdoor recreation impacts; inventorying and mapping local parks; and launching the ExplorePA Trails website. The department is anticipating that many other valuable programs and projects will result from the 2014-19 SCORP planning process, which will help guide the department's outdoor recreation priorities for the next five years.



# Conservation and Natural Resources

## Program: Parks and Forests Management (continued)

### Program Element: Operate Effectively and Efficiently

The department receives funding from a number of sources to support program operations, including state general funds, federal funds, a variety of user fees, lease and concession charges and revenue distributions from state special funds. By its very nature a conservation-minded agency, the department's staff is continually looking for ways to avoid unnecessary expenses, save on operating costs, maximize revenue streams and streamline operations.

One other area that permits the department to take advantage of efficiencies, while providing valuable public services, is technology. The Official Pennsylvania State Park and Forest mobile app, provided in partnership with the Parks by Nature Network, is a mobile tour guide that disseminates state park content and serves as an informal educational guide to help users find more information, gain insight into state park activities, and keep apprised of upcoming events in real time. Since its release, the mobile app has been downloaded more than 105,000 times. In the summer of 2012, the department deployed a mobile

website to make it easier for users of smartphones and tablet devices to connect with Pennsylvania's natural world while on-the-go. Since the launch, the mobile website has seen nearly 600,000 visitors. In addition, DCNR's online interactive map, which contains detailed geographic information and driving directions for Pennsylvania state parks and forests, geology, deer management, ADA accessibility, and other assets, is increasingly used by the public as new layers continue to be added. The DCNR interactive maps sees about 35,000 visits per month, with over 6,000 sets of driving directions being generated each month. The department also uses social media extensively, taking advantage of more than 65 accounts to connect with more than 200,000 friends, followers and subscribers to its work. Each of these technology initiatives allows the department to connect in real time with our fellow citizens and visitors, makes greater amounts of information more transparent and readily accessible, and helps minimize the amount of paper needed to communicate important information and opportunities. The department continues to add new features to these projects and explore other technology innovations.

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| General Government Operations |   |
|-------------------------------|---|
| \$ -247                       | —reduction in administrative costs.   |
| 2,748                         | —to provide for a shift in current operating costs from the Oil and Gas Lease Fund.   |
| <u>\$ 2,501</u>               | <i>Appropriation Increase</i>   |
| State Parks Operations        |   |
| \$ -48                        | —reduction in administrative costs.   |
| 11,568                        | —to provide for a shift in current operating costs from the Oil and Gas Lease Fund.   |
| 2,249                         | —Initiative – Washington Crossing Historic Park. To provide additional support for the historic park where General George Washington and a small army crossed the Delaware River in 1776 during the American Revolutionary War. |
| <u>\$ 13,769</u>              | <i>Appropriation Increase</i>   |

| State Forests Operations |   |
|--------------------------|---|
| \$ -15                   | —reduction in administrative costs.   |
| 5,684                    | —to provide for a shift in current operating costs from the Oil and Gas Lease Fund. |
| <u>\$ 5,669</u>          | <i>Appropriation Increase</i>   |
| Heritage and Other Parks |   |
| \$ -2,250                | —funding elimination.   |

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                     |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....      | \$ 16,185         | \$ 5,809             | \$ 8,310          | \$ 8,601             | \$ 8,816             | \$ 9,036             | \$ 9,262             |
| State Parks Operations .....             | 4,473             | 2,276                | 16,045            | 16,607               | 17,022               | 17,448               | 17,884               |
| State Forests Operations.....            | 1,245             | 1,050                | 6,719             | 6,954                | 7,128                | 7,306                | 7,489                |
| Heritage and Other Parks.....            | 2,250             | 2,250                | 0                 | 0                    | 0                    | 0                    | 0                    |
| Annual Fixed Charges - Flood Lands.....  | 52                | 65                   | 65                | 65                   | 65                   | 65                   | 65                   |
| Annual Fixed Charges - Project 70.....   | 29                | 40                   | 40                | 40                   | 40                   | 40                   | 40                   |
| Annual Fixed Charges - Forest Lands..... | 2,526             | 2,612                | 2,612             | 2,612                | 2,612                | 2,612                | 2,612                |
| Annual Fixed Charges - Park Lands.....   | 354               | 425                  | 425               | 425                  | 425                  | 425                  | 425                  |
| <b>TOTAL GENERAL FUND .....</b>          | <b>\$ 27,114</b>  | <b>\$ 14,527</b>     | <b>\$ 34,216</b>  | <b>\$ 35,304</b>     | <b>\$ 36,108</b>     | <b>\$ 36,932</b>     | <b>\$ 37,777</b>     |
| <b>MOTOR LICENSE FUND:</b>               |                   |                      |                   |                      |                      |                      |                      |
| Dirt and Gravel Roads.....               | \$ 1,000          | \$ 7,000             | \$ 7,000          | \$ 7,000             | \$ 7,000             | \$ 7,000             | \$ 7,000             |

# Conservation and Natural Resources

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Parks and Forests Management

**Objective: Infrastructure Investment: Ensure the infrastructure and major maintenance needs of state parks and forests remain a top priority.**

#### Pursue Excellence in the Management of State Parks and Forest Lands

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Miles of state forest roads maintained | 5,892 | 5,998 | 6,008 | 6,018 | 6,028 | 6,038 | 6,048 |
|--|-------|-------|-------|-------|-------|-------|-------|

**Objective: Forest Management: Maintain high standards that ensure the long-term health and productivity of state forests and the conservation of wild plants, as well as opportunities for recreation and education.**

#### Pursue Excellence in the Management of State Parks and Forest Lands

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Acres surveyed for forest pests (in millions of acres)         | 16.40  | 16.40  | 16.40  | 16.40  | 16.40  | 16.40  | 16.40  |
| Number of state forest land acres treated for certified timber | 16,960 | 14,337 | 14,337 | 14,337 | 14,337 | 14,337 | 14,337 |

#### Promote Responsible Stewardship of the Commonwealth's Natural Resources

|  |      |      |      |      |   |      |      |
|--|------|------|------|------|---|------|------|
| Total carbon sequestered in state forest timber resources (million standard tons, annual accumulation) | 4.38 | 4.53 | 4.68 | 4.84 | 5 | 5.18 | 5.36 |
|--|------|------|------|------|---|------|------|

**Objective: State Park Excellence: Manage the natural, aesthetic, scenic and historical resources of state parks to continue to provide opportunities for recreation and to serve as outdoor classrooms for environmental education.**

#### Pursue Excellence in the Management of State Parks and Forest Lands

|                                   |            |            |            |            |            |            |            |
|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|
| State park attendance             | 38,000,000 | 38,050,000 | 38,100,000 | 38,150,000 | 38,200,000 | 38,250,000 | 38,300,000 |
| State park campsite nights rented | 320,125    | 323,000    | 326,000    | 329,000    | 333,000    | 335,000    | 337,000    |
| State park cabin nights rented    | 59,830     | 60,000     | 60,200     | 60,400     | 60,600     | 60,800     | 61,000     |

**Objective: Forest, Land and Water Conservation: Promote the conservation and responsible stewardship of high value lands, watersheds and wildlife habitats through programs, partnerships and education.**

#### Promote Responsible Stewardship of the Commonwealth's Natural Resources

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Land conservation through acquisition and easement (acres) - includes additions to parks, forests, and grants to communities | 6,083 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| River conservation plan projects completed   | 11    | 24    | 26    | 26    | 26    | 26    | 26    |

**Objective: Natural Resource Management: Encourage responsible management and use of the commonwealth's natural resources.**

#### Promote Responsible Stewardship of the Commonwealth's Natural Resources

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| TreeVitalize – total trees planted (cumulative) | 391,595 | 410,000 | 430,000 | 450,000 | 470,000 | 490,000 | 510,000 |
| Forest stewardship plans completed              | 3,223   | 3,233   | 3,243   | 3,253   | 3,263   | 3,273   | 3,283   |

# Conservation and Natural Resources

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Objective: Scientific and Technical Services: Provide statewide public services such as pest control, fire suppression, geological mapping, natural resource data and technical assistance.**

**Promote Responsible Stewardship of the Commonwealth's Natural Resources**

|  |       |       |       |       |       |       |     |
|--|-------|-------|-------|-------|-------|-------|-----|
| Number of firefighters trained by DCNR | 4,200 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | N/A |
|--|-------|-------|-------|-------|-------|-------|-----|

**Objective: Recreation: Enhance and promote quality recreational opportunities and broader access to recreation for all Pennsylvanians.**

**Improve Communities Through Access to Conservation and Recreational Resources**

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Miles of new trails developed                 | 83    | 75    | 75    | 75    | 75    | 75    | 75    |
| Get Outdoors PA recreation programs conducted | 2,524 | 2,850 | 2,860 | 2,870 | 2,880 | 2,890 | 2,900 |

**Objective: Community Investment: Promote regional natural and recreational resources to enhance tourism and economic development.**

**Improve Communities Through Access to Conservation and Recreational Resources**

|   |              |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Community Conservation Partnerships Program (C2P2) grants awarded | 213          | 225          | 225          | 225          | 225          | 225          | 225          |
| Total Community Conservation Partnerships Program funds awarded   | \$42,500,000 | \$35,000,000 | \$35,000,000 | \$35,000,000 | \$35,000,000 | \$35,000,000 | \$35,000,000 |

**Objective: Conservation Education: Offer conservation education programs and messaging to promote community awareness, sustainability and citizen stewardship.**

**Improve Communities Through Access to Conservation and Recreational Resources**

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Environmental education and interpretive program attendance | 445,932 | 390,500 | 391,000 | 391,500 | 392,000 | 392,500 | 393,000 |
| Social media subscribers (cumulative)                       | 213,000 | 275,000 | 340,000 | 400,000 | 480,000 | 525,000 | 575,000 |

**Objective: Effective Programs: Ensure that all programs are being managed in the best interest of Pennsylvania's citizens.**

**Operate More Effectively and Efficiently**

|  |    |    |    |    |    |    |    |
|--|----|----|----|----|----|----|----|
| Number of funded C2P2 grants with "green" or energy efficient elements | 82 | 70 | 70 | 70 | 70 | 70 | 70 |
|--|----|----|----|----|----|----|----|

**Objective: Efficient Operations: Explore ways to ensure that all fiscal resources are being used responsibly and to the fullest extent possible.**

**Operate More Effectively and Efficiently**

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| State parks and forests mobile app downloads                          | 63,000 | 68,000 | 73,000 | 78,000 | 83,000 | 88,000 | 93,000 |
| LEED registered park and forest buildings (under review and approved) | 13     | 14     | 16     | 17     | 18     | 19     | 20     |
| Pennsylvania Natural Diversity Inventory project screenings           | 46,442 | 48,000 | 49,000 | 50,000 | 51,000 | 52,000 | 53,000 |



---

# DEPARTMENT OF CORRECTIONS

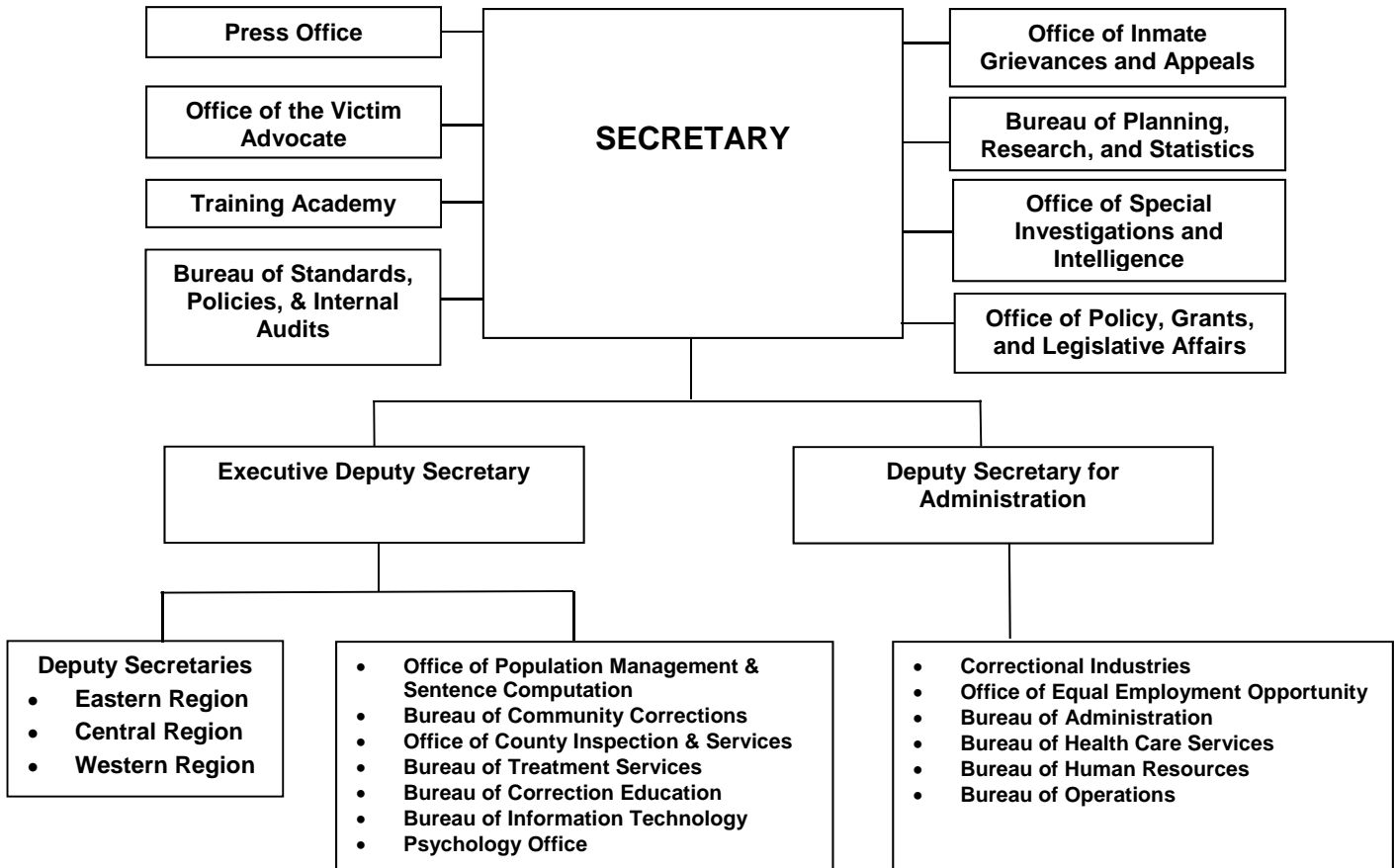
*The mission of the Department of Corrections is to reduce criminal behavior by providing individualized treatment and education to offenders, resulting in successful community reintegration through accountability and positive change.*

The department maintains a state system for the custody and rehabilitation of convicted criminals. Included within this system are residential programs to provide inmates with supervision, counseling and treatment, enabling them to satisfactorily adjust to society.

## **Programs and Goals**

**Institutionalization of Offenders:** *To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

## Organization Overview



- **Executive Deputy Secretary** is responsible for Population Management and Sentence Computation, Community Corrections, County Inspection and Services, Treatment Services, Correction Education, Information Technology, Psychology, and Regional Office Deputies.
- **Regional Office Deputy Secretaries** oversee the operations of correctional facilities located in their geographic region.
- **Deputy Secretary for Administration** is responsible for Correctional Industries, Equal Employment Opportunity, Administration, Health Care Services, Human Resources, and Operations.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 16,215            | 16,180            | 16,157            | 15,965            | 15,965            |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL          | 2014-15<br>AVAILABLE         | 2015-16<br>BUDGET          |
|--|----------------------------|------------------------------|----------------------------|
| <b>GENERAL FUND:</b>                                       |                            |                              |                            |
| <i>Institutional:</i>                                      |                            |                              |                            |
| <b>General Government Operations.....</b>                  | <b>\$ 32,023</b>           | <b>\$ 33,253</b>             | <b>\$ 34,746</b>           |
| (A)County Training.....                                    | 110                        | 259                          | 256                        |
| (A)Miscellaneous.....                                      | 4                          | 21                           | 24                         |
| Subtotal.....  | <u>\$ 32,137</u>           | <u>\$ 33,533</u>             | <u>\$ 35,026</u>           |
| <b>Medical Care.....</b>                                   | <b>235,055</b>             | <b>229,150</b>               | <b>260,981</b>             |
| (A)AIDS SPBP Rebates.....                                  | 0                          | 18,000                       | 0                          |
| (A)Medical Co-payment.....                                 | 357                        | 480                          | 480                        |
| (A)Miscellaneous.....                                      | 1                          | 2                            | 2                          |
| Subtotal.....  | <u>\$ 235,413</u>          | <u>\$ 247,632</u>            | <u>\$ 261,463</u>          |
| <b>Inmate Education and Training.....</b>                  | <b>38,834</b>              | <b>39,962</b>                | <b>41,804</b>              |
| (F)Youth Offenders Education.....                          | 100                        | 0                            | 0                          |
| (F)Correctional Education.....                             | 725                        | 725                          | 727                        |
| (F)JAG - Culinary Program (EA).....                        | 74                         | 40                           | 0                          |
| Subtotal.....  | <u>\$ 39,733</u>           | <u>\$ 40,727</u>             | <u>\$ 42,531</u>           |
| <b>State Correctional Institutions.....</b>                | <b>1,691,721</b>           | <b>1,813,192<sup>a</sup></b> | <b>1,924,552</b>           |
| (F)SABG - Drug and Alcohol Programs.....                   | 1,985                      | 1,965 <sup>b</sup>           | 1,965                      |
| (F)Reimbursement for Alien Inmates.....                    | 1,350                      | 1,350                        | 1,600                      |
| (F)Changing Offender Behavior.....                         | 1,050                      | 500                          | 166                        |
| (F)Volunteer Support.....                                  | 50                         | 25                           | 50                         |
| (F)RSAT - State Prisoners (EA).....                        | 970                        | 570                          | 750                        |
| (F)ARRA - Peer Support (EA).....                           | 247                        | 0                            | 0                          |
| (F)State Intermediate Punishment - HOPE Research (EA)..... | 185                        | 131                          | 0                          |
| (A)Community Service Centers.....                          | 456                        | 739                          | 739                        |
| (A)Institutional Reimbursements.....                       | 340                        | 382                          | 382                        |
| (A)Social Security.....                                    | 218                        | 264                          | 264                        |
| Subtotal.....  | <u>\$ 1,698,572</u>        | <u>\$ 1,819,118</u>          | <u>\$ 1,930,468</u>        |
| <b>Transfer to Justice Reinvestment Fund (EA).....</b>     | <b>43</b>                  | <b>991<sup>c</sup></b>       | <b>1,437</b>               |
| Subtotal - State Funds.....                                | \$ 1,997,676               | \$ 2,116,548                 | \$ 2,263,520               |
| Subtotal - Federal Funds.....                              | 6,736                      | 5,306                        | 5,258                      |
| Subtotal - Augmentations.....                              | 1,486                      | 20,147                       | 2,147                      |
| Total - Institutional.....                                 | <u>\$ 2,005,898</u>        | <u>\$ 2,142,001</u>          | <u>\$ 2,270,925</u>        |
| STATE FUNDS.....   | \$ 1,997,676               | \$ 2,116,548                 | \$ 2,263,520               |
| FEDERAL FUNDS.....   | 6,736                      | 5,306                        | 5,258                      |
| AUGMENTATIONS.....   | 1,486                      | 20,147                       | 2,147                      |
| <b>GENERAL FUND TOTAL.....</b>                             | <b><u>\$ 2,005,898</u></b> | <b><u>\$ 2,142,001</u></b>   | <b><u>\$ 2,270,925</u></b> |
| <b>OTHER FUNDS:</b>  |                            |                              |                            |
| <b>MANUFACTURING FUND:</b>                                 |                            |                              |                            |
| General Operations (EA).....                               | \$ 76,041                  | \$ 75,442                    | \$ 79,057                  |
| <b>JUSTICE REINVESTMENT FUND:</b>                          |                            |                              |                            |
| Medium and Short Minimum Offender Diversion.....           | \$ 0                       | \$ 0                         | \$ 8                       |
| Coordinated Community Reentry.....                         | 0                          | 0                            | 1                          |
| <b>JUSTICE REINVESTMENT FUND TOTAL.....</b>                | <b><u>\$ 0</u></b>         | <b><u>\$ 0</u></b>           | <b><u>\$ 9</u></b>         |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|                              | 2013-14<br>ACTUAL   | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET   |
|------------------------------|---------------------|----------------------|---------------------|
| DEPARTMENT TOTAL - ALL FUNDS |                     |                      |                     |
| GENERAL FUND.....            | \$ 1,997,676        | \$ 2,116,548         | \$ 2,263,520        |
| SPECIAL FUNDS.....           | 0                   | 0                    | 0                   |
| FEDERAL FUNDS.....           | 6,736               | 5,306                | 5,258               |
| AUGMENTATIONS.....           | 1,486               | 20,147               | 2,147               |
| OTHER FUNDS.....             | 76,041              | 75,442               | 79,066              |
| <b>TOTAL ALL FUNDS.....</b>  | <b>\$ 2,081,939</b> | <b>\$ 2,217,443</b>  | <b>\$ 2,349,991</b> |

<sup>a</sup> Includes recommended supplemental appropriation of \$56,000,000.

<sup>b</sup> Includes recommended supplemental appropriation of \$115,000.

<sup>c</sup> Includes recommended supplemental executive authorization of \$573,000.

# Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual          | 2014-15<br>Available       | 2015-16<br>Budget          | 2016-17<br>Estimated       | 2017-18<br>Estimated       | 2018-19<br>Estimated       | 2019-20<br>Estimated       |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>INSTITUTIONALIZATION OF OFFENDERS</b> |                            |                            |                            |                            |                            |                            |                            |
| GENERAL FUND.....                        | \$ 1,997,676               | \$ 2,116,548               | \$ 2,263,520               | \$ 2,363,442               | \$ 2,448,575               | \$ 2,510,395               | \$ 2,577,560               |
| SPECIAL FUNDS.....                       | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| FEDERAL FUNDS.....                       | 6,736                      | 5,306                      | 5,258                      | 5,258                      | 5,258                      | 5,258                      | 5,258                      |
| OTHER FUNDS.....                         | 77,527                     | 95,589                     | 81,213                     | 84,030                     | 86,553                     | 88,114                     | 90,263                     |
| SUBCATEGORY TOTAL.....                   | <u>\$ 2,081,939</u>        | <u>\$ 2,217,443</u>        | <u>\$ 2,349,991</u>        | <u>\$ 2,452,730</u>        | <u>\$ 2,540,386</u>        | <u>\$ 2,603,767</u>        | <u>\$ 2,673,081</u>        |
| <b>ALL PROGRAMS:</b>                     |                            |                            |                            |                            |                            |                            |                            |
| GENERAL FUND.....                        | \$ 1,997,676               | \$ 2,116,548               | \$ 2,263,520               | \$ 2,363,442               | \$ 2,448,575               | \$ 2,510,395               | \$ 2,577,560               |
| SPECIAL FUNDS.....                       | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| FEDERAL FUNDS.....                       | 6,736                      | 5,306                      | 5,258                      | 5,258                      | 5,258                      | 5,258                      | 5,258                      |
| OTHER FUNDS.....                         | 77,527                     | 95,589                     | 81,213                     | 84,030                     | 86,553                     | 88,114                     | 90,263                     |
| DEPARTMENT TOTAL.....                    | <u><u>\$ 2,081,939</u></u> | <u><u>\$ 2,217,443</u></u> | <u><u>\$ 2,349,991</u></u> | <u><u>\$ 2,452,730</u></u> | <u><u>\$ 2,540,386</u></u> | <u><u>\$ 2,603,767</u></u> | <u><u>\$ 2,673,081</u></u> |



## Program: Institutionalization of Offenders

*Goal: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

The Department of Corrections currently protects the public by confining law offenders in state correctional institutions for the period of time specified by the courts and the Pennsylvania Board of Probation and Parole. The department is charged with maintaining safe and humane prisons while providing opportunities to the inmate population for growth and change. Given that 90 percent of offenders incarcerated in the commonwealth's state prisons will eventually be released into the community, the department emphasizes programs that prepare inmates for responsible, crime-free community living. These re-entry programs include drug and alcohol treatment, education, work skills and community corrections.

The department seeks to provide sufficient and secure permanent housing space for the inmate population. The goal is to operate the state correctional system at or below bed capacity, which represents the optimal number of inmates that each facility can safely house. The state-administered correctional system includes 25 correctional institutions, 57 state-operated or contracted community corrections centers and a motivational boot camp. There were 50,756 inmates in the state system at the end of December 2014.

### **Program Element: Institutional Operations**

In addition to protecting the public by separating offenders from society, the department emphasizes the safety and security of its staff, volunteers, inmates and visitors to institutions. The department is fully accredited by the American Correctional Association. Security operations are improved through security assessments, training, structural improvements and use of technology such as biometrics and intrusion detection systems. The department's drug interdiction program has been recognized as a best practice by the American Correctional Association. The percentage of inmates randomly testing positive for drug and alcohol use while in prison is 0.25 percent, which is one of the lowest rates in the country for state correctional systems. All inmates undergo a diagnostic and classification process to determine the inmate's appropriate security classification, medical needs and programs needed for re-entry into society as well as other needs and requirements.

Two of the largest support services needed to operate the institutions are food service and facility maintenance. Staff and inmates perform most of these functions, giving inmates an opportunity to learn a trade, while constructively occupying their time. Another large support service is health care. A combination of staff and contractors provide health care services. Renal dialysis, geriatric services, infectious care treatment and other necessary services are offered.

Approximately 25 percent of the inmate population requires mental health treatment. To address these needs, mental health services are provided, including special needs units in most institutions and licensed mental health units in six institutions.

### **Program Element: Inmate Programs and Re-entry**

The department released slightly more than 22,000 offenders in 2014 with about 77 percent exiting to parole supervision. Legislative changes and a series of savings initiatives halted the rising incarceration rates in 2014, and the department expects to see continued population reductions in the upcoming years. The department provides programming which will enable inmates to leave prison better prepared to adjust to life in the community. A public safety reform package was enacted to enhance inmate participation in treatment programs to reduce recidivism and growth of the nonviolent inmate population. Research has shown that inmate participation in appropriately structured interventions can reduce recidivism. In order to increase public safety, changes have been implemented in parole procedures, particularly affecting inmates classified as violent. Secure parole violator centers are used for certain offenders. These centers provide the means to reduce the number of technical parole violators returned to prison yet maintain a secured environment for offenders assigned to the centers.

Preparation for re-entry begins when an offender enters the department's diagnostic and classification centers. The centers conduct a comprehensive assessment of the individual's risk or probability of re-offense and needs or factors related to criminality such as antisocial attitudes, poor problem solving and decision-making skills, substance abuse, and low levels of education and vocational achievement. This assessment data is used to develop a meaningful correctional plan. The correctional plan details the recommended treatment and education programs for each individual offender and sets expectations for behavior and work performance throughout incarceration.

Another treatment option is the intermediate punishment program. In this program, eligible inmates, including those with less serious offenses, participate in structured alcohol and other drug treatment programs while in prison, followed by treatment in the community. The results from program evaluations show a significant reduction in recidivism and drug relapse for offenders who have completed these programs.

Treatment services are designed to modify the inmate's social behavior to a more acceptable level for institutional management and reduce criminal behavior when

## Program: Institutionalization of Offenders (continued)

released, thus providing a basis for better community protection. All facilities provide alcohol and other drug treatment programs. Approximately 12,400 inmates are recommended to receive alcohol and other drug treatment upon entry into the state prison system, and approximately 16,500 inmates received treatment services in 2014 in both state correctional institutions and community correction centers. Therapeutic communities provide more intensive alcohol and other drug programming, which is more effective in changing behavior. Approximately 2,100 inmates currently receive this intensive treatment. Other counseling services and programs are available. All facilities offer sex offender treatment, some with special sex offender units.

Educational programs offer inmates the opportunity to obtain high school diplomas or adult basic education skills. A Correctional Education Association study shows that attending educational courses in prison reduces the likelihood of recidivism by 23 percent. New inmates without a high school diploma or GED are required to attend classes. In 2013-14, approximately 8,000 inmates were enrolled in GED or adult basic education classes, and 1,048 inmates received diplomas.

Vocational training is dedicated to the development of marketable job skills so inmates are more employable upon release. A variety of vocational programs are offered, including plumbing, auto mechanics, barbering, electronics and machinist training. The department works with the Department of Labor and Industry to match its vocational offerings to jobs available in the community. Approximately 96 percent of the vocational training programs offered in institutions provide inmates who complete the program and pass examinations with industry-recognized credentials.

Work is another component of inmate programming. The department is continuing its efforts to have inmates

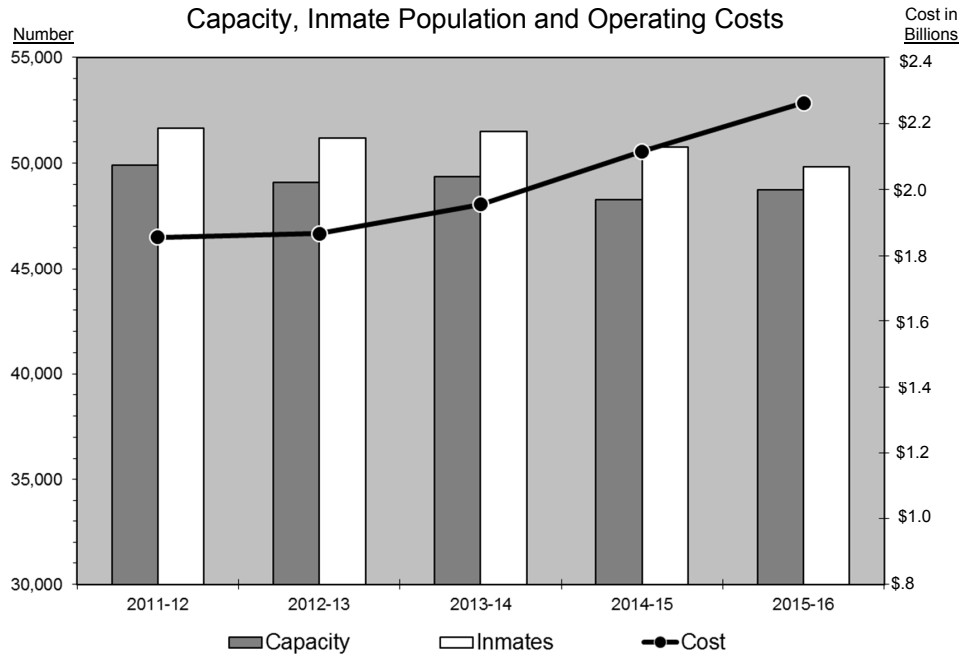
perform meaningful work. Employment in institutional jobs and correctional industries provide inmates with the opportunity to learn responsibility, good work habits and skills that can be used to find employment after release. Approximately 74 percent of inmates assessed as being able and eligible to work are working. Community work programs, in which low-risk inmates perform community service projects outside the institutions, are available at most institutions.

### ***Program Element: Community Corrections***

The last step in re-entry treatment is community corrections. Community corrections centers permit highly screened inmates, who meet established criteria, to live in halfway houses in the community. At these centers, inmates receive 24-hour supervision and can utilize counseling services while working or attending school. These centers provide programming reinforcement during the inmate's transition back to the community. The centers also offer alcohol and other drug treatment services, employment assistance, specialized counseling for hard-to-place offenders and other services. The Justice Reinvestment Initiative eliminated inmate pre-release into community corrections centers, although inmates placed into the State Intermediate Punishment (SIP) program can still be housed in these centers. Currently, most community corrections center space houses parolees, including those offenders classified as technical parole violators or part of the state's halfway back program as an alternative to a return to prison. In December 2014, there were approximately 3,400 offenders in the community corrections centers, with an additional 894 housed in county jails. Approximately 84 percent of these offenders are parolees with the remainder consisting of SIP inmates.

## State Correctional Institutions

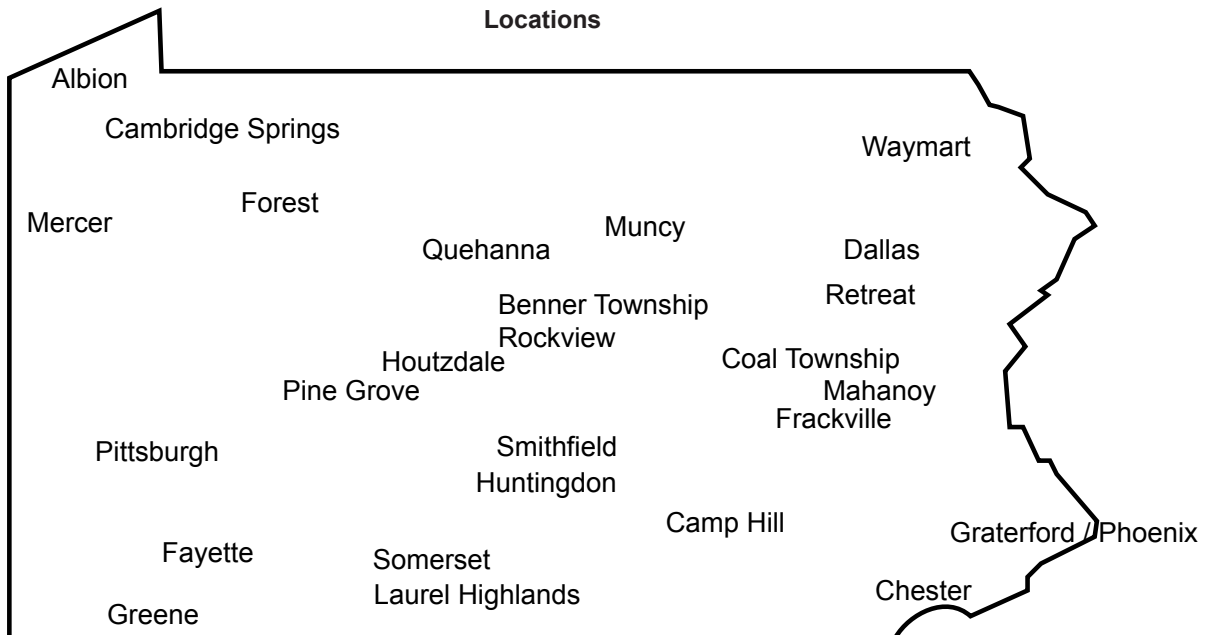
Capacity, Inmate Population and Operating Costs



The cost of operating the state correctional institution system has increased from \$1.86 billion in 2011-12 to \$2.26 billion in 2015-16. During this timeframe, the inmate population has declined from 51,638 to 49,828.

## State Correctional Institutions

Locations



## Program: Institutionalization of Offenders (continued)

| <b>Population and Capacity</b> | <b>Population</b> | <b>Estimated</b>  | <b>Capacity</b> | <b>Estimated</b> |
|--------------------------------|-------------------|-------------------|-----------------|------------------|
| <b>Institutions</b>            | <b>Dec 2014</b>   | <b>Population</b> | <b>Dec 2014</b> | <b>Capacity</b>  |
|                                |                   | <b>Dec 2015</b>   |                 | <b>Dec 2015</b>  |
| Albion.....                    | 2,272             | 2,230             | 2,152           | 2,152            |
| Benner Township.....           | 2,106             | 2,067             | 1,900           | 1,900            |
| Cambridge Springs.....         | 1,020             | 926               | 1,018           | 1,018            |
| Camp Hill.....                 | 3,485             | 3,421             | 3,272           | 3,272            |
| Chester.....                   | 1,275             | 1,252             | 1,178           | 1,178            |
| Coal Township.....             | 2,333             | 2,290             | 2,153           | 2,153            |
| Dallas.....                    | 2,127             | 2,088             | 1,941           | 1,941            |
| Fayette.....                   | 2,054             | 2,016             | 1,826           | 1,826            |
| Forest.....                    | 2,283             | 2,241             | 1,961           | 1,961            |
| Frackville.....                | 1,192             | 1,170             | 1,125           | 1,125            |
| Graterford/Phoenix.....        | 3,422             | 3,779             | 3,361           | 3,818            |
| Greene.....                    | 1,758             | 1,726             | 1,478           | 1,478            |
| Houtzdale.....                 | 2,551             | 2,504             | 2,365           | 2,365            |
| Huntingdon.....                | 2,091             | 1,953             | 1,804           | 1,804            |
| Laurel Highlands.....          | 1,550             | 1,522             | 1,571           | 1,571            |
| Mahanoy.....                   | 2,487             | 2,402             | 2,304           | 2,304            |
| Mercer.....                    | 1,463             | 1,436             | 1,494           | 1,494            |
| Muncy.....                     | 1,447             | 1,316             | 1,410           | 1,410            |
| Pine Grove.....                | 1,112             | 1,092             | 1,163           | 1,163            |
| Pittsburgh.....                | 1,909             | 1,874             | 1,803           | 1,803            |
| Quehanna Boot Camp.....        | 469               | 460               | 565             | 565              |
| Retreat.....                   | 1,105             | 1,085             | 1,104           | 1,104            |
| Rockview.....                  | 2,183             | 2,143             | 2,283           | 2,283            |
| Smithfield.....                | 1,374             | 1,249             | 1,125           | 1,125            |
| Somerset.....                  | 2,392             | 2,348             | 2,203           | 2,203            |
| Waymart.....                   | 1,421             | 1,395             | 1,522           | 1,522            |
| Community Centers.....         | 1,867             | 1,832             | 2,199           | 2,181            |
| Other Jurisdictions.....       | 8                 | 8                 | 8               | 8                |
| <b>Total.....</b>              | <b>50,756</b>     | <b>49,825</b>     | <b>48,288</b>   | <b>48,727</b>    |

Other jurisdictions capacity includes 8 federal beds.

## Program: Institutionalization of Offenders (continued)

### Expenditures by Institution: (Dollar Amounts in Thousands)

|                          | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget |                           | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget |
|--------------------------|-------------------|----------------------|-------------------|---------------------------|-------------------|----------------------|-------------------|
| <b>Albion</b>            |                   |                      |                   | <b>Graterford/Phoenix</b> |                   |                      |                   |
| State Funds.....         | \$ 66,727         | \$ 71,055            | \$ 78,368         | State Funds.....          | \$ 136,556        | \$ 138,201           | \$ 154,464        |
| Federal Funds.....       | 0                 | 0                    | 0                 | Federal Funds.....        | 56                | 0                    | 0                 |
| Augmentations.....       | 27                | 670                  | 31                | Augmentations.....        | 42                | 1,489                | 68                |
| TOTAL.....               | <u>\$ 66,754</u>  | <u>\$ 71,725</u>     | <u>\$ 78,399</u>  | TOTAL.....                | <u>\$ 136,654</u> | <u>\$ 139,690</u>    | <u>\$ 154,532</u> |
| <b>Benner Township</b>   |                   |                      |                   | <b>Greene</b>             |                   |                      |                   |
| State Funds.....         | \$ 63,961         | \$ 66,453            | \$ 70,322         | State Funds.....          | \$ 80,858         | \$ 86,994            | \$ 92,469         |
| Federal Funds.....       | 0                 | 0                    | 0                 | Federal Funds.....        | 1                 | 0                    | 0                 |
| Augmentations.....       | 27                | 899                  | 41                | Augmentations.....        | 16                | 494                  | 23                |
| TOTAL.....               | <u>\$ 63,988</u>  | <u>\$ 67,352</u>     | <u>\$ 70,363</u>  | TOTAL.....                | <u>\$ 80,875</u>  | <u>\$ 87,488</u>     | <u>\$ 92,492</u>  |
| <b>Cambridge Springs</b> |                   |                      |                   | <b>Houtzdale</b>          |                   |                      |                   |
| State Funds.....         | \$ 36,675         | \$ 40,678            | \$ 43,746         | State Funds.....          | \$ 68,560         | \$ 75,335            | \$ 79,828         |
| Federal Funds.....       | 80                | 91                   | 91                | Federal Funds.....        | 97                | 106                  | 106               |
| Augmentations.....       | 34                | 851                  | 39                | Augmentations.....        | 30                | 808                  | 37                |
| TOTAL.....               | <u>\$ 36,789</u>  | <u>\$ 41,620</u>     | <u>\$ 43,876</u>  | TOTAL.....                | <u>\$ 68,687</u>  | <u>\$ 76,249</u>     | <u>\$ 79,971</u>  |
| <b>Camp Hill</b>         |                   |                      |                   | <b>Huntingdon</b>         |                   |                      |                   |
| State Funds.....         | \$ 115,146        | \$ 125,714           | \$ 133,275        | State Funds.....          | \$ 73,195         | \$ 77,233            | \$ 83,379         |
| Federal Funds.....       | 20                | 15                   | 15                | Federal Funds.....        | 1                 | 0                    | 0                 |
| Augmentations.....       | 56                | 1,158                | 53                | Augmentations.....        | 28                | 744                  | 34                |
| TOTAL.....               | <u>\$ 115,222</u> | <u>\$ 126,887</u>    | <u>\$ 133,343</u> | TOTAL.....                | <u>\$ 73,224</u>  | <u>\$ 77,977</u>     | <u>\$ 83,413</u>  |
| <b>Chester</b>           |                   |                      |                   | <b>Laurel Highlands</b>   |                   |                      |                   |
| State Funds.....         | \$ 50,154         | \$ 50,266            | \$ 54,792         | State Funds.....          | \$ 76,534         | \$ 78,342            | \$ 81,765         |
| Federal Funds.....       | 0                 | 0                    | 0                 | Federal Funds.....        | 1                 | 0                    | 0                 |
| Augmentations.....       | 10                | 706                  | 32                | Augmentations.....        | 27                | 719                  | 33                |
| TOTAL.....               | <u>\$ 50,164</u>  | <u>\$ 50,972</u>     | <u>\$ 54,824</u>  | TOTAL.....                | <u>\$ 76,562</u>  | <u>\$ 79,061</u>     | <u>\$ 81,798</u>  |
| <b>Coal Township</b>     |                   |                      |                   | <b>Mahanoy</b>            |                   |                      |                   |
| State Funds.....         | \$ 63,982         | \$ 68,692            | \$ 74,044         | State Funds.....          | \$ 69,451         | \$ 73,696            | \$ 78,977         |
| Federal Funds.....       | 145               | 124                  | 129               | Federal Funds.....        | 1                 | 0                    | 0                 |
| Augmentations.....       | 50                | 956                  | 44                | Augmentations.....        | 39                | 881                  | 40                |
| TOTAL.....               | <u>\$ 64,177</u>  | <u>\$ 69,772</u>     | <u>\$ 74,217</u>  | TOTAL.....                | <u>\$ 69,491</u>  | <u>\$ 74,577</u>     | <u>\$ 79,017</u>  |
| <b>Dallas</b>            |                   |                      |                   | <b>Mercer</b>             |                   |                      |                   |
| State Funds.....         | \$ 77,898         | \$ 82,884            | \$ 87,895         | State Funds.....          | \$ 49,804         | \$ 52,642            | \$ 57,315         |
| Federal Funds.....       | 10                | 6                    | 6                 | Federal Funds.....        | 1                 | 0                    | 0                 |
| Augmentations.....       | 25                | 828                  | 38                | Augmentations.....        | 39                | 746                  | 34                |
| TOTAL.....               | <u>\$ 77,933</u>  | <u>\$ 83,718</u>     | <u>\$ 87,939</u>  | TOTAL.....                | <u>\$ 49,844</u>  | <u>\$ 53,388</u>     | <u>\$ 57,349</u>  |
| <b>Fayette</b>           |                   |                      |                   | <b>Muncy</b>              |                   |                      |                   |
| State Funds.....         | \$ 79,284         | \$ 85,844            | \$ 91,649         | State Funds.....          | \$ 62,979         | \$ 72,419            | \$ 78,399         |
| Federal Funds.....       | 0                 | 0                    | 0                 | Federal Funds.....        | 20                | 50                   | 19                |
| Augmentations.....       | 24                | 629                  | 29                | Augmentations.....        | 25                | 735                  | 34                |
| TOTAL.....               | <u>\$ 79,308</u>  | <u>\$ 86,473</u>     | <u>\$ 91,678</u>  | TOTAL.....                | <u>\$ 63,024</u>  | <u>\$ 73,204</u>     | <u>\$ 78,452</u>  |
| <b>Forest</b>            |                   |                      |                   | <b>Pine Grove</b>         |                   |                      |                   |
| State Funds.....         | \$ 70,776         | \$ 77,822            | \$ 87,860         | State Funds.....          | \$ 50,788         | \$ 55,949            | \$ 60,970         |
| Federal Funds.....       | 30                | 12                   | 12                | Federal Funds.....        | 75                | 15                   | 15                |
| Augmentations.....       | 20                | 505                  | 23                | Augmentations.....        | 10                | 282                  | 13                |
| TOTAL.....               | <u>\$ 70,826</u>  | <u>\$ 78,339</u>     | <u>\$ 87,895</u>  | TOTAL.....                | <u>\$ 50,873</u>  | <u>\$ 56,246</u>     | <u>\$ 60,998</u>  |
| <b>Frackville</b>        |                   |                      |                   | <b>Pittsburgh</b>         |                   |                      |                   |
| State Funds.....         | \$ 47,142         | \$ 49,440            | \$ 52,541         | State Funds.....          | \$ 71,017         | \$ 81,664            | \$ 87,538         |
| Federal Funds.....       | 0                 | 0                    | 0                 | Federal Funds.....        | 0                 | 0                    | 0                 |
| Augmentations.....       | 14                | 378                  | 17                | Augmentations.....        | 26                | 747                  | 34                |
| TOTAL.....               | <u>\$ 47,156</u>  | <u>\$ 49,818</u>     | <u>\$ 52,558</u>  | TOTAL.....                | <u>\$ 71,043</u>  | <u>\$ 82,411</u>     | <u>\$ 87,572</u>  |

## Program: Institutionalization of Offenders (continued)

### Expenditures by Institution: (Dollar Amounts in Thousands)

|                           | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget |                            | 2013-14<br>Actual | 2014-15<br>Available   | 2015-16<br>Budget      |
|---------------------------|-------------------|----------------------|-------------------|----------------------------|-------------------|------------------------|------------------------|
| <b>Quehanna Boot Camp</b> |                   |                      |                   | <b>Waymart</b>             |                   |                        |                        |
| State Funds.....          | \$ 21,830         | \$ 24,158            | \$ 25,822         | State Funds.....           | \$ 76,163         | \$ 82,408              | \$ 88,927              |
| Federal Funds.....        | 23                | 10                   | 61                | Federal Funds.....         | 41                | 90                     | 90                     |
| Augmentations.....        | 8                 | 282                  | 13                | Augmentations.....         | 21                | 536                    | 25                     |
| TOTAL.....                | <u>\$ 21,861</u>  | <u>\$ 24,450</u>     | <u>\$ 25,896</u>  | TOTAL.....                 | <u>\$ 76,225</u>  | <u>\$ 83,034</u>       | <u>\$ 89,042</u>       |
| <b>Retreat</b>            |                   |                      |                   | <b>Community Centers</b>   |                   |                        |                        |
| State Funds.....          | \$ 45,596         | \$ 46,671            | \$ 51,316         | State Funds.....           | \$ 114,001        | \$ 112,843             | \$ 103,727             |
| Federal Funds.....        | 5                 | 6                    | 6                 | Federal Funds.....         | 70                | 0                      | 0                      |
| Augmentations.....        | 13                | 352                  | 16                | Augmentations.....         | 453               | 739                    | 739                    |
| TOTAL.....                | <u>\$ 45,614</u>  | <u>\$ 47,029</u>     | <u>\$ 51,338</u>  | TOTAL.....                 | <u>\$ 114,524</u> | <u>\$ 113,582</u>      | <u>\$ 104,466</u>      |
| <b>Rockview</b>           |                   |                      |                   | <b>Training Academy</b>    |                   |                        |                        |
| State Funds.....          | \$ 83,797         | \$ 88,759            | \$ 96,561         | State Funds.....           | \$ 7,848          | \$ 7,530               | \$ 7,927               |
| Federal Funds.....        | 56                | 108                  | 113               | Federal Funds.....         | 74                | 40                     | 0                      |
| Augmentations.....        | 39                | 1,245                | 57                | Augmentations.....         | 110               | 276                    | 276                    |
| TOTAL.....                | <u>\$ 83,892</u>  | <u>\$ 90,112</u>     | <u>\$ 96,731</u>  | TOTAL.....                 | <u>\$ 8,032</u>   | <u>\$ 7,846</u>        | <u>\$ 8,203</u>        |
| <b>Smithfield</b>         |                   |                      |                   | <b>Central Office</b>      |                   |                        |                        |
| State Funds.....          | \$ 56,545         | \$ 59,972            | \$ 64,674         | State Funds.....           | \$ 94,018         | \$ 91,792 <sup>a</sup> | \$ 94,400 <sup>a</sup> |
| Federal Funds.....        | 1                 | 0                    | 0                 | Federal Funds.....         | 5,019             | 4,051                  | 3,833                  |
| Augmentations.....        | 14                | 364                  | 17                | Augmentations.....         | 227               | 267                    | 268                    |
| TOTAL.....                | <u>\$ 56,560</u>  | <u>\$ 60,336</u>     | <u>\$ 64,691</u>  | TOTAL.....                 | <u>\$ 99,264</u>  | <u>\$ 96,110</u>       | <u>\$ 98,501</u>       |
| <b>Somerset</b>           |                   |                      |                   | <b>Other jurisdictions</b> |                   |                        |                        |
| State Funds.....          | \$ 66,578         | \$ 72,479            | \$ 76,623         | State Funds.....           | \$ 19,770         | \$ 17,622              | \$ 22,510              |
| Federal Funds.....        | 9                 | 12                   | 12                | Federal Funds.....         | 900               | 570                    | 750                    |
| Augmentations.....        | 32                | 861                  | 39                | Augmentations.....         | 0                 | 0                      | 0                      |
| TOTAL.....                | <u>\$ 66,619</u>  | <u>\$ 73,352</u>     | <u>\$ 76,674</u>  | TOTAL.....                 | <u>\$ 20,670</u>  | <u>\$ 18,192</u>       | <u>\$ 23,260</u>       |

<sup>a</sup> Expenditures include annual maintenance costs for closed institutions.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|           |   |            |   |
|-----------|---|------------|---|
| \$ 1,493  | <b>General Government Operations</b><br>—to continue current program.   | \$ 1,842   | <b>Inmate Education and Training</b><br>—to continue current program.   |
| \$ 9,447  | <b>Medical Care</b><br>—to continue current program.  | \$ 104,353 | <b>State Correctional Institutions</b><br>—to continue current program.   |
| 3,634     | —Initiative - to provide enhanced treatment for inmates with serious mental illness.  | 6,467      | —Initiative - to provide enhanced treatment for inmates with serious mental illness.  |
| 750       | —Initiative - for the transition of inmates from SCI Graterford to SCI Phoenix.   | 540        | —Initiative - for the transition of inmates from SCI Graterford to SCI Phoenix.   |
| 18,000    | —nonrecurring pharmaceutical rebates provided through the Special Pharmaceutical Benefits Program to mitigate the costs of AIDS medication for inmates. | \$ 111,360 | <i>Appropriation Increase</i>   |
| \$ 31,831 | <i>Appropriation Increase</i>   | \$ 446     | <b>Transfer to Justice Reinvestment Fund</b><br>—to distribute prior year savings from the Justice Reinvestment Initiative. |

## Program: Institutionalization of Offenders (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                               |                     |                      |                     |                      |                      |                      |                      |
| General Government Operations .....                | \$ 32,023           | \$ 33,253            | \$ 34,746           | \$ 35,962            | \$ 36,861            | \$ 37,783            | \$ 38,728            |
| Medical Care .....                                 | 235,055             | 229,150              | 260,981             | 271,420              | 282,277              | 293,568              | 305,311              |
| Inmate Education and Training.....                 | 38,834              | 39,962               | 41,804              | 43,267               | 44,349               | 45,458               | 46,595               |
| State Correctional Institutions.....               | 1,691,721           | 1,813,192            | 1,924,552           | 2,011,157            | 2,081,547            | 2,133,586            | 2,186,926            |
| Transfer to Justice Reinvestment<br>Fund (EA)..... | 43                  | 991                  | 1,437               | 1,636                | 3,541                | 0                    | 0                    |
| <b>GENERAL FUND TOTAL .....</b>                    | <b>\$ 1,997,676</b> | <b>\$ 2,116,548</b>  | <b>\$ 2,263,520</b> | <b>\$ 2,363,442</b>  | <b>\$ 2,448,575</b>  | <b>\$ 2,510,395</b>  | <b>\$ 2,577,560</b>  |

## Program Measures

2013-14      2014-15      2015-16      2016-17      2017-18      2018-19      2019-20

### Program: Institutionalization of Offenders

**Objective: Operate all state prisons securely, safely and humanely by creatively and efficiently managing inmate populations and facilities and controlling inmate population growth.**

|   |          |          |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|----------|----------|
| Total inmate population   | 51,118   | 50,224   | 49,432   | 48,640   | 47,848   | 47,056   | 46,264   |
| Prison operational bed capacity   | 48,170   | 48,288   | 48,727   | 48,727   | 48,727   | 48,727   | 48,727   |
| Percentage of capacity utilized   | 106%     | 104%     | 101%     | 100%     | 98%      | 97%      | 95%      |
| Inmates in state intermediate punishment program  | 795      | 875      | 900      | 950      | 950      | 950      | 950      |
| Percentage of inmates testing positive for drug and alcohol use while in prison (random test) | 0.26%    | 0.25%    | 0.25%    | 0.25%    | 0.25%    | 0.25%    | 0.25%    |
| Cost per inmate per year (state funds)  | \$39,079 | \$42,481 | \$45,762 | \$48,557 | \$51,100 | \$53,349 | \$55,714 |
| Cost per inmate per year for health care (state funds)  | \$4,598  | \$4,921  | \$5,280  | \$5,580  | \$5,899  | \$6,239  | \$6,599  |
| Ratio of inmates to custody staff   | 5.50     | 5.50     | 5.50     | 5.40     | 5.40     | 5.40     | 5.40     |

### Objective: Prepare inmates for successful reentry into the community.

|  |             |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Inmates employed or in educational programs  | 33,738      | 33,150      | 32,630      | 31,800      | 31,580      | 31,070      | 30,540      |
| Hours worked in community works projects   | 458,296     | 462,900     | 467,500     | 472,200     | 476,900     | 481,700     | 486,500     |
| Inmates enrolled in academic educational programs  | 8,634       | 7,900       | 7,800       | 7,700       | 7,600       | 7,400       | 7,500       |
| Inmates enrolled in vocational programs  | 2,416       | 2,980       | 2,930       | 2,890       | 2,840       | 2,800       | 2,775       |
| Inmates needing adult basic education or GED upon reception  | 20,447      | 20,090      | 19,775      | 19,450      | 19,150      | 18,830      | 18,505      |
| Inmates receiving high school diplomas/GED's   | 1,048       | 1,050       | 1,040       | 1,020       | 1,000       | 1,000       | 1,000       |
| Monies collected from inmates to pay for victim restitution and other fines, fees, costs, penalties, and reparations | \$4,219,000 | \$4,519,000 | \$4,920,000 | \$4,920,000 | \$4,870,000 | \$4,820,000 | \$4,790,000 |

### Objective: Improve assessment and treatment of inmates by evaluating inmates appropriately and by giving them proven treatment in a timely manner, thus reducing recidivism.

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Inmates assessed as having an alcohol or other drug problem         | 33,227 | 32,650 | 32,130 | 31,620 | 31,110 | 30,600 | 30,070 |
| Inmates currently in alcohol or other drug treatment programs       | 3,440  | 3,500  | 3,500  | 3,500  | 3,500  | 3,500  | 3,500  |
| Inmates who have completed alcohol or other drug treatment programs | 9,420  | 9,650  | 9,650  | 9,650  | 9,650  | 9,650  | 9,650  |



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# BOARD OF PROBATION AND PAROLE

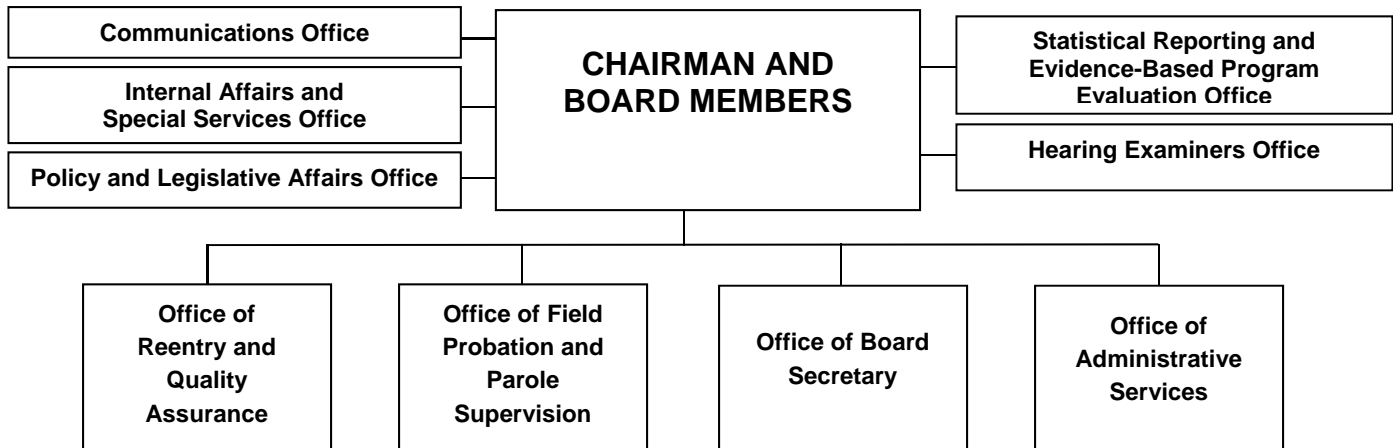
*The Pennsylvania Board of Probation and Parole is committed to promoting public safety, utilizing sound decision making practices that include evidence-based approaches, employing effective methods to aid offenders in reentering society and to reduce recidivism, addressing the needs of crime victims, and improving county adult probation and parole services.*

The board rehabilitates and supervises persons on probation or parole, helping them to reintegrate within society. The board provides for the reintegration of persons who have served their minimum sentence in a correctional institution as well as identifies those who cannot adjust to the community. State probation services and investigations are also provided upon request from the courts. The Office of the Victim Advocate within the board administers the victim service programs of both the board and the Department of Corrections. The Sexual Offenders Assessment Board is responsible for the review of registration of sexual offenders and conducting assessments of convicted sex offenders.

## **Programs and Goals**

**Reintegration of the Adult Offender:** *To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

## Organization Overview



- **Office of Reentry and Quality Assurance** oversees the efforts of the Bureau of Offender Reentry as it enhances its focus on the process of integrating offenders into the community. In addition, the functions of the new Bureau of Standards and Audits and the existing Bureau of Probation Services and the Institutional Parole Managers are also supervised from within this office.
- **Office of Field Probation and Parole Supervision** is responsible for the three regional field operations -- Eastern, Central and Western. Field staff supervises the agency's total offender population. The Bureau of Central Services is also supervised from within this office.
- **Office of Board Secretary** oversees four divisions: Hearing Examiners Division, Case Management, Case Analysis and Case Implementation and Resolution. The Secretary acts as the Board's liaison with the Department of Corrections, the Board of Pardons, and the Pennsylvania Commission on Crime and Delinquency. This office oversees the processing and dissemination of the board's decisions to offenders, answers inquiries from the public and family members on the offender's status. This office also controls cases assigned to the Federal Witness Protection Program as well as administrative responsibilities for inmates under the Interstate Corrections Compact.
- **Office of Administrative Services** ensures the safe and efficient operation of the board, is responsible for human resources, budgeting, safety, equal employment opportunity, training, office services, communications equipment, vehicles, and a variety of other functions.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1,173             | 1,173             | 1,228             | 1,244             | 1,264             |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>                                      |                   |                      |                   |
| <b>General Government:</b>                                |                   |                      |                   |
| General Government Operations.....                        | \$ 119,874        | \$ 134,647           | \$ 148,019        |
| (F)Violence Prediction Model.....                         | 86                | 86                   | 0                 |
| (F)ARRA - Recidivism Reduction (EA).....                  | 63                | 0                    | 0                 |
| (F)Sex Offender Agent Overtime (EA).....                  | 0                 | 60                   | 0                 |
| (F)Effective Practices in Community Supervision (EA)..... | 0                 | 204                  | 0                 |
| (A)State Parole Supervision Fees.....                     | 3,945             | 3,900                | 4,000             |
| (A)Interstate Supervision Fees.....                       | 100               | 90                   | 90                |
| Subtotal.....   | \$ 124,068        | \$ 138,987           | \$ 152,109        |
| Sexual Offenders Assessment Board.....                    | 5,374             | 5,459                | 5,846             |
| Subtotal.....   | \$ 5,374          | \$ 5,459             | \$ 5,846          |
| Subtotal - State Funds.....                               | \$ 125,248        | \$ 140,106           | \$ 153,865        |
| Subtotal - Federal Funds.....                             | 149               | 350                  | 0                 |
| Subtotal - Augmentations.....                             | 4,045             | 3,990                | 4,090             |
| Total - General Government.....                           | \$ 129,442        | \$ 144,446           | \$ 157,955        |
| <b>Grants and Subsidies:</b>                              |                   |                      |                   |
| Improvement of Adult Probation Services.....              | \$ 16,222         | \$ 16,222            | \$ 18,591         |
| (R)County Parole Supervision Fees.....                    | 17,505            | 17,894               | 17,856            |
| Subtotal.....   | \$ 33,727         | \$ 34,116            | \$ 36,447         |
| Subtotal - State Funds.....                               | \$ 16,222         | \$ 16,222            | \$ 18,591         |
| Subtotal - Restricted Revenues.....                       | 17,505            | 17,894               | 17,856            |
| Total - Grants and Subsidies.....                         | \$ 33,727         | \$ 34,116            | \$ 36,447         |
| STATE FUNDS.....  | \$ 141,470        | \$ 156,328           | \$ 172,456        |
| FEDERAL FUNDS.....  | 149               | 350                  | 0                 |
| AUGMENTATIONS.....  | 4,045             | 3,990                | 4,090             |
| RESTRICTED REVENUES.....                                  | 17,505            | 17,894               | 17,856            |
| <b>GENERAL FUND TOTAL.....</b>                            | <b>\$ 163,169</b> | <b>\$ 178,562</b>    | <b>\$ 194,402</b> |
| <b>OTHER FUNDS:</b>                                       |                   |                      |                   |
| <b>GENERAL FUND:</b>                                      |                   |                      |                   |
| Firearms Education and Training Commission.....           | \$ 509            | \$ 564               | \$ 566            |
| Seized/Forfeited Property - Federal.....                  | 100               | 76                   | 0                 |
| <b>GENERAL FUND TOTAL.....</b>                            | <b>\$ 609</b>     | <b>\$ 640</b>        | <b>\$ 566</b>     |
| <b>JUSTICE REINVESTMENT FUND:</b>                         |                   |                      |                   |
| Streamline State Parole Process.....                      | \$ 0              | \$ 0                 | \$ 2              |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                       |                   |                      |                   |
| GENERAL FUND.....   | \$ 141,470        | \$ 156,328           | \$ 172,456        |
| SPECIAL FUNDS.....  | 0                 | 0                    | 0                 |
| FEDERAL FUNDS.....  | 149               | 350                  | 0                 |
| AUGMENTATIONS.....  | 4,045             | 3,990                | 4,090             |
| RESTRICTED.....   | 17,505            | 17,894               | 17,856            |
| OTHER FUNDS.....  | 609               | 640                  | 568               |
| <b>TOTAL ALL FUNDS.....</b>                               | <b>\$ 163,778</b> | <b>\$ 179,202</b>    | <b>\$ 194,970</b> |

## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>REINTEGRATION OF THE ADULT OFFENDER</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                          | \$ 141,470               | \$ 156,328               | \$ 172,456               | \$ 181,914               | \$ 190,289               | \$ 199,068               | \$ 208,271               |
| SPECIAL FUNDS.....                         | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                         | 149                      | 350                      | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....                           | 22,159                   | 22,524                   | 22,514                   | 22,526                   | 22,740                   | 22,612                   | 22,712                   |
| SUBCATEGORY TOTAL.....                     | <u>\$ 163,778</u>        | <u>\$ 179,202</u>        | <u>\$ 194,970</u>        | <u>\$ 204,440</u>        | <u>\$ 213,029</u>        | <u>\$ 221,680</u>        | <u>\$ 230,983</u>        |
| <b>ALL PROGRAMS:</b>                       |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                          | \$ 141,470               | \$ 156,328               | \$ 172,456               | \$ 181,914               | \$ 190,289               | \$ 199,068               | \$ 208,271               |
| SPECIAL FUNDS.....                         | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                         | 149                      | 350                      | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....                           | 22,159                   | 22,524                   | 22,514                   | 22,526                   | 22,740                   | 22,612                   | 22,712                   |
| DEPARTMENT TOTAL.....                      | <u><u>\$ 163,778</u></u> | <u><u>\$ 179,202</u></u> | <u><u>\$ 194,970</u></u> | <u><u>\$ 204,440</u></u> | <u><u>\$ 213,029</u></u> | <u><u>\$ 221,680</u></u> | <u><u>\$ 230,983</u></u> |

## Program: Reintegration of the Adult Offender

*Goal: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

The Pennsylvania Board of Probation and Parole's primary goal is to protect the safety of the public through effective parole decisions and proper supervision of offenders returning to their communities. Successful reentry of offenders can reduce the likelihood they will victimize anyone else and return to prison.

The board is responsible for making parole decisions and supervising adult parolees with a maximum sentence of two years or more; revoking the parole of technical parole violators who continue to violate parole conditions; revoking the parole of violators convicted of new crimes; and discharging parolees who have fulfilled their sentences in compliance with the conditions of parole. The parole population includes offenders from the state correctional system, special county probation, and parole cases and offenders transferring from other states into Pennsylvania. Offenders with maximum sentences under two years are supervised at the county level unless the county court certifies the case to the state for special probation supervision. Offenders sentenced to a term of two years or more, but less than five years, may be confined in county jail if the chief administrator certifies the jail has sufficient capacity. The judge retains paroling authority.

### **Program Element: Parole Decisions**

Offenders must serve their minimum sentence before they become eligible for parole. To prepare offenders for reentry while incarcerated, the board and Department of Corrections jointly develop a correctional plan to address drug and alcohol treatment needs, educational opportunities, vocational training, counseling services and employment opportunities within the institution. During a parole hearing, board members consider the offender's behavior and program performance while in prison, review the offender's risk and needs assessment, and consider other factors required by law to determine if the offender's reentry into the community is not likely to compromise public safety. The board offers victims the opportunity to provide testimony in person to board members as part of the decisional process.

### **Program Element: Reentry Preparation**

To fulfill the mission of community safety, the Bureau of Offender Reentry focuses on preparing inmates for parole release and providing continued support during the critical initial period of readjustment following an inmate's return to the community. The board's institutional parole staff works with offenders while they are incarcerated to identify employment, housing and other issues that create obstacles or challenges to successful reentry. Inmates are given assistance with the basics of job search preparation.

Upon release, an offender's needs are reassessed every six months or more frequently, if necessary. The board facilitates cognitive behavioral programs in areas such as life skills, drug and alcohol relapse prevention, and anger management. Drug and alcohol treatment, sex offender treatment and other specialized treatment or programming needs are available through referrals to individual county programs, or while under supervision at a Department of Corrections community corrections center.

### **Program Element: Supervision and Case Management**

The reentry of an offender into the community requires effective parole supervision, which includes a balance of monitoring and enforcement of parole conditions coupled with effective case management. As part of the board's responsibility to public safety, parole agents use problem-solving case management and other evidence-based strategies to reduce the offender's risk to re-offend. Parole staff also helps the offender with challenges regarding their job, residence, continuity of care or other issues. Also key to public safety and a reduction of crime is the management of technical parole violators through alternative, community-based interventions and specialized support programs to safely and effectively allow for continued supervision in the community. These secure centers immediately address issues causing the offender to struggle with their adjustment to life outside of prison with the goal of reducing the number of technical parole violators returned to prison. The board has implemented a violent offender management protocol, including a curfew and violence prevention aftercare program. Anger management and life skills programming are also provided. The board has developed and initiated these actions to aid in reducing offender recidivism.

### **Program Element: County Probation**

In addition to operating the state parole system, the board administers a grant program to support county adult probation personnel and services. Counties are reimbursed up to 80 percent of the personnel costs for pre-sentence investigations and for improved probation supervision and programs.

### **Program Element: Other Probation and Parole Programs**

The Office of Victim Advocate, an independent entity within the board, represents the interests of crime victims before the board or the Department of Corrections.

The Sexual Offenders Assessment Board is responsible for conducting court-ordered assessments of convicted sexual offenders. The assessments are provided to district

## Program: Reintegration of the Adult Offender (continued)

attorneys and assist in determining those offenders who may be found by the court to be sexually violent predators. All sex offenders are now classified into three classes, or tiers, based on the severity of the sex crimes for which they have been convicted. The Adam Walsh Act also added additional sex offenses that require registration,

increasing the number of individuals whose assessments will ultimately be under the purview of the Sexual Offenders Assessment Board.

The board's role relating to sex offenders includes updating and verifying the registry information for any offenders under board supervision.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| General Government Operations |   | Sexual Offenders Assessment Board |  |
|-------------------------------|---|-----------------------------------|--|
| \$ 11,098                     | —to continue current program.   | \$ 387                            | —to continue current program.  |
| 1,162                         | —Initiative - To provide resources to supervise increased parolee population.                           |                                   |  |
| 912                           | —Initiative - Specialized mental health agent training and supervision enhancement.                     | \$ 2,369                          | Improvement of Adult Probation Services                                    |
| 200                           | —Initiative - Sex offender recidivism reduction through increased Global Positioning System monitoring. |                                   | —for grants to counties to support county adult probation personnel costs. |
| <u>\$ 13,372</u>              | <i>Appropriation Increase</i>   |                                   |  |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                      |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....       | \$ 119,874        | \$ 134,647           | \$ 148,019        | \$ 156,900           | \$ 164,745           | \$ 172,982           | \$ 181,632           |
| Sexual Offenders Assessment Board .....   | 5,374             | 5,459                | 5,846             | 6,051                | 6,202                | 6,357                | 6,516                |
| Improvement of Adult Probation Services . | 16,222            | 16,222               | 18,591            | 18,963               | 19,342               | 19,729               | 20,123               |
| <b>TOTAL GENERAL FUND .....</b>           | <b>\$ 141,470</b> | <b>\$ 156,328</b>    | <b>\$ 172,456</b> | <b>\$ 181,914</b>    | <b>\$ 190,289</b>    | <b>\$ 199,068</b>    | <b>\$ 208,271</b>    |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Reintegration of the Adult Offender

**Objective: Increase the number of offenders identified as appropriate for parole based on reduced risk of committing another crime.**

#### Board Parole Process

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Average monthly number of offenders eligible for parole interviews                          | 2,675 | 2,630 | 2,620 | 2,660 | 2,690 | 2,720 | 2,760 |
| Average monthly number of offenders interviewed   | 1,754 | 1,750 | 1,760 | 1,790 | 1,820 | 1,860 | 1,890 |
| Average monthly percentage of available offenders on the docket who were interviewed        | 79%   | 80%   | 81%   | 81%   | 82%   | 82%   | 83%   |
| Average monthly number of offenders granted parole or reparole                              | 1,057 | 1,030 | 1,040 | 1,060 | 1,080 | 1,100 | 1,120 |
| Average monthly number of offenders released to parole from state correctional institutions | 1,054 | 1,140 | 1,140 | 1,160 | 1,180 | 1,210 | 1,230 |

#### State Supervision Process

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| State parolees and probationers supervised at fiscal year end | 39,726 | 41,475 | 42,325 | 42,920 | 43,360 | 43,650 | 43,870 |
| Annual state sentence releases to parole supervision          | 13,638 | 13,820 | 13,880 | 14,140 | 14,400 | 14,670 | 14,940 |

**Objective: Increase the percentage of parolees able to work who are employed.**

#### State Supervision Process

|  |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|
| Employment rate (percentage) of offenders who are able to work | 55% | 55% | 55% | 55% | 56% | 56% | 57% |
|--|-----|-----|-----|-----|-----|-----|-----|

**Objective: Increase the percentage of parolees who successfully complete parole.**

#### State Supervision Process

|  |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|
| Successful completions of parole as a percentage of monthly cases closed (revocations or successful completions) | 50% | 51% | 50% | 50% | 51% | 53% | 54% |
|--|-----|-----|-----|-----|-----|-----|-----|

#### State Supervision Fee Collection

|  |             |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total state supervision fee dollars collected annually | \$3,774,134 | \$3,806,000 | \$3,806,000 | \$3,806,000 | \$3,806,000 | \$3,806,000 | \$3,806,000 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

**Objective: Decrease the number of offenders who stop reporting to their parole agent.**

#### State Supervision Process

|  |       |       |    |       |       |       |       |
|--|-------|-------|----|-------|-------|-------|-------|
| Average monthly percentage of supervised offenders in absconder status | 3.40% | 3.80% | 4% | 4.10% | 4.20% | 4.30% | 4.30% |
|--|-------|-------|----|-------|-------|-------|-------|



## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Objective: Decrease the number of technical parole violators (parolees who break their conditions of parole) recommitted to prison.**

### State Supervision Process

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Average monthly number of state-sentenced technical parole violators returned to prison     | 277 | 300 | 320 | 320 | 330 | 330 | 340 |
| Average monthly percentage of state-sentenced technical parole violators returned to prison | 1%  | 1%  | 1%  | 1%  | 1%  | 1%  | 1%  |

**Objective: Maintain the current low number of convicted parole violators (parolees who commit a new crime while on parole) recommitted to prison.**

### State Supervision Process

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Average monthly number of state-sentenced convicted parole violators returned to prison                   | 201   | 220   | 230   | 240   | 250   | 250   | 250   |
| Average monthly percentage of state-sentenced population returned to prison as convicted parole violators | 0.69% | 0.71% | 0.70% | 0.73% | 0.72% | 0.71% | 0.70% |

**Objective: Decrease the percentage of individuals who return to prison within one year of release from prison.**

### State Supervision Process

|                          |        |        |        |        |        |        |        |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|
| One-year recidivism rate | 18.50% | 18.90% | 20.50% | 20.50% | 20.50% | 20.50% | 20.50% |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|

**Objective: Increase the services to registered crime victims through the Office of Victim Advocate.**

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Total number of registrations and notifications to registered crime victims | 29,328 | 34,330 | 39,330 | 44,330 | 49,330 | 54,330 | 59,330 |
|---|--------|--------|--------|--------|--------|--------|--------|

**Objective: Maintain the 100 percent completion rate for sexual offender assessments ordered by the adult and juvenile courts and the assessments requested by the Pennsylvania Board of Probation and Parole.**

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Total number of sex offender assessments completed | 2,235 | 2,550 | 2,710 | 2,800 | 2,880 | 2,960 | 3,050 |
|--|-------|-------|-------|-------|-------|-------|-------|

**Objective: Track and report on county probation activity.**

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Probationers and parolees supervised by county probation departments | 233,345 | 238,010 | 242,770 | 247,630 | 252,580 | 257,630 | 262,780 |
|--|---------|---------|---------|---------|---------|---------|---------|



---

# DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS

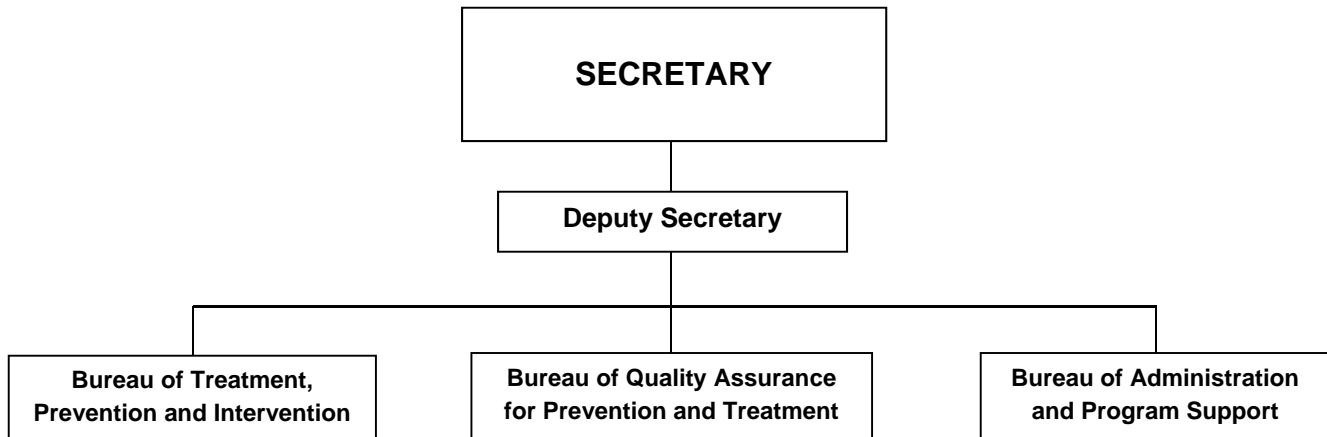
*The mission of the Department of Drug and Alcohol Programs is to engage, coordinate and lead the commonwealth's effort to prevent and reduce drug, alcohol and gambling addiction and abuse; and to promote recovery, thereby reducing the human and economic impact of the disease.*

The department develops and implements programs to reduce substance abuse and dependency through quality prevention, intervention, rehabilitation and treatment programs. These programs are designed to educate all population segments on the effects and dangers drug and alcohol abuse and dependency pose to public health and to mitigate the economic impact of substance abuse for the citizens of Pennsylvania.

## **Programs and Goals**

**Drug and Alcohol Abuse Prevention and Treatment:** *To provide education, intervention and treatment programs to reduce drug, alcohol and gambling addiction, abuse and dependence.*

## Organization Overview



- **Director of the Bureau of Treatment, Prevention and Intervention** provides county authorities, providers and communities throughout the commonwealth with the tools they need to effectively prevent and treat drug and alcohol problems, as well as problem gambling.
- **Director of the Bureau of Quality Assurance for Prevention and Treatment** ensures that drug and alcohol programs throughout the commonwealth meet or exceed high quality standards and licensure requirements.
- **Director of the Bureau of Administration and Program Support** supports the department programs, including fiscal management, training, data collection and analysis, information technology, administrative and clerical services.

## Authorized Complement

| 2009-10<br>Actual* | 2010-11<br>Actual* | 2011-12<br>Actual* | 2012-13<br>Actual | 2013-14<br>Actual |
|--------------------|--------------------|--------------------|-------------------|-------------------|
| -                  | -                  | -                  | 77                | 77                |

\*Complement was authorized in the Department of Health.

# Drug and Alcohol Programs

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>   |                   |                      |                   |
| <i>General Government:</i>                                   |                   |                      |                   |
| General Government Operations.....                           | \$ 470            | \$ 628               | \$ 1,119          |
| (F)SABG - Administration and Operation.....                  | 7,455             | 7,640                | 7,858             |
| (F)Substance Abuse Special Projects - Admin & Operation..... | 759               | 2,480                | 2,319             |
| Subtotal.....  | \$ 8,684          | \$ 10,748            | \$ 11,296         |
| Subtotal - State Funds.....                                  | \$ 470            | \$ 628               | \$ 1,119          |
| Subtotal - Federal Funds.....                                | 8,214             | 10,120               | 10,177            |
| Total - General Government.....                              | \$ 8,684          | \$ 10,748            | \$ 11,296         |
| <i>Grants and Subsidies:</i>                                 |                   |                      |                   |
| Assistance to Drug and Alcohol Programs.....                 | \$ 41,232         | \$ 41,232            | \$ 46,232         |
| (F)SABG - Drug and Alcohol Services.....                     | 53,596            | 53,197               | 55,858            |
| (F)Substance Abuse Special Projects Grants.....              | 1,562             | 11,237               | 12,034            |
| (F)Access to Recovery.....                                   | 5,624             | 2,959                | 0                 |
| (A)Community Restitution Payments.....                       | 1                 | 4                    | 3                 |
| (A)State Stores Fund Transfer (EA).....                      | 2,567             | 2,474                | 2,500             |
| Subtotal.....  | \$ 104,582        | \$ 111,103           | \$ 116,627        |
| Subtotal - State Funds.....                                  | \$ 41,232         | \$ 41,232            | \$ 46,232         |
| Subtotal - Federal Funds.....                                | 60,782            | 67,393               | 67,892            |
| Subtotal - Augmentations.....                                | 2,568             | 2,478                | 2,503             |
| Total - Grants and Subsidies.....                            | \$ 104,582        | \$ 111,103           | \$ 116,627        |
| STATE FUNDS.....   | \$ 41,702         | \$ 41,860            | \$ 47,351         |
| FEDERAL FUNDS.....   | 68,996            | 77,513               | 78,069            |
| AUGMENTATIONS.....   | 2,568             | 2,478                | 2,503             |
| GENERAL FUND TOTAL.....                                      | \$ 113,266        | \$ 121,851           | \$ 127,923        |
| <b>OTHER FUNDS:</b>  |                   |                      |                   |
| <b>COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND:</b>       |                   |                      |                   |
| Drug and Alcohol Treatment Services (EA).....                | \$ 3,000          | \$ 3,000             | \$ 3,000          |
| Compulsive and Problem Gambling Treatment (EA).....          | 5,800             | 6,800                | 5,800             |
| COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND TOTAL.....    | \$ 8,800          | \$ 9,800             | \$ 8,800          |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                          |                   |                      |                   |
| GENERAL FUND.....  | \$ 41,702         | \$ 41,860            | \$ 47,351         |
| SPECIAL FUNDS.....   | 0                 | 0                    | 0                 |
| FEDERAL FUNDS.....   | 68,996            | 77,513               | 78,069            |
| AUGMENTATIONS.....   | 2,568             | 2,478                | 2,503             |
| OTHER FUNDS.....   | 8,800             | 9,800                | 8,800             |
| TOTAL ALL FUNDS.....   | \$ 122,066        | \$ 131,651           | \$ 136,723        |

## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>DRUG AND ALCOHOL ABUSE<br/>PREVENTION AND TREATMENT</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....  | \$ 41,702                | \$ 41,860                | \$ 47,351                | \$ 47,390                | \$ 47,419                | \$ 47,449                | \$ 47,479                |
| SPECIAL FUNDS.....   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....   | 68,996                   | 77,513                   | 78,069                   | 78,069                   | 78,069                   | 78,069                   | 78,069                   |
| OTHER FUNDS.....   | 11,368                   | 12,278                   | 11,303                   | 11,303                   | 11,303                   | 11,303                   | 11,303                   |
| SUBCATEGORY TOTAL.....                                     | <u>\$ 122,066</u>        | <u>\$ 131,651</u>        | <u>\$ 136,723</u>        | <u>\$ 136,762</u>        | <u>\$ 136,791</u>        | <u>\$ 136,821</u>        | <u>\$ 136,851</u>        |
| <b>ALL PROGRAMS:</b>                                       |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....  | \$ 41,702                | \$ 41,860                | \$ 47,351                | \$ 47,390                | \$ 47,419                | \$ 47,449                | \$ 47,479                |
| SPECIAL FUNDS.....   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....   | 68,996                   | 77,513                   | 78,069                   | 78,069                   | 78,069                   | 78,069                   | 78,069                   |
| OTHER FUNDS.....   | 11,368                   | 12,278                   | 11,303                   | 11,303                   | 11,303                   | 11,303                   | 11,303                   |
| DEPARTMENT TOTAL.....                                      | <u><u>\$ 122,066</u></u> | <u><u>\$ 131,651</u></u> | <u><u>\$ 136,723</u></u> | <u><u>\$ 136,762</u></u> | <u><u>\$ 136,791</u></u> | <u><u>\$ 136,821</u></u> | <u><u>\$ 136,851</u></u> |

## Program: Drug and Alcohol Abuse Prevention and Treatment

*Goal: To provide education, intervention and treatment programs to reduce drug, alcohol and gambling addiction, abuse and dependence.*

The Department of Drug and Alcohol Programs is tasked with the development and implementation of a comprehensive state plan to reduce substance abuse and dependency through quality prevention, intervention, rehabilitation and treatment programs. The department provides education on the effects of drug and alcohol abuse and the dangers abuse and dependency pose to public health in an effort to mitigate the economic and health impact of substance abuse on the citizens of Pennsylvania.

In addition to state funding, the department receives federal and compulsive and problem gambling treatment funds for drug and alcohol treatment services. The department provides county-based agencies with funding to deliver or purchase drug and alcohol services, including treatment services for Pennsylvanians who do not have insurance or resources to pay for treatment. Single County Authorities prepare prevention, intervention and treatment plans tailored to meet the needs of their respective communities. The department approves these plans and formulates a statewide plan based on those findings.

Statewide prevention programs provide current information on the effects of drugs and alcohol and assist individuals in developing or improving skills that will enable them to choose a lifestyle free of substance abuse. This is done through educational sessions, workshops, media presentations and an information clearinghouse operated by the department. Primary emphasis has been given to

youth, and a special curriculum is now used in all school districts to address drug and alcohol problems.

Intervention services provide support to individuals affected by drug or alcohol problems. Services include information hotlines, drop-in centers, alcohol safety programs and employee and student assistance programs.

Surveys and inspections of drug and alcohol program facilities are conducted to determine compliance with state and federal standards and regulations and as a condition of receiving federal Medicare and Medicaid financial support.

Treatment services are funded in hospitals, prisons, residential facilities and outpatient programs. Treatment often consists of short-term detoxification followed by longer term rehabilitation. Most inpatient services are rendered in a non-hospital setting. Outpatient services may follow discharge from a residential program; however, many persons receive their initial treatment in an outpatient setting.

Drug and alcohol education and training programs are provided for substance abuse and human services professionals. Issues such as prevention, intervention and treatment are addressed through a variety of educational initiatives.

The department also provides public education, awareness and training regarding both the problem of compulsive and problem gambling and its treatment and prevention with the income it receives from the Compulsive and Problem Gambling Treatment Fund.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 491 **General Government Operations**  
—to continue current program.

\$ 5,000 **Assistance to Drug and Alcohol Programs**  
—Initiative—Combating the Heroin Epidemic.  
To provide additional services to address heroin and opioid addiction.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                          |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....           | \$ 470            | \$ 628               | \$ 1,119          | \$ 1,158             | \$ 1,187             | \$ 1,217             | \$ 1,247             |
| Assistance to Drug and Alcohol Programs ..... | 41,232            | 41,232               | 46,232            | 46,232               | 46,232               | 46,232               | 46,232               |
| <b>TOTAL GENERAL FUND .....</b>               | <b>\$ 41,702</b>  | <b>\$ 41,860</b>     | <b>\$ 47,351</b>  | <b>\$ 47,390</b>     | <b>\$ 47,419</b>     | <b>\$ 47,449</b>     | <b>\$ 47,479</b>     |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Program: Drug and Alcohol Abuse Prevention and Treatment**

**Objective: Provide drug and alcohol treatment services.**

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Admissions to treatment                       | 50,354 | 49,345 | 52,540 | 51,575 | 50,625 | 49,695 | 48,855 |
| Average length of outpatient treatment (days) | 72     | 65     | 65     | 65     | 65     | 65     | 65     |
| Average length of inpatient treatment (days)  | 23     | 15     | 15     | 15     | 15     | 15     | 15     |

**Licensure and/or Federal Certification Surveys Completed**

|  |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|
| Residential drug and alcohol programs licensed/approved    | 179 | 179 | 179 | 179 | 179 | 179 | 179 |
| Nonresidential drug and alcohol programs licensed/approved | 495 | 495 | 495 | 495 | 495 | 495 | 495 |



---

# DEPARTMENT OF EDUCATION

*The mission of the Department of Education is to academically prepare children and adults to succeed as productive citizens. The department seeks to ensure that the technical support, resources and opportunities are in place for all students, whether children or adults, to receive a high quality education.*

The department establishes standards and measures aimed at continuous improvement of school curriculum and manages staff development and research dissemination systems to ensure that all educational institutions can select from proven practices to boost student achievement. Local school districts, school boards and other educational institutions receive technical assistance via a network of Intermediate Units. The department operates a major research library and leads the development of the state's public, school, academic and special libraries to meet the information, education and enrichment needs of citizens. The department supports the improvement of Pennsylvania's higher education and community colleges via educational programs, funding to support students and direct resources for facility development.

## **Programs and Goals**

**Education Support Services:** *To provide an effective administrative system through which the substantive programs of the agency can be achieved.*

**PreK–12 Education (Basic Education):** *To prepare all students for success in college and careers, and as engaged citizens of the commonwealth.*

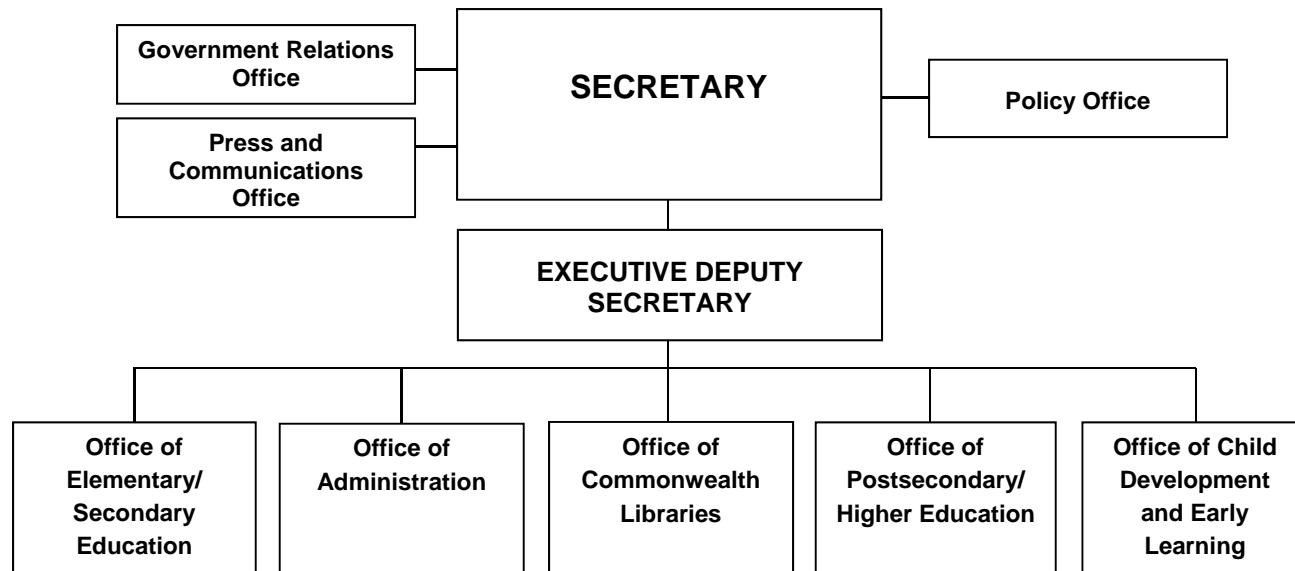
**Library Services:** *To provide and improve library services to citizens of the commonwealth, special libraries and government agencies and employees.*

**Higher Education:** *To promote access, affordability and performance in higher education through strategies to expand opportunity for students and align with employer needs, and to support the commonwealth's public institutions of higher education in achieving these goals.*

---



## Organization Overview



- **Office of Elementary/Secondary Education** is responsible for statewide development, administration and improvement of public and nonpublic schools that serve students in kindergarten through the 12th grade. The major components are general education, career and technical education, special education, community and student support services and school services.
- **Office of Administration** is responsible for all administrative and managerial staff functions of the department. These include budgeting and fiscal management, personnel, information systems and data resource management.
- **Office of Commonwealth Libraries** operates a major research library and leads the development of the state's public, school, academic and special libraries to meet the information, education and enrichment needs of its residents.
- **Office of Postsecondary/Higher Education** participates in long-range planning for higher education in Pennsylvania; consults with the State Board of Education on the development of regulations to assure quality postsecondary and higher education programs; oversees the authorization of degree-granting institutions and the licensure of career and trade schools; oversees the certification of teachers; coordinates the approval of academic programs as required; coordinates approval of institutions to process veterans benefits; and provides direction and coordination for adult basic and literacy education.
- **Office of Child Development and Early Learning** is focused on creating opportunities for the commonwealth's youngest children to develop and learn to their fullest potential.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 603               | 590               | 544               | 551               | 535               |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>  |                   |                      |                   |
| <b>General Government:</b>  |                   |                      |                   |
| <b>General Government Operations.....</b>                           | <b>\$ 23,608</b>  | <b>\$ 23,534</b>     | <b>\$ 23,605</b>  |
| (F)Adult Basic Education - Administration .....                     | 945               | 945                  | 1,000             |
| (F)Education of Exceptional Children.....                           | 10,000            | 10,000               | 10,000            |
| (F)Special Education - State Personnel Development.....             | 2,394             | 2,394                | 2,394             |
| (F)ESEA - Title I - Administration.....                             | 12,000            | 12,000               | 12,000            |
| (F)State Approving Agency (VA).....                                 | 1,400             | 1,660                | 1,660             |
| (F)Food and Nutrition Service.....                                  | 11,429            | 14,504               | 15,954            |
| (F)Migrant Education - Administration .....                         | 600               | 625                  | 625               |
| (F)Vocational Education - Administration.....                       | 3,910             | 3,910                | 3,910             |
| (F)Improving Teacher Quality - Title II - Administration/State..... | 5,400             | 5,400                | 5,400             |
| (F)Homeless Assistance.....   | 4,275             | 4,275                | 4,275             |
| (F)Preschool Grant.....   | 750               | 750                  | 750               |
| (F)School Health Education Programs .....                           | 450               | 450                  | 450               |
| (F)Charter Schools Initiatives.....                                 | 8,000             | 0                    | 0                 |
| (F)Advanced Placement Testing.....                                  | 1,017             | 1,222                | 600               |
| (F)Medical Assistance - Nurses' Aide Training.....                  | 300               | 300                  | 300               |
| (F)State and Community Highway Safety.....                          | 987               | 987                  | 987               |
| (F)Title IV - 21st Century Community Learning Centers - Admin.....  | 4,000             | 4,000                | 4,000             |
| (F)National Assessment of Educational Progress (NAEP).....          | 188               | 148                  | 148               |
| (F)Striving Readers.....  | 50,156            | 50,156               | 50,156            |
| (F)Refugee School Impact Development (EA).....                      | 566               | 834                  | 721               |
| (F)Migrant Education Coordination Program.....                      | 130               | 130                  | 130               |
| (F)College Access Challenge Grant Program.....                      | 3,935             | 7,870                | 3,700             |
| (F)School Improvement Grants.....                                   | 60,000            | 60,000               | 60,000            |
| (F)School Climate Transformation Grant.....                         | 0                 | 328                  | 0                 |
| (F)Refugee School Assistance Program.....                           | 200               | 0                    | 0                 |
| (F)WIA - Dislocated Workers Incentive Grant (EA).....               | 325               | 325                  | 0                 |
| (F)Live Healthy PA.....   | 90                | 129                  | 0                 |
| (F)School Emergency Management Program.....                         | 0                 | 990                  | 352               |
| (F)Pennsylvania Project AWARE.....                                  | 0                 | 1,950                | 1,950             |
| (F)Preventative Health and Health Services.....                     | 0                 | 250                  | 0                 |
| (F)WIA Incentive Grant - Workforce Systems.....                     | 0                 | 1,434                | 1,434             |
| (F)Preschool Development Grants.....                                | 0                 | 0                    | 30,000            |
| (F)Child Nutrition - Administration.....                            | 0                 | 138                  | 0                 |
| (F)WIA - PA STEM Competition.....                                   | 0                 | 75                   | 0                 |
| (A)Management Services.....   | 27                | 21                   | 21                |
| (A)Approved Private Schools.....                                    | 462               | 446                  | 456               |
| (A)National Center for Educational Statistics.....                  | 6                 | 11                   | 11                |
| (A)Teenage Parenting.....   | 1,947             | 1,947                | 1,947             |
| (A)EPSDT Administration .....                                       | 2,047             | 2,141                | 2,141             |
| (A)Services to Nonpublic Schools - Administration.....              | 863               | 864                  | 863               |
| (A)National Assn. of State Boards of Education.....                 | 12                | 11                   | 11                |
| (A)Teacher Certification Fees.....                                  | 69                | 844                  | 490               |
| (A)Nonpublic Textbook Administration.....                           | 566               | 651                  | 964               |
| (A)Improving Early Learning Outcomes.....                           | 25                | 12                   | 12                |
| (A)Alternative Education.....                                       | 0                 | 47                   | 47                |
| Subtotal.....   | \$ 213,079        | \$ 218,708           | \$ 243,464        |
| <b>Office of Safe Schools Advocate.....</b>                         | <b>384 a</b>      | <b>388 a</b>         | <b>388</b>        |
| <b>Information and Technology Improvement.....</b>                  | <b>4,181</b>      | <b>4,000</b>         | <b>4,000</b>      |
| (F)Statewide Data Systems .....                                     | 628               | 0                    | 0                 |
| (F)ARRA - Statewide Longitudinal Data Systems.....                  | 9,049             | 3,746                | 0                 |
| <b>PA Assessment.....</b>   | <b>53,691</b>     | <b>58,291</b>        | <b>58,291</b>     |
| (F)Title VI - Part A State Assessments.....                         | 16,000            | 16,000               | 16,000            |
| Subtotal.....   | \$ 83,933         | \$ 82,425            | \$ 78,679         |
| <b>State Library.....</b>   | <b>1,777</b>      | <b>1,957</b>         | <b>1,965</b>      |
| (F)LSTA - Library Development.....                                  | 8,500             | 8,500                | 8,500             |
| (F)National Endowment for the Humanities.....                       | 176               | 0                    | 0                 |
| (A)Penalties and Reimbursements.....                                | 2                 | 1                    | 1                 |
| (A)Photocopy Service.....   | 3                 | 4                    | 4                 |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL         | 2014-15<br>AVAILABLE      | 2015-16<br>BUDGET |
|--|---------------------------|---------------------------|-------------------|
| (A)Keystone Fund.....  | 92                        | 99                        | 106               |
| Subtotal.....  | \$ 10,550                 | \$ 10,561                 | \$ 10,576         |
| Subtotal - State Funds.....  | \$ 83,641                 | \$ 88,170                 | \$ 88,249         |
| Subtotal - Federal Funds.....  | 217,800                   | 216,425                   | 237,396           |
| Subtotal - Augmentations.....  | 6,121                     | 7,099                     | 7,074             |
| Total - General Government.....                                      | \$ 307,562                | \$ 311,694                | \$ 332,719        |
| <b>Institutional:</b>  |                           |                           |                   |
| Youth Development Centers - Education.....                           | \$ 7,840                  | \$ 7,930                  | \$ 7,930          |
| Subtotal.....  | \$ 7,840                  | \$ 7,930                  | \$ 7,930          |
| <b>Grants and Subsidies:</b>   |                           |                           |                   |
| <b>Support of Public Schools:</b>                                    |                           |                           |                   |
| Basic Education Funding.....   | \$ 5,628,629 <sup>b</sup> | \$ 5,730,079 <sup>b</sup> | \$ 6,130,079      |
| Pre-K Counts.....  | 87,284                    | 97,284                    | 197,284           |
| Head Start Supplemental Assistance.....                              | 39,178                    | 39,178                    | 59,178            |
| Mobile Science and Math Education Programs.....                      | 864                       | 1,864                     | 0                 |
| Teacher Professional Development.....                                | 6,459                     | 6,459                     | 7,459             |
| Adult and Family Literacy.....                                       | 12,075                    | 12,075                    | 16,675            |
| (F)Adult Basic Education - Local.....                                | 20,000                    | 20,500                    | 21,000            |
| Career and Technical Education.....                                  | 62,000                    | 62,000                    | 85,000            |
| (F)Vocational Education Act - Local.....                             | 49,000                    | 49,000                    | 49,000            |
| Career and Technical Education Equipment Grants.....                 | 3,000                     | 3,000                     | 5,000             |
| Authority Rentals and Sinking Fund Requirements.....                 | 296,198                   | 306,198                   | 306,198           |
| Pupil Transportation.....  | 524,552                   | 546,677                   | 549,097           |
| Nonpublic and Charter School Pupil Transportation.....               | 78,614                    | 78,614                    | 80,009            |
| Special Education.....   | 1,026,815                 | 1,046,815                 | 1,146,815         |
| (F)Individuals with Disabilities Education - Local.....              | 435,000                   | 457,000                   | 457,000           |
| Early Intervention.....  | 227,973                   | 237,516                   | 237,516           |
| (F)Individuals with Disabilities Education.....                      | 16,000                    | 16,000                    | 16,000            |
| Tuition for Orphans and Children Placed in Private Homes.....        | 48,872                    | 48,506                    | 48,506            |
| Payments in Lieu of Taxes.....                                       | 197                       | 163                       | 164               |
| Education of Migrant Laborers' Children.....                         | 851                       | 853                       | 853               |
| PA Charter Schools for the Deaf and Blind.....                       | 41,384                    | 42,809                    | 43,781            |
| Special Education - Approved Private Schools.....                    | 94,031                    | 95,347                    | 97,672            |
| School Food Services.....  | 30,521                    | 32,488                    | 32,488            |
| (F)Food and Nutrition - Local.....                                   | 635,341                   | 673,462                   | 695,704           |
| School Employees' Social Security.....                               | 469,115                   | 515,772 <sup>c</sup>      | 524,428           |
| School Employees' Retirement.....                                    | 949,279                   | 1,157,853                 | 0 <sup>d</sup>    |
| (A)Tobacco and Health Venture Investment Account.....                | 0                         | 225,000                   | 0                 |
| Subtotal.....  | \$ 10,783,232             | \$ 11,502,512             | \$ 10,806,906     |
| (F)ESEA - Title I - Local.....                                       | 625,000                   | 625,000                   | 625,000           |
| (F)Improving Teacher Quality - Title II - Local.....                 | 130,000                   | 130,000                   | 130,000           |
| (F)Title IV 21st Century Community Learning Centers - Local.....     | 90,000                    | 90,000                    | 90,000            |
| (F)Title III - Language Instruction for LEP & Immigrant Student..... | 20,000                    | 20,000                    | 20,000            |
| (F)Title VI - Rural & Low Income School - Local.....                 | 1,700                     | 1,700                     | 1,700             |
| (F)ARRA - ESEA - Title I - School Improvement.....                   | 35,000                    | 10,067                    | 0                 |
| (F)Race to the Top.....  | 38,804                    | 30,939                    | 1,997             |
| (F)TANF - Teenage Parenting Education (EA).....                      | 11,094                    | 11,094                    | 11,094            |
| (F)Teenage Parenting - Food Stamps (EA).....                         | 863                       | 863                       | 863               |
| (F)Early Learning Challenge Grant (EA).....                          | 783                       | 2,761                     | 1,976             |
| Subtotal.....  | \$ 953,244                | \$ 922,424                | \$ 882,630        |
| <b>Other Grants and Subsidies:</b>                                   |                           |                           |                   |
| Services to Nonpublic Schools.....                                   | 86,384                    | 86,384                    | 92,414            |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL    | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET    |
|---|----------------------|----------------------|----------------------|
| Textbooks, Materials and Equipment for Nonpublic Schools..... | 26,278               | 26,278               | 28,112               |
| Public Library Subsidy.....                                   | 53,507               | 53,507               | 53,507               |
| Library Services for the Visually Impaired and Disabled.....  | 2,567                | 2,567                | 2,567                |
| Library Access.....   | 3,071                | 3,071                | 2,821                |
| Job Training and Education Programs.....                      | 8,050                | 10,500               | 0                    |
| Safe School Initiative.....                                   | 8,522                | 8,522                | 8,522                |
| Subtotal.....   | \$ 188,379           | \$ 190,829           | \$ 187,943           |
| <b>Higher Education - Other Grants and Subsidies:</b>         |                      |                      |                      |
| Community Colleges.....                                       | 212,167              | 215,667              | 230,723              |
| Transfer to Community College Capital Fund.....               | 48,869               | 48,869               | 48,869               |
| Regional Community Colleges Services.....                     | 1,200                | 2,400                | 2,400                |
| Community Education Councils.....                             | 2,300                | 2,300                | 2,350                |
| Thaddeus Stevens College of Technology.....                   | 10,332               | 12,332               | 13,195               |
| Subtotal.....   | \$ 274,868           | \$ 281,568           | \$ 297,537           |
| <b>State System of Higher Education:</b>                      |                      |                      |                      |
| State Universities.....                                       | 412,751              | 412,751              | 458,053              |
| Subtotal.....   | \$ 412,751           | \$ 412,751           | \$ 458,053           |
| <b>The Pennsylvania State University:</b>                     |                      |                      |                      |
| General Support.....  | 214,110              | 214,110              | 263,734              |
| Pennsylvania College of Technology.....                       | 15,584               | 17,584               | 18,815               |
| Subtotal.....   | \$ 229,694           | \$ 231,694           | \$ 282,549           |
| <b>University of Pittsburgh:</b>                              |                      |                      |                      |
| General Support.....  | 133,993              | 133,993              | 148,911              |
| Rural Education Outreach.....                                 | 2,300                | 2,300                | 2,300                |
| Subtotal.....   | \$ 136,293           | \$ 136,293           | \$ 151,211           |
| <b>Temple University:</b>                                     |                      |                      |                      |
| General Support.....  | 139,917              | 139,917              | 155,361              |
| Subtotal.....   | \$ 139,917           | \$ 139,917           | \$ 155,361           |
| <b>Lincoln University:</b>                                    |                      |                      |                      |
| General Support.....  | 13,163               | 13,163               | 14,084               |
| Subtotal.....   | \$ 13,163            | \$ 13,163            | \$ 14,084            |
| Subtotal - State Funds.....                                   | \$ 11,022,956        | \$ 11,467,765        | \$ 11,114,940        |
| Subtotal - Federal Funds.....                                 | 2,108,585            | 2,138,386            | 2,121,334            |
| Subtotal - Augmentations.....                                 | 0                    | 225,000              | 0                    |
| Total - Grants and Subsidies.....                             | \$ 13,131,541        | \$ 13,831,151        | \$ 13,236,274        |
| STATE FUNDS.....  | \$ 11,114,437        | \$ 11,563,865        | \$ 11,211,119        |
| FEDERAL FUNDS.....  | 2,326,385            | 2,354,811            | 2,358,730            |
| AUGMENTATIONS.....  | 6,121                | 232,099              | 7,074                |
| <b>GENERAL FUND TOTAL.....</b>                                | <b>\$ 13,446,943</b> | <b>\$ 14,150,775</b> | <b>\$ 13,576,923</b> |
| <b>MOTOR LICENSE FUND:</b>                                    |                      |                      |                      |
| <b>Grants and Subsidies:</b>                                  |                      |                      |                      |
| Safe Driving Course.....                                      | \$ 1,100             | \$ 1,100             | \$ 1,100             |

# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL    | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET    |
|---|----------------------|----------------------|----------------------|
| <b>OTHER FUNDS:</b>   |                      |                      |                      |
| <b>GENERAL FUND:</b>  |                      |                      |                      |
| Private Licensed Schools.....                                     | \$ 696               | \$ 887               | \$ 949               |
| Empowerment School Districts.....                                 | 1,173                | 4,500                | 4,500                |
| Medical Assistance Reimbursements.....                            | 68,087               | 195,000              | 195,000              |
| School Employees' Retirement.....                                 | 0                    | 0                    | 1,750,000            |
| <b>GENERAL FUND TOTAL.....</b>                                    | <b>\$ 69,956</b>     | <b>\$ 200,387</b>    | <b>\$ 1,950,449</b>  |
| <b>COMMUNITY COLLEGE CAPITAL FUND:</b>                            |                      |                      |                      |
| Community College Capital .....                                   | \$ 0 <sup>e</sup>    | \$ 0 <sup>e</sup>    | \$ 0 <sup>e</sup>    |
| <b>GOV. CASEY ORGAN &amp; TISSUE DONATION AWARENESS FUND:</b>     |                      |                      |                      |
| Governor Casey Organ and Tissue Donation Awareness Fund (EA)..... | \$ 200               | \$ 200               | \$ 200               |
| <b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>           |                      |                      |                      |
| Local Libraries Rehabilitation and Development (EA).....          | \$ 3,019             | \$ 2,980             | \$ 3,144             |
| SSHE - Deferred Maintenance (EA).....                             | 13,590               | 13,409               | 14,148               |
| <b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....</b> | <b>\$ 16,609</b>     | <b>\$ 16,389</b>     | <b>\$ 17,292</b>     |
| <b>PROPERTY TAX RELIEF FUND:</b>                                  |                      |                      |                      |
| Property Tax Relief Payments (EA).....                            | \$ 611,600           | \$ 616,200           | \$ 616,200           |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                               |                      |                      |                      |
| GENERAL FUND.....   | \$ 11,114,437        | \$ 11,563,865        | \$ 11,211,119        |
| SPECIAL FUNDS.....  | 1,100                | 1,100                | 1,100                |
| FEDERAL FUNDS.....  | 2,326,385            | 2,354,811            | 2,358,730            |
| AUGMENTATIONS.....  | 6,121                | 232,099              | 7,074                |
| OTHER FUNDS.....  | 698,365              | 833,176              | 2,584,141            |
| <b>TOTAL ALL FUNDS.....</b>                                       | <b>\$ 14,146,408</b> | <b>\$ 14,985,051</b> | <b>\$ 16,162,164</b> |

<sup>a</sup> Appropriated in Executive Offices.

<sup>b</sup> 2013-14 Actual includes \$2,500,000 appropriated as Basic Ed Formula Enhancements and \$100,000,000 appropriated as Pennsylvania Accountability Grants. 2014-15 Available includes \$3,950,000 appropriated as Basic Ed Formula Enhancements and \$200,000,000 appropriated as Ready to Learn Block Grant.

<sup>c</sup> Includes recommended supplemental appropriation of \$15,000,000.

<sup>d</sup> This budget proposes transferring School Employees' Retirement to a restricted account.

<sup>e</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$48,869,000, 2014-15 Available is \$48,869,000, and 2015-16 Budget is \$48,869,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

|                                   | 2013-14<br>Actual           | 2014-15<br>Available        | 2015-16<br>Budget           | 2016-17<br>Estimated        | 2017-18<br>Estimated        | 2018-19<br>Estimated        | 2019-20<br>Estimated        |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>EDUCATION SUPPORT SERVICES</b> |                             |                             |                             |                             |                             |                             |                             |
| GENERAL FUND.....                 | \$ 27,789                   | \$ 27,534                   | \$ 27,605                   | \$ 28,431                   | \$ 29,042                   | \$ 29,668                   | \$ 30,310                   |
| SPECIAL FUNDS.....                | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| FEDERAL FUNDS.....                | 133,124                     | 131,925                     | 152,896                     | 141,110                     | 141,110                     | 141,110                     | 141,110                     |
| OTHER FUNDS.....                  | 6,720                       | 7,882                       | 7,912                       | 7,892                       | 7,892                       | 7,892                       | 7,892                       |
| SUBCATEGORY TOTAL.....            | <u>\$ 167,633</u>           | <u>\$ 167,341</u>           | <u>\$ 188,413</u>           | <u>\$ 177,433</u>           | <u>\$ 178,044</u>           | <u>\$ 178,670</u>           | <u>\$ 179,312</u>           |
| <b>BASIC EDUCATION</b>            |                             |                             |                             |                             |                             |                             |                             |
| GENERAL FUND.....                 | \$ 9,819,040                | \$ 10,259,843               | \$ 9,763,859                | \$ 10,348,016               | \$ 10,822,179               | \$ 11,295,755               | \$ 11,314,384               |
| SPECIAL FUNDS.....                | 1,100                       | 1,100                       | 1,100                       | 1,100                       | 1,100                       | 1,100                       | 1,100                       |
| FEDERAL FUNDS.....                | 2,184,585                   | 2,214,386                   | 2,197,334                   | 2,195,061                   | 2,193,361                   | 2,193,361                   | 2,193,361                   |
| OTHER FUNDS.....                  | 681,060                     | 1,040,900                   | 2,565,900                   | 6,317,700                   | 6,433,700                   | 6,542,700                   | 6,677,700                   |
| SUBCATEGORY TOTAL.....            | <u>\$ 12,685,785</u>        | <u>\$ 13,516,229</u>        | <u>\$ 14,528,193</u>        | <u>\$ 18,861,877</u>        | <u>\$ 19,450,340</u>        | <u>\$ 20,032,916</u>        | <u>\$ 20,186,545</u>        |
| <b>LIBRARY SERVICES</b>           |                             |                             |                             |                             |                             |                             |                             |
| GENERAL FUND.....                 | \$ 60,922                   | \$ 61,102                   | \$ 60,860                   | \$ 60,929                   | \$ 60,980                   | \$ 61,032                   | \$ 61,085                   |
| SPECIAL FUNDS.....                | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| FEDERAL FUNDS.....                | 8,676                       | 8,500                       | 8,500                       | 8,500                       | 8,500                       | 8,500                       | 8,500                       |
| OTHER FUNDS.....                  | 3,116                       | 3,084                       | 3,255                       | 3,617                       | 3,712                       | 3,774                       | 3,977                       |
| SUBCATEGORY TOTAL.....            | <u>\$ 72,714</u>            | <u>\$ 72,686</u>            | <u>\$ 72,615</u>            | <u>\$ 73,046</u>            | <u>\$ 73,192</u>            | <u>\$ 73,306</u>            | <u>\$ 73,562</u>            |
| <b>HIGHER EDUCATION</b>           |                             |                             |                             |                             |                             |                             |                             |
| GENERAL FUND.....                 | \$ 1,206,686                | \$ 1,215,386                | \$ 1,358,795                | \$ 1,507,929                | \$ 1,507,929                | \$ 1,507,929                | \$ 1,507,929                |
| SPECIAL FUNDS.....                | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| FEDERAL FUNDS.....                | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           | 0                           |
| OTHER FUNDS.....                  | 13,590                      | 13,409                      | 14,148                      | 15,778                      | 16,203                      | 16,483                      | 17,398                      |
| SUBCATEGORY TOTAL.....            | <u>\$ 1,220,276</u>         | <u>\$ 1,228,795</u>         | <u>\$ 1,372,943</u>         | <u>\$ 1,523,707</u>         | <u>\$ 1,524,132</u>         | <u>\$ 1,524,412</u>         | <u>\$ 1,525,327</u>         |
| <b>ALL PROGRAMS:</b>              |                             |                             |                             |                             |                             |                             |                             |
| GENERAL FUND.....                 | \$ 11,114,437               | \$ 11,563,865               | \$ 11,211,119               | \$ 11,945,305               | \$ 12,420,130               | \$ 12,894,384               | \$ 12,913,708               |
| SPECIAL FUNDS.....                | 1,100                       | 1,100                       | 1,100                       | 1,100                       | 1,100                       | 1,100                       | 1,100                       |
| FEDERAL FUNDS.....                | 2,326,385                   | 2,354,811                   | 2,358,730                   | 2,344,671                   | 2,342,971                   | 2,342,971                   | 2,342,971                   |
| OTHER FUNDS.....                  | 704,486                     | 1,065,275                   | 2,591,215                   | 6,344,987                   | 6,461,507                   | 6,570,849                   | 6,706,967                   |
| DEPARTMENT TOTAL.....             | <u><u>\$ 14,146,408</u></u> | <u><u>\$ 14,985,051</u></u> | <u><u>\$ 16,162,164</u></u> | <u><u>\$ 20,636,063</u></u> | <u><u>\$ 21,225,708</u></u> | <u><u>\$ 21,809,304</u></u> | <u><u>\$ 21,964,746</u></u> |

## Program: Education Support Services

*Goal: To provide an effective administrative system through which the substantive programs of the agency can be achieved.*

Education Support Services provides for the administrative and overhead systems that support the operation of programs necessary for the achievement of Department of Education and commonwealth objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. The department seeks to minimize these administrative costs in relation to the costs of services provided. As part of its efforts to control administrative costs, the department continues to enhance its information technology support of program and fiscal applications

permitting departmental employees to perform their responsibilities in a more efficient and effective manner.

In addition to providing operational support to the executive, budget, communications and legal offices of the department, this program also provides staff support to the State Board of Education and other administrative boards and commissions. These include boards for private, academic, business, trade and correspondence schools and the Professional Standards and Practices Commission.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**General Government Operations**  
\$ 71 —to continue current program.

The Information and Technology Improvement appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                         |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....          | \$ 23,608         | \$ 23,534            | \$ 23,605         | \$ 24,431            | \$ 25,042            | \$ 25,668            | \$ 26,310            |
| Information and Technology Improvement ..... | 4,181             | 4,000                | 4,000             | 4,000                | 4,000                | 4,000                | 4,000                |
| <b>TOTAL GENERAL FUND .....</b>              | <b>\$ 27,789</b>  | <b>\$ 27,534</b>     | <b>\$ 27,605</b>  | <b>\$ 28,431</b>     | <b>\$ 29,042</b>     | <b>\$ 29,668</b>     | <b>\$ 30,310</b>     |



## Program: PreK–12 Education (Basic Education)

*Goal: To prepare all students for success in college and careers, and as engaged citizens of the commonwealth.*

### **Program Element: PreK-12 Education (Basic Education)**

Pennsylvania's preK-12 education system is designed to provide every child in the commonwealth with the skills they need to be active citizens and future leaders in our global economy.

### **Program Element: Basic Education Funding**

The commonwealth and local school districts share the financing of public elementary and secondary education in Pennsylvania. There are 500 local school districts, each governed by a locally elected school board that is responsible for the administration of the public schools in the district. Funding provided to the school districts by the commonwealth supplements the funds raised locally.

The Basic Education Funding appropriation is the largest subsidy the commonwealth provides to local school districts. In order to increase academic achievement, school districts are encouraged to invest in early childhood education and other proven programs. The Department of Education supports school improvement and efficiency through targeted initiatives.

### **Program Element: Early Childhood Learning**

Early learning for Pennsylvania's youngest children is crucial for both their short-term and long-term success. The benefits of a strong foundation in early childhood education has been recognized as one of the best economic development investments that a state can make. Early childhood programs supported through the Department of Education appropriations include:

**Pre-K Counts.** This program provides high-quality early childhood education to Pennsylvania children in diverse settings, ranging from school-based programs to Keystone STARS child care centers. The percentage of four-year olds with proficient academic and social skills more than doubled to nearly 80 percent after participating in PA Pre-K Counts programs in 2013-14.

**Head Start.** Pennsylvania's Head Start Supplemental Assistance program is based on the federal model of Head Start, providing services to three and four-year-old children and their families with family incomes up to 130 percent of the federal poverty guidelines. The Head Start model provides comprehensive education, health, nutrition and parent involvement services. This program has demonstrated a positive impact for children with personal and social development challenges.

### **Program Element: Transforming Pennsylvania's High Schools**

It is critically important that all Pennsylvania students who graduate from high school are college or career ready. The commonwealth strives to create high school environments that are rigorous, results-focused, data informed and personalized in a way that is seamlessly supported by systems, resources, technology and shared leadership.

In order to improve student achievement, the Standards Aligned System has been implemented to provide a portal for educator and parent access to curriculum, assessment information and tools, and instructional resources.

**Career and Technical Education.** Career and Technical Education serves secondary students enrolled in approved career and technical education programs at school districts, charter schools and career and technical centers. Career and Technical Education must provide a rigorous high school education to students while delivering skilled technical education designed with input from incumbent workers and employers in high-demand employment fields. Wherever possible, students earn real-world, industry-based certifications at the end of their programs, which enhance their employment opportunities.

### **Program Element: Special Education**

Special education serves school-aged students in Pennsylvania school districts, charter schools, intermediate units, approved private schools and private residential facilities (excluding gifted students).

The special education appropriation provides support for programs for students with disabilities served by the public schools of the commonwealth. Public school special education programs are administered by all school districts and charter schools. These programs may be directly operated by the districts or contracted with other school districts, intermediate units or other providers. If appropriate public education is not available, Individualized Education Plan teams may determine an appropriate public education can only be provided by department-approved private schools or other private agency.

Funds are also provided for Early Intervention and Approved Private Schools/Charter Schools for the Deaf and Blind.



## Program: PreK–12 Education (continued)

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND****Basic Education Funding**

\$ 400,000 —Initiative—Schools that Teach. To provide a 7 percent increase for school district basic education programs in order to invest in education and restore budget cuts.

**Pre-K Counts**

\$ 100,000 —Initiative—Schools that Teach. To provide a down payment on Pennsylvania's plan for universal high-quality Pre-K education for 3- and 4-year-olds by creating more than 14,000 additional slots together with the Head Start Supplemental Assistance Program.

**Head Start Supplemental Assistance**

\$ 20,000 —Initiative—Schools that Teach. To provide a down payment on Pennsylvania's plan for universal high-quality Pre-K education for 3- and 4-year-olds by creating more than 14,000 additional slots together with Pre-K Counts.

**Mobile Science and Math Education Programs**

\$ -1,864 —program elimination.

**Teacher Professional Development**

\$ 1,000 —Initiative—Schools that Teach. To provide funds for curriculum development and other technical assistance for fiscally distressed school districts.

**Adult and Family Literacy**

\$ 5,000 —Initiative—Jobs that Pay. To provide funds for adult literacy as part of comprehensive workforce development.

-400 —funding reduction.

\$ 4,600 *Appropriation Increase*

**Career and Technical Education**

\$ 8,000 —Initiative—Jobs that Pay. To provide career counseling services to help students prepare for the future.

15,000 —Initiative—Jobs that Pay. To establish and strengthen programs that prepare students for high-skill careers.

\$ 23,000 *Appropriation Increase*

**Career and Technical Education Equipment Grants**

\$ 5,000 —Initiative—Jobs that Pay. To provide additional resources for equipment purchases to prepare students for high-skill careers.

-3,000 —funding reduction.

\$ 2,000 *Appropriation Increase*

**Pupil Transportation**

\$ 2,420 —to continue current program.

**Nonpublic and Charter School Pupil Transportation**

\$ 1,395 —to continue current program.

**Special Education**

\$ 100,000 —Initiative—Schools that Teach. To provide increased resources for special education instruction based on the Special Education Funding Commission's formula.

**Payments in Lieu of Taxes**

\$ 1 —to continue current program.

**PA Charter Schools for the Deaf and Blind**

\$ 972 —to continue current program.

**Special Education-Approved Private Schools**

\$ 2,325 —to continue current program.

**School Employees' Social Security**

\$ 8,656 —to continue current program.

**School Employees' Retirement**

\$ -1,157,853 —transfer to restricted account.

**Services to Nonpublic Schools**

\$ 6,030 —Initiative—Schools that Teach. To provide a 7 percent increase in state support.

**Textbooks, Materials and Equipment for Nonpublic Schools**

\$ 1,834 —Initiative—Schools that Teach. To provide a 7 percent increase in state support.

**Job Training and Education Programs**

\$ -10,500 —program elimination.

All other appropriations are recommended at the current year funding levels.

**MOTOR LICENSE FUND****Safe Driving Course**

The Safe Driving Course appropriation is recommended at the current year funding level.

Please see the *Schools that Teach* and *Jobs that Pay* themes in the Overview and Summaries Section for additional information.

## Program: PreK–12 Education (Basic Education) (continued)

## Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                        |                     |                      |                     |                      |                      |                      |                      |
| Office of Safe Schools Advocate .....       | \$ 384              | \$ 388               | \$ 388              | \$ 402               | \$ 412               | \$ 422               | \$ 433               |
| PA Assessment .....                         | 53,691              | 58,291               | 58,291              | 58,291               | 58,291               | 58,291               | 58,291               |
| Youth Development Centers - Education ..    | 7,840               | 7,930                | 7,930               | 8,208                | 8,413                | 8,623                | 8,839                |
| Basic Education Funding .....               | 5,628,629           | 5,730,079            | 6,130,079           | 6,530,079            | 6,830,079            | 7,130,079            | 7,130,079            |
| Pre-K Counts .....                          | 87,284              | 97,284               | 197,284             | 297,284              | 397,284              | 497,284              | 497,284              |
| Head Start Supplemental Assistance .....    | 39,178              | 39,178               | 59,178              | 59,178               | 59,178               | 59,178               | 59,178               |
| Mobile Science and Math Education           |                     |                      |                     |                      |                      |                      |                      |
| Programs .....                              | 864                 | 1,864                | 0                   | 0                    | 0                    | 0                    | 0                    |
| Teacher Professional Development .....      | 6,459               | 6,459                | 7,459               | 7,459                | 7,459                | 7,459                | 7,459                |
| Adult and Family Literacy .....             | 12,075              | 12,075               | 16,675              | 16,675               | 16,675               | 16,675               | 16,675               |
| Career and Technical Education .....        | 62,000              | 62,000               | 85,000              | 85,000               | 85,000               | 85,000               | 85,000               |
| Career and Technical Education Equipment    |                     |                      |                     |                      |                      |                      |                      |
| Grants .....                                | 3,000               | 3,000                | 5,000               | 5,000                | 5,000                | 5,000                | 5,000                |
| Authority Rentals and Sinking Fund          |                     |                      |                     |                      |                      |                      |                      |
| Requirements .....                          | 296,198             | 306,198              | 306,198             | 306,198              | 306,198              | 306,198              | 306,198              |
| Pupil Transportation .....                  | 524,552             | 546,677              | 549,097             | 549,097              | 549,097              | 549,097              | 549,097              |
| Nonpublic and Charter School Pupil          |                     |                      |                     |                      |                      |                      |                      |
| Transportation .....                        | 78,614              | 78,614               | 80,009              | 80,009               | 80,009               | 80,009               | 80,009               |
| Special Education .....                     | 1,026,815           | 1,046,815            | 1,146,815           | 1,196,815            | 1,246,815            | 1,296,815            | 1,296,815            |
| Early Intervention .....                    | 227,973             | 237,516              | 237,516             | 237,516              | 237,516              | 237,516              | 237,516              |
| Tuition for Orphans and Children Placed     |                     |                      |                     |                      |                      |                      |                      |
| in Private Homes .....                      | 48,872              | 48,506               | 48,506              | 48,506               | 48,506               | 48,506               | 48,506               |
| Payments in Lieu of Taxes .....             | 197                 | 163                  | 164                 | 164                  | 164                  | 164                  | 164                  |
| Education of Migrant Laborers' Children ... | 851                 | 853                  | 853                 | 853                  | 853                  | 853                  | 853                  |
| PA Charter Schools for the Deaf and Blind   | 41,384              | 42,809               | 43,781              | 49,008               | 51,679               | 54,377               | 57,101               |
| Special Education - Approved Private        |                     |                      |                     |                      |                      |                      |                      |
| Schools .....                               | 94,031              | 95,347               | 97,672              | 109,334              | 115,293              | 121,311              | 127,389              |
| School Food Services .....                  | 30,521              | 32,488               | 32,488              | 32,488               | 32,488               | 32,488               | 32,488               |
| School Employees' Social Security .....     | 469,115             | 515,772              | 524,428             | 532,967              | 541,837              | 551,061              | 560,661              |
| School Employees' Retirement .....          | 949,279             | 1,157,853            | 0                   | 0                    | 0                    | 0                    | 0                    |
| Services to Nonpublic Schools .....         | 86,384              | 86,384               | 92,414              | 98,883               | 103,827              | 107,980              | 107,980              |
| Textbooks, Materials and Equipment for      |                     |                      |                     |                      |                      |                      |                      |
| Nonpublic Schools .....                     | 26,278              | 26,278               | 28,112              | 30,080               | 31,584               | 32,847               | 32,847               |
| Job Training and Education Programs .....   | 8,050               | 10,500               | 0                   | 0                    | 0                    | 0                    | 0                    |
| Safe School Initiative .....                | 8,522               | 8,522                | 8,522               | 8,522                | 8,522                | 8,522                | 8,522                |
| <b>TOTAL GENERAL FUND .....</b>             | <b>\$ 9,819,040</b> | <b>\$ 10,259,843</b> | <b>\$ 9,763,859</b> | <b>\$ 10,348,016</b> | <b>\$ 10,822,179</b> | <b>\$ 11,295,755</b> | <b>\$ 11,314,384</b> |
| <b>MOTOR LICENSE FUND:</b>                  |                     |                      |                     |                      |                      |                      |                      |
| Safe Driving Course .....                   | \$ 1,100            | \$ 1,100             | \$ 1,100            | \$ 1,100             | \$ 1,100             | \$ 1,100             | \$ 1,100             |

## Program: Library Services

*Goal: To provide and improve library services to citizens of the commonwealth, special libraries and government agencies and employees.*

The proposed 2015-16 budget offers a variety of valued public library services to all Pennsylvanians.

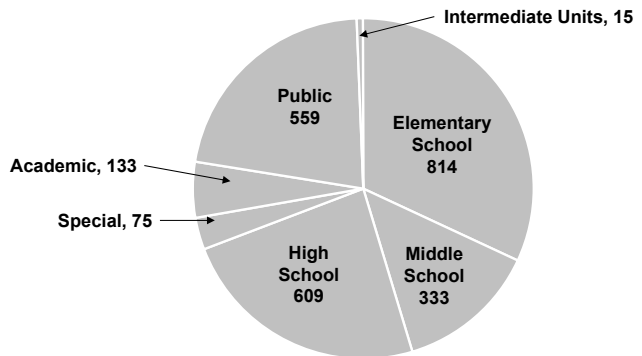
**Public Library Subsidy.** The commonwealth helps defray the cost of basic operations of Pennsylvania's more than 600 local public libraries. Through participation in this program, libraries provide a common denominator of services statewide, and in so doing, help meet the information, education and enrichment needs of Pennsylvania's pre-kindergarten children, students and lifelong learners.

The public library subsidy also supports a structure of libraries and programs that together provide resources and specialized services to local libraries and all residents. This funding provides every Pennsylvanian with access to the vast and historic resources of four major research libraries: The State Library of Pennsylvania, the Carnegie Library of Pittsburgh, the Free Library of Philadelphia and the libraries of The Pennsylvania State University.

**Library Access.** Pennsylvania is committed to ensuring that all Pennsylvanians can easily access the library resources that exist not only in their own communities but also across the commonwealth. This funding supports four distinct programs. The interlibrary delivery service makes it affordable for all state-supported libraries to participate in a statewide delivery service that moves library materials across the state in a timely and cost-effective way and encourages sharing of materials. The POWER (Pennsylvania Online World of Electronic Resources) library network provides vetted online magazine and reference materials for Pennsylvania residents to use in the library or remotely from home. This program remains a valued resource for classroom students and teachers.

The electronic library catalog, also known as the Access Pennsylvania Database program, gives Pennsylvanians online access to the library holdings of approximately 2,600 Pennsylvania school, public, college, university and special libraries and intermediate units. Once an item is located, it can be "ordered" from the source library online. This is the largest online catalog of its type in North America. As part of the Library Access program, Pennsylvanians have online access to professional reference librarians 24 hours a day, 7 days a week through Pennsylvania's virtual reference service called Ask Here PA.

**Number of Libraries in Access PA Database**



Pennsylvania is fortunate to have two libraries providing invaluable services to persons with visual and physical limitations. In partnership with the National Library Service for the Blind and Physically Handicapped, recorded and Braille materials are available by direct mail or downloaded to students and residents of all ages who cannot use a traditional book, magazine or newspaper. Pennsylvania was a pioneer offering state-level library services to the visually impaired over 100 years ago.

**State Library.** This appropriation supports the services and operations of the Office of Commonwealth Libraries and is a primary source of funding for the State Library. Located in Harrisburg, the State Library of Pennsylvania is a major resource library established by statute to provide reference service to all branches of state government, as well as to libraries and residents of the commonwealth. An extensive general and legal reference collection, comprehensive collections of Pennsylvania newspapers, Pennsylvania state and U.S. government publications and 90 databases are available. The State Library is home to the Rare Collections Library, which is organized around the Assembly Collection that was purchased beginning in 1745 by Ben Franklin when he was Clerk of the Assembly. The collection includes newspapers from colonial times through 1860. The Rare Collections Library is the premier library environment in the nation incorporating systems and techniques to preserve historic, paper-based collections.

## Program: Library Services (continued)

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

**State Library**  
\$ 8 —to continue current program.

**Library Access**  
\$ -250 —funding reduction.

All other appropriations are recommended at the current year funding levels.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>   |                   |                      |                   |                      |                      |                      |                      |
| State Library .....  | \$ 1,777          | \$ 1,957             | \$ 1,965          | \$ 2,034             | \$ 2,085             | \$ 2,137             | \$ 2,190             |
| Public Library Subsidy .....                                     | 53,507            | 53,507               | 53,507            | 53,507               | 53,507               | 53,507               | 53,507               |
| Library Services for the Visually Impaired<br>and Disabled ..... | 2,567             | 2,567                | 2,567             | 2,567                | 2,567                | 2,567                | 2,567                |
| Library Access .....   | 3,071             | 3,071                | 2,821             | 2,821                | 2,821                | 2,821                | 2,821                |
| <b>TOTAL GENERAL FUND .....</b>                                  | <b>\$ 60,922</b>  | <b>\$ 61,102</b>     | <b>\$ 60,860</b>  | <b>\$ 60,929</b>     | <b>\$ 60,980</b>     | <b>\$ 61,032</b>     | <b>\$ 61,085</b>     |

## Program: Higher Education

*Goal: To promote access, affordability and performance in higher education through strategies to expand opportunity for students and align with employer needs, and to support the commonwealth's public institutions of higher education in achieving these goals.*

Higher education in Pennsylvania is provided through 235 degree-granting institutions that include the universities of the State System of Higher Education, the state-related universities, the community colleges, the commonwealth's private colleges and universities, the state-affiliated Thaddeus Stevens College of Technology and specialized

associate degree-granting institutions. An additional 50 out-of-state institutions are approved to offer coursework for credit in Pennsylvania. Funding for these institutions is through appropriations and state-funded student grant programs administered by the Pennsylvania Higher Education Assistance Agency.

**Table 1**  
**Full-Time Enrollments**  
**at State-Supported Institutions of Higher Education**  
(Actual and Projected)

| Institutional Category                      | 2013-14               | 2014-15               | 2015-16               | 2016-17               | 2017-18               | 2018-19               | 2019-20               |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| State System of Higher Education.....       | 104,458               | 102,545               | 101,687               | 102,438               | 102,983               | 103,363               | 103,746               |
| Community Colleges .....                    | 94,054                | 93,065                | 93,780                | 94,554                | 95,453                | 96,364                | 97,143                |
| State-Related Universities .....            | 161,442               | 163,428               | 164,183               | 166,454               | 169,214               | 172,376               | 175,357               |
| Thaddeus Stevens College of Technology .... | 858                   | 915                   | 986                   | 1,006                 | 1,081                 | 1,141                 | 1,141                 |
| <b>TOTAL .....</b>                          | <b><u>360,812</u></b> | <b><u>359,953</u></b> | <b><u>360,636</u></b> | <b><u>364,452</u></b> | <b><u>368,731</u></b> | <b><u>373,244</u></b> | <b><u>377,387</u></b> |

### **Program Element: Institutional Support for Pennsylvania's Institutions of Higher Education**

**State System of Higher Education.** Funding for the 14 universities of the State System of Higher Education is distributed through the Office of the Chancellor to the individual universities in accordance with a formula that consists of student enrollment, programs of the school, performance measures, and the operational cost of the individual campuses. Although each university has an individual mission, they all provide a broad liberal arts curriculum and most offer the master degree level of study in their programs.

**Community Colleges.** Funding is shared by sponsoring counties or school districts, students through tuition payments, and the commonwealth. Commonwealth appropriations are calculated to include base operating funding, enrollment growth, and economic development programs that focus on high-priority occupations. The colleges offer two-year liberal arts curricula, two-year programs in technologies and other programs in career areas that culminate in an associate degree, certificate, or diploma. Noncredit workforce development courses are also offered that provide students with training geared towards immediate entry into the workforce.

**State-Related Universities.** Funding for the four state-related universities — the Pennsylvania State University, the University of Pittsburgh, Temple University and Lincoln

University — provides basic support for educational programs. The first three universities are major research universities that provide programs up to the doctoral level in varied academic disciplines and professional schools. The fourth, Lincoln University, provides programs in numerous disciplines at the baccalaureate and master degree levels.

**Thaddeus Stevens College of Technology.** The college provides two-year, technical education programs for qualified students. These programs are provided both on a tuition basis and at no cost for financially disadvantaged students. Thaddeus Stevens is dedicated to growing Pennsylvania's technical workforce and preparing students for high demand jobs within the commonwealth.

#### **Impact: Number of Degrees Awarded**

The state-supported universities and colleges graduated 86,338 students in 2013-14 with degrees ranging from the two-year associate degree to doctoral and professional degrees.

### **Program Element: Decreasing Time and Cost to College Completion**

In 2013, nearly 68 percent of Pennsylvania's public high school graduates planned to attend an academic post-secondary institution. To better serve the need of all students, the Department of Education administers a statewide college credit transfer system that enables

## Program: Higher Education (continued)

**Table 2**  
**Higher Education Degrees Awarded**  
**by State-Supported Institutions of Higher Education**  
**(Actual and Projected)**

| Institutional Category                 | 2013-14       | 2014-15       | 2015-16       | 2016-17       | 2017-18       | 2018-19       | 2019-20       |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| State-Supported:                       |               |               |               |               |               |               |               |
| State System of Higher Education.....  | 26,225        | 26,305        | 26,535        | 26,747        | 26,926        | 27,086        | 27,215        |
| Community Colleges .....               | 17,178        | 17,396        | 17,616        | 17,825        | 18,054        | 18,276        | 18,491        |
| State-Related Universities.....        | 42,625        | 42,887        | 43,322        | 44,527        | 45,347        | 46,236        | 47,161        |
| Thaddeus Stevens College of Technology | 310           | 288           | 308           | 355           | 355           | 415           | 415           |
| <b>TOTAL .....</b>                     | <b>86,338</b> | <b>86,876</b> | <b>87,781</b> | <b>89,454</b> | <b>90,682</b> | <b>92,013</b> | <b>93,282</b> |

students to transfer courses and associate degrees among 36 participating colleges and universities in Pennsylvania, including all of the commonwealth's community colleges, State System of Higher Education institutions and state-related institutions.

***Program Element: Diversity in Disciplines***

The diversity of enrollments by discipline will shape the future of higher education. Enrollments in career-oriented disciplines such as business management, computer information systems, allied health professions and majors in the STEM fields — science, technology, engineering and math — are increasing. Providing access to these professions is vital to ensuring the long-term economic health of the commonwealth.

***Program Element: Support for Minority Students***

In 1996, the Pennsylvania Department of Education and the United States Department of Education, Office of Civil Rights, embarked on a cooperative agreement designed to assess and address the continued challenges in providing higher education opportunities for African American students. The 2014-15 budget continues operating support for Cheyney and Lincoln Universities, funding is also included in the capital budget for infrastructure improvements.

***Program Element: Research***

An essential ingredient for a healthy economy and the creation of new jobs in any region is the existence of vigorous research universities. Regions with the most dynamic economies are those where research and development investments have been significant. The continued state general support for research at Pennsylvania State University, University of Pittsburgh and Temple University not only provides new ideas, technologies and products to industry but also educates and motivates graduates to turn those ideas, technologies and products into industry and jobs.

***Program Element: Support Services***

The department provides leadership and support services to all sectors of higher education. Responsibilities include acting as a liaison with the national accrediting agencies, the State Board of Education, the State Board of Private Licensed Schools and other governing boards; policy review and development based on comprehensive planning and research; and implementation of the Higher Education Master Plan. The department also partners with other commonwealth agencies on workforce development strategies. Additionally, the department awards teaching certificates to those seeking certification in Pennsylvania.



## Program: Higher Education (continued)

**Table 3**  
**Full-Time Enrollments by Subject Area**  
**at State-Supported Institutions of Higher Education**  
**(Actual and Projected)**

| Subject Area  | Number and Percent of Total | 2013-14 Actual   | 2014-15 Projected | 2015-16 Projected | 2016-17 Projected | 2017-18 Projected | 2018-19 Projected | 2019-20 Projected | Percent Change |
|---|-----------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| Agricultural and Natural Resources                              | #<br>%                      | 4,002<br>1.11%   | 3,946<br>1.10%    | 3,875<br>1.07%    | 3,871<br>1.06%    | 3,844<br>1.04%    | 3,823<br>1.02%    | 3,807<br>1.01%    | -4.87%         |
| Arts and Letters  | #<br>%                      | 64,007<br>17.74% | 63,615<br>17.67%  | 63,259<br>17.54%  | 63,472<br>17.42%  | 63,706<br>17.28%  | 63,978<br>17.14%  | 64,243<br>17.02%  | 0.37%          |
| Business, Management and Data Processing                        | #<br>%                      | 51,300<br>14.22% | 51,612<br>14.34%  | 52,290<br>14.50%  | 53,390<br>14.65%  | 54,664<br>14.82%  | 55,939<br>14.99%  | 57,174<br>15.15%  | 11.45%         |
| Communications and Related Technologies                         | #<br>%                      | 14,518<br>4.02%  | 14,082<br>3.91%   | 13,879<br>3.85%   | 13,980<br>3.84%   | 13,998<br>3.80%   | 14,045<br>3.76%   | 14,076<br>3.73%   | -3.04%         |
| Computer and Information Sciences                               | #<br>%                      | 12,022<br>3.33%  | 11,927<br>3.31%   | 12,136<br>3.37%   | 12,472<br>3.42%   | 12,850<br>3.48%   | 13,300<br>3.56%   | 13,738<br>3.64%   | 14.27%         |
| Education   | #<br>%                      | 22,288<br>6.18%  | 21,345<br>5.93%   | 20,694<br>5.74%   | 20,209<br>5.55%   | 19,836<br>5.38%   | 19,538<br>5.23%   | 19,411<br>5.14%   | -12.91%        |
| Engineering, Architecture and Environmental Design              | #<br>%                      | 21,429<br>5.94%  | 22,463<br>6.24%   | 23,142<br>6.42%   | 23,561<br>6.46%   | 23,813<br>6.46%   | 24,175<br>6.48%   | 24,419<br>6.47%   | 13.95%         |
| Engineering Technologies and Related Technologies               | #<br>%                      | 5,780<br>1.60%   | 5,696<br>1.58%    | 5,657<br>1.57%    | 5,666<br>1.55%    | 5,693<br>1.54%    | 5,718<br>1.53%    | 5,750<br>1.52%    | -0.52%         |
| Health Professions, Health Sciences and Biological Sciences     | #<br>%                      | 60,809<br>16.85% | 61,155<br>16.99%  | 61,633<br>17.09%  | 62,759<br>17.22%  | 64,114<br>17.39%  | 65,393<br>17.52%  | 66,364<br>17.59%  | 9.14%          |
| Home Economics, Human Services and Public Affairs               | #<br>%                      | 34,676<br>9.61%  | 34,104<br>9.47%   | 33,902<br>9.40%   | 34,079<br>9.35%   | 34,267<br>9.29%   | 34,478<br>9.24%   | 34,702<br>9.20%   | 0.07%          |
| Industrial, Repair, Construction and Transport Technologies     | #<br>%                      | 4,303<br>1.19%   | 4,346<br>1.21%    | 4,431<br>1.23%    | 4,484<br>1.23%    | 4,600<br>1.25%    | 4,696<br>1.26%    | 4,732<br>1.25%    | 9.97%          |
| Law   | #<br>%                      | 3,555<br>0.99%   | 3,535<br>0.98%    | 3,353<br>0.93%    | 3,313<br>0.91%    | 3,282<br>0.89%    | 3,248<br>0.87%    | 3,218<br>0.85%    | -9.48%         |
| Physical Sciences, Mathematics and Related Technologies         | #<br>%                      | 19,406<br>5.38%  | 19,533<br>5.43%   | 19,649<br>5.45%   | 19,884<br>5.46%   | 20,111<br>5.45%   | 20,318<br>5.44%   | 20,588<br>5.46%   | 6.09%          |
| Social Sciences, Psychology, Area Studies and Foreign Languages | #<br>%                      | 38,034<br>10.54% | 37,858<br>10.52%  | 37,882<br>10.50%  | 38,287<br>10.51%  | 38,751<br>10.51%  | 39,207<br>10.50%  | 39,582<br>10.49%  | 4.07%          |
| Multi-Interdisciplinary Studies/<br>Military Studies            | #<br>%                      | 4,085<br>1.13%   | 4,148<br>1.15%    | 4,262<br>1.18%    | 4,419<br>1.21%    | 4,581<br>1.24%    | 4,752<br>1.27%    | 4,934<br>1.31%    | 20.78%         |
| Basic Skills and Developmental/<br>Remedial Education           | #<br>%                      | 491<br>0.14%     | 499<br>0.14%      | 505<br>0.14%      | 512<br>0.14%      | 520<br>0.14%      | 528<br>0.14%      | 534<br>0.14%      | 8.76%          |
| High School/<br>Secondary Diplomas and Certificates             | #<br>%                      | 53<br>0.01%      | 52<br>0.01%       | 51<br>0.01%       | 51<br>0.01%       | 51<br>0.01%       | 51<br>0.01%       | 51<br>0.01%       | -3.77%         |
| Residency Programs  | #<br>%                      | 54<br>0.01%      | 37<br>0.01%       | 36<br>0.01%       | 43<br>0.01%       | 50<br>0.01%       | 57<br>0.02%       | 64<br>0.02%       | 18.52%         |
| TOTAL   |                             | 360,812          | 359,953           | 360,636           | 364,452           | 368,731           | 373,244           | 377,387           | 4.59%          |

Percentages in some columns may not total to 100% due to rounding.

## Program: Higher Education (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|                     |   |  |           |   |  |
|---------------------|---|--|-----------|---|--|
| <b>GENERAL FUND</b> |   |  |           |   |  |
|                     | <b>Community Colleges</b>   |  |           | <b>University of Pittsburgh</b>   |  |
| \$ 15,056           | —Initiative—Jobs that Pay. To implement a 2-year plan to restore state funding for higher education and to improve college access and completion. |  | \$ 14,918 | —Initiative—Jobs that Pay. To implement a 2-year plan to restore state funding for higher education and to improve college access and completion. |  |
|                     | <b>Community Education Councils</b>   |  |           | <b>Temple University</b>  |  |
| \$ 50               | —to continue current program.   |  | \$ 15,444 | —Initiative—Jobs that Pay. To implement a 2-year plan to restore state funding for higher education and to improve college access and completion. |  |
|                     | <b>Thaddeus Stevens College of Technology</b>   |  |           | <b>Lincoln University</b>   |  |
| \$ 863              | —Initiative—Jobs that Pay. To improve and expand technical higher education opportunities.  |  | \$ 921    | —Initiative—Jobs that Pay. To implement a 2-year plan to restore state funding for higher education and to improve college access and completion. |  |
|                     | <b>State System of Higher Education</b>   |  |           |   |  |
| \$ 45,302           | —Initiative—Jobs that Pay. To implement a 2-year plan to restore state funding for higher education and to improve college access and completion. |  |           |   |  |
|                     | <b>The Pennsylvania State University</b>  |  |           |   |  |
| \$ 50,855           | —Initiative—Jobs that Pay. To implement a 2-year plan to restore state funding for higher education and to improve college access and completion. |  |           |   |  |

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                             |                     |                      |                     |                      |                      |                      |                      |
| Community Colleges .....                         | \$ 212,167          | \$ 215,667           | \$ 230,723          | \$ 242,259           | \$ 242,259           | \$ 242,259           | \$ 242,259           |
| Transfer to Community College Capital Fund ..... | 48,869              | 48,869               | 48,869              | 48,869               | 48,869               | 48,869               | 48,869               |
| Regional Community Colleges Services ...         | 1,200               | 2,400                | 2,400               | 2,400                | 2,400                | 2,400                | 2,400                |
| Community Education Councils .....               | 2,300               | 2,300                | 2,350               | 2,350                | 2,350                | 2,350                | 2,350                |
| Thaddeus Stevens College of Technology           | 10,332              | 12,332               | 13,195              | 13,855               | 13,855               | 13,855               | 13,855               |
| State System of Higher Education .....           | 412,751             | 412,751              | 458,053             | 503,355              | 503,355              | 503,355              | 503,355              |
| Pennsylvania State University .....              | 229,694             | 231,694              | 282,549             | 339,320              | 339,320              | 339,320              | 339,320              |
| University of Pittsburgh .....                   | 136,293             | 136,293              | 151,211             | 167,995              | 167,995              | 167,995              | 167,995              |
| Temple University .....                          | 139,917             | 139,917              | 155,361             | 172,737              | 172,737              | 172,737              | 172,737              |
| Lincoln University .....                         | 13,163              | 13,163               | 14,084              | 14,789               | 14,789               | 14,789               | 14,789               |
| <b>TOTAL GENERAL FUND .....</b>                  | <b>\$ 1,206,686</b> | <b>\$ 1,215,386</b>  | <b>\$ 1,358,795</b> | <b>\$ 1,507,929</b>  | <b>\$ 1,507,929</b>  | <b>\$ 1,507,929</b>  | <b>\$ 1,507,929</b>  |



## Program Measures

2013-14      2014-15      2015-16      2016-17      2017-18      2018-19      2019-20

### Program: PreK-12 Education (Basic Education)

**Objective: Make high quality early learning programs available to Pennsylvania children, particularly those at risk of academic failure.**

#### Early Childhood Education

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| School districts offering pre-kindergarten                   | 82     | 82     | 82     | 82     | 82     | 82     | 82     |
| Students enrolled in pre-kindergarten (excluding Head Start) | 25,700 | 25,700 | 25,700 | 25,700 | 25,700 | 25,700 | 25,700 |
| Students in state-funded Head Start Supplemental             | 5,643  | 5,643  | 8,043  | 8,043  | 8,043  | 8,043  | 8,043  |
| Students in PA Pre-K Counts program                          | 12,149 | 13,819 | 25,419 | 39,419 | 53,419 | 67,419 | 67,419 |

#### Early Intervention

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Children participating in Early Intervention   | 49,665 | 50,061 | 50,536 | 50,536 | 50,536 | 50,536 | 50,536 |
| Children on their 3rd birthday who transitioned from infant/toddler Early Intervention to preschool Early Intervention       | 6,601  | 6,600  | 6,600  | 6,600  | 6,600  | 6,600  | 6,600  |
| Children who met their individual goals and no longer need Early Intervention prior to school age                            | 1,792  | 1,800  | 1,800  | 1,800  | 1,800  | 1,800  | 1,800  |
| Children receiving early intervention in typical early childhood educational settings such as home, child care or Head Start | 71%    | 72%    | 72%    | 72%    | 72%    | 72%    | 72%    |

**Objective: Increase the number of K-12 students who acquire the essential skills in math, English, science and social studies by improving teacher effectiveness in all classrooms.**

#### Basic Education Targeted Investment

|                                 |           |           |           |           |           |           |           |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Public school enrollment (K-12) | 1,764,000 | 1,763,000 | 1,762,000 | 1,761,000 | 1,760,000 | 1,759,000 | 1,758,000 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

#### Secondary Education-Transforming Pennsylvania's High Schools

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| High schools offering at least one Advanced Placement course                              | 86.32% | 87.57% | 88.81% | 90.05% | 91.30% | 92.54% | 93.78% |
| Advanced Placement tests given in high schools  | 32,550 | 35,805 | 39,386 | 43,324 | 47,657 | 52,422 | 57,664 |
| Advanced Placement tests with scores of "3" or higher demonstrating mastery of the course | 70.67% | 73.33% | 76%    | 78.67% | 81.33% | 84%    | 86.67% |

#### Accountability

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Students proficient/advanced in mathematics PSSAs                                    | 77.08% | 79.17% | 81.25% | 83.33% | 85.42% | 87.50% | 89.58% |
| Percentage gains in mathematics PSSA proficiency from 5th to 8th grade-same students | 2.08%  | 2.08%  | 2.08%  | 2.08%  | 2.08%  | 2.08%  | 2.08%  |
| Students proficient/advanced in reading PSSAs  | 71.58% | 74.17% | 76.75% | 79.33% | 81.92% | 84.50% | 87.08% |

## Program Measures

|   | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Percentage gains in reading proficiency from 5th to 8th grade-same students | 2.58%   | 2.58%   | 2.58%   | 2.58%   | 2.58%   | 2.58%   | 2.58%   |
| <b>Career &amp; Technical (Vocational) Education</b>                        |         |         |         |         |         |         |         |
| Enrollment  | 65,104  | 65,429  | 65,756  | 66,085  | 66,415  | 66,747  | 67,081  |
| Vocational education program completers                                     | 70%     | 72%     | 77%     | 78%     | 79%     | 80%     | 81%     |
| Skilled workforce--percentage of PA Skills Certificates awarded             | 64%     | 65%     | 68%     | 69%     | 70%     | 71%     | 72%     |
| <b>Special Education</b>  |         |         |         |         |         |         |         |
| Pupils with disabilities enrolled in special education programs             | 269,349 | 269,400 | 269,400 | 269,400 | 269,400 | 269,400 | 269,400 |
| Special education incidence rate  | 15%     | 15%     | 15%     | 15%     | 15%     | 15%     | 15%     |
| <b>Other Education Programs</b>   |         |         |         |         |         |         |         |
| Nonpublic school enrollment   | 218,032 | 212,534 | 207,471 | 203,555 | 199,804 | 199,804 | 199,804 |

### Program: Library Services

**Objective: Provide access to library resources to inform and educate Pennsylvanians at home, in school and in the workplace.**

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Items accessed-State Library of Pennsylvania  | 199,021 | 201,000 | 203,000 | 205,000 | 207,000 | 209,175 | 211,265 |
| Visits to public libraries (in thousands)   | 45,106  | 46,000  | 46,900  | 47,850  | 48,000  | 49,500  | 50,250  |
| Materials borrowed from public libraries (in thousands)   | 68,672  | 70,000  | 71,500  | 72,875  | 74,250  | 75,500  | 77,250  |
| Items borrowed from public libraries children's collections- included above (in thousands)            | 25,131  | 25,650  | 26,125  | 26,670  | 27,225  | 27,750  | 28,300  |
| Materials borrowed from libraries for blind and physically handicapped- included above (in thousands) | 1,424   | 1,495   | 1,570   | 1,648   | 1,730   | 1,800   | 1,900   |
| POWER Library use - items examined (in thousands)   | 30,273  | 30,875  | 31,500  | 32,125  | 32,750  | 33,425  | 34,100  |
| Online inquiries by consumers to professional reference librarians (Ask Here PA)                      | 87,471  | 89,220  | 91,005  | 92,825  | 94,681  | 96,575  | 98,507  |
| Public library internet computer sessions   | 9,754   | 9,949   | 10,148  | 10,351  | 10,558  | 10,769  | 10,985  |

### Program: Higher Education

**Objective: Increase levels of educational attainment by increasing graduation rates at Pennsylvania's postsecondary education institutions.**

#### Access & Affordability

|  |        |        |         |         |         |         |         |
|--|--------|--------|---------|---------|---------|---------|---------|
| Minority enrollment at public institutions | 90,088 | 96,124 | 102,564 | 109,436 | 116,768 | 124,592 | 132,939 |
|--|--------|--------|---------|---------|---------|---------|---------|

## Program Measures

|   | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---------|---------|---------|---------|---------|---------|---------|
| <b>Outcomes</b>   |         |         |         |         |         |         |         |
| Six-year graduation rate (percent)<br>for full-time, first-time students at<br>state system institutions  | 56%     | 56.10%  | 56.20%  | 56.20%  | 56.30%  | 56.40%  | 56.40%  |
| Six-year graduation rate (percent)<br>for full-time, first-time students at<br>state-related institutions | 68.70%  | 68%     | 69%     | 69.50%  | 70%     | 70.50%  | 71%     |
| Three-year graduation rate (percent)<br>for full-time, first-time students at<br>community colleges       | 13.50%  | 13.10%  | 13.50%  | 14%     | 14.50%  | 15%     | 15.50%  |



---

# HIGHER EDUCATION ASSISTANCE AGENCY

*The mission of the Pennsylvania Higher Education Assistance Agency is to provide affordable access to postsecondary education while helping to secure a strong economic future for the commonwealth through the development of a highly skilled workforce.*

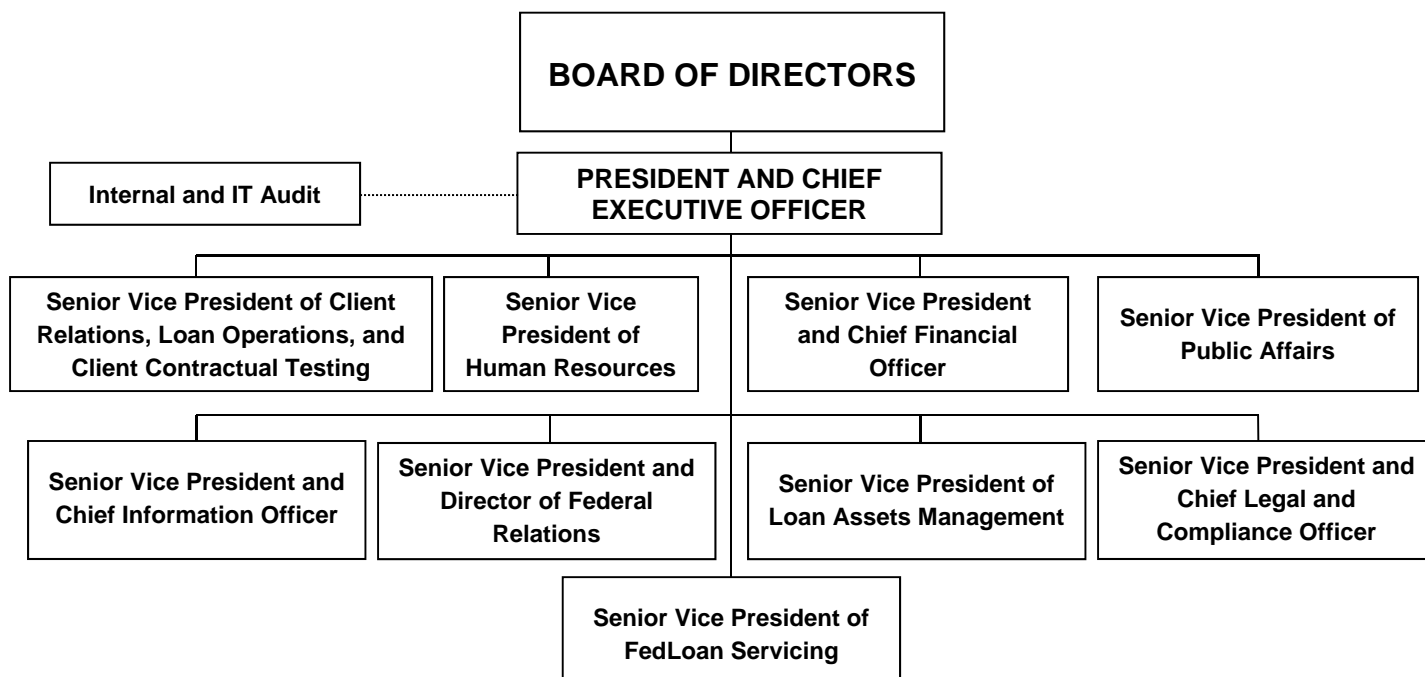
The agency provides financial aid to higher education students in the form of grants, loans and employment opportunities through the coordination of state and federal aid programs. In addition, the agency provides institutional assistance grants to private institutions enrolling students who participate in the state grant program.

## **Programs and Goals**

**Financial Assistance to Students:** *To provide financial assistance to commonwealth residents in order to promote access to institutions of higher education.*

**Financial Aid to Institutions:** *To assist independent post-secondary institutions to maintain enrollments and stabilize their educational costs thereby promoting access to institutions in all sectors for Pennsylvania students.*

## Organization Overview



- **Senior Vice President of Client Relations, Loan Operations, and Client Contractual Testing** responsibilities include managing third-party external client relationships, including Federal and Alternative Loan assets, as well as overseeing systems provided to Remote Clients. The position also oversees the operations for servicing these portfolios and the contractual testing associated with compliance of these responsibilities.
- **Senior Vice President of Human Resources** is responsible for leading all facets of human resources by providing HR expertise and best practices to deliver quality programs and initiatives that support the organization's business model.
- **Senior Vice President and Chief Financial Officer** is responsible for all financial functions, including financial reporting, accounting, budgeting, credit, insurance, tax, public finance, treasury, and administration.
- **Senior Vice President of Public Affairs** oversees public relations, legislative affairs, marketing communications, public service and State Grant and Special Program functions.
- **Senior Vice President and Chief Information Officer** manages the development, maintenance, and support of data processing systems and technology infrastructure.
- **Senior Vice President and Director of Federal Relations** is the primary liaison between the agency and the U.S. Congress, the U.S. Department of Education, and other federal agencies.
- **Senior Vice President of Loan Assets Management** is responsible for all guaranty default prevention and post collection activities, as well as commercial collections and payment processing.
- **Senior Vice President and Chief Legal and Compliance Officer** responsibilities include reviewing and approving all agency agreements and managing all aspects of the agency's legal and compliance initiatives.
- **Senior Vice President of FedLoan Servicing** responsibilities include overseeing FedLoan Servicing as a U.S. Department of Education Title IV Additional Servicer. The position also manages and responds to all Department of Education solicitations for new business.

## Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2,485             | 2,705             | 2,835             | 3,050             | 3,507             |

# Higher Education Assistance Agency

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>                               |                   |                      |                   |
| <i>Grants and Subsidies:</i>                       |                   |                      |                   |
| Grants to Students.....                            | \$ 344,888        | \$ 344,888           | \$ 344,888        |
| (A) Grants to Students Supplement.....             | 75,000            | 75,000               | 75,000            |
| (A) State Grant Distance Education.....            | 10,000            | 10,000               | 10,000            |
| Ready to Succeed Scholarships.....                 | 0                 | 5,000                | 15,000            |
| Higher Education for the Disadvantaged.....        | 2,246             | 2,246                | 2,246             |
| Higher Education of Blind or Deaf Students.....    | 47                | 47                   | 47                |
| Pennsylvania Internship Program Grants.....        | 350               | 350                  | 0                 |
| Matching Payments for Student Aid.....             | 12,496            | 12,496               | 12,496            |
| Institutional Assistance Grants.....               | 24,389            | 24,389               | 29,389            |
| Bond-Hill Scholarships.....                        | 534               | 534                  | 1,000             |
| Cheyney Keystone Academy.....                      | 1,525             | 1,525                | 2,000             |
| Subtotal - State Funds.....                        | \$ 386,475        | \$ 391,475           | \$ 407,066        |
| Subtotal - Augmentations.....                      | 85,000            | 85,000               | 85,000            |
| Total - Grants and Subsidies.....                  | \$ 471,475        | \$ 476,475           | \$ 492,066        |
| STATE FUNDS.....                                   | \$ 386,475        | \$ 391,475           | \$ 407,066        |
| AUGMENTATIONS.....                                 | 85,000            | 85,000               | 85,000            |
| <b>GENERAL FUND TOTAL.....</b>                     | <b>\$ 471,475</b> | <b>\$ 476,475</b>    | <b>\$ 492,066</b> |
| <b>OTHER FUNDS:</b>                                |                   |                      |                   |
| <b>HIGHER EDUCATION ASSISTANCE FUND:</b>           |                   |                      |                   |
| Targeted Industry Cluster Scholarship Program..... | \$ 5,000          | \$ 6,000             | \$ 7,000          |
| STEM Scholarships.....                             | 0                 | 0                    | 7,500             |
| Dual Enrollment Grants.....                        | 0                 | 0                    | 9,000             |
| Educational Training Vouchers Program.....         | 1,492             | 1,555                | 1,555             |
| Primary Health Care.....                           | 476               | 471                  | 8,500             |
| <b>HIGHER EDUCATION ASSISTANCE FUND TOTAL.....</b> | <b>\$ 6,968</b>   | <b>\$ 8,026</b>      | <b>\$ 33,555</b>  |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                |                   |                      |                   |
| GENERAL FUND.....                                  | \$ 386,475        | \$ 391,475           | \$ 407,066        |
| SPECIAL FUNDS.....                                 | 0                 | 0                    | 0                 |
| AUGMENTATIONS.....                                 | 85,000            | 85,000               | 85,000            |
| OTHER FUNDS.....                                   | 6,968             | 8,026                | 33,555            |
| <b>TOTAL ALL FUNDS.....</b>                        | <b>\$ 478,443</b> | <b>\$ 484,501</b>    | <b>\$ 525,621</b> |

## Program Funding Summary

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>FINANCIAL ASSISTANCE TO STUDENTS</b> |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                       | \$ 362,086        | \$ 367,086           | \$ 377,677        | \$ 377,677           | \$ 377,677           | \$ 377,677           | \$ 377,677           |
| SPECIAL FUNDS.....                      | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                      | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                        | 91,968            | 93,026               | 118,555           | 118,555              | 118,555              | 118,555              | 118,555              |
| SUBCATEGORY TOTAL.....                  | <u>\$ 454,054</u> | <u>\$ 460,112</u>    | <u>\$ 496,232</u> | <u>\$ 496,232</u>    | <u>\$ 496,232</u>    | <u>\$ 496,232</u>    | <u>\$ 496,232</u>    |
| <b>FINANCIAL AID TO INSTITUTIONS</b>    |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                       | \$ 24,389         | \$ 24,389            | \$ 29,389         | \$ 29,389            | \$ 29,389            | \$ 29,389            | \$ 29,389            |
| SPECIAL FUNDS.....                      | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                      | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                        | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| SUBCATEGORY TOTAL.....                  | <u>\$ 24,389</u>  | <u>\$ 24,389</u>     | <u>\$ 29,389</u>  | <u>\$ 29,389</u>     | <u>\$ 29,389</u>     | <u>\$ 29,389</u>     | <u>\$ 29,389</u>     |
| <b>ALL PROGRAMS:</b>                    |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                       | \$ 386,475        | \$ 391,475           | \$ 407,066        | \$ 407,066           | \$ 407,066           | \$ 407,066           | \$ 407,066           |
| SPECIAL FUNDS.....                      | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                      | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                        | 91,968            | 93,026               | 118,555           | 118,555              | 118,555              | 118,555              | 118,555              |
| DEPARTMENT TOTAL.....                   | <u>\$ 478,443</u> | <u>\$ 484,501</u>    | <u>\$ 525,621</u> | <u>\$ 525,621</u>    | <u>\$ 525,621</u>    | <u>\$ 525,621</u>    | <u>\$ 525,621</u>    |

## Program: Financial Assistance to Students

*Goal: To provide financial assistance to commonwealth residents in order to promote access to institutions of higher education.*

The Pennsylvania Higher Education Assistance Agency (PHEAA) offers financial assistance programs to students in the form of grants, scholarships and work-study awards.

All General Fund appropriations are transferred to PHEAA's Higher Education Assistance Fund prior to distribution to students and institutions. The Higher Education Assistance Fund is shown in the Other Special Funds Appendix.

Direct grants to students are funded by an annual appropriation from the General Fund, a portion of PHEAA's business earnings and interest earnings from the Higher Education Assistance Fund. The PHEAA Board annually determines by regulation the distribution of funds to applicants on criteria including family income, family size and the cost of the institution the student will be attending. Beginning with the 2013-14 academic year, PHEAA offered a State Grant Distance Education program to provide grant awards to online students at participating institutions.

The objective of the program is to reduce financial barriers and provide greater access to higher education for all commonwealth residents and, within the limits of the resources available, help to provide freedom of choice between public and private institutions.

The Ready to Succeed Scholarships program makes post-secondary educational opportunities more affordable to students from middle-income Pennsylvania families to pursue two-year and four-year post-secondary degrees at any Pennsylvania college, university or technical school.

The Higher Education Equal Opportunity program provides tutoring and counseling services to economically and educationally disadvantaged students to aid them in succeeding in college.

The Higher Education of Blind or Deaf Students program provides assistance to any blind or deaf student who is a Pennsylvania resident and is enrolled in an approved institution of higher education.

The Matching Funds program provides funds to match federal funds and work-study awards which students earn through several on-campus and off-campus job opportunities. Matching funds also leverage private foundation scholarships.

The Horace Mann Bond-Leslie Pinckney Hill Scholarship program provides grants to graduates of Lincoln University and Cheyney University of Pennsylvania who enter selected graduate programs or the professional programs of law, medicine or dentistry at Temple University, the Pennsylvania State University or the University of Pittsburgh.

The Targeted Industry Cluster Scholarship Program provides grants to students enrolled in certificate programs in the energy, advanced materials and diversified manufacturing and agricultural and food production fields.

The Cheyney Keystone Honors Academy program provides scholarships to attract academically talented students to enroll at Cheyney University of Pennsylvania.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|                     |        |   |    |     |   |
|---------------------|--------|---|----|-----|---|
| <b>GENERAL FUND</b> |        |   |    |     |   |
|                     |        | <b>Ready to Succeed Scholarships</b>  |    |     |   |
| \$                  | 10,000 | —Initiative—Jobs that Pay. To provide additional funds for students from middle income families to make attending two and four-year institutions more affordable. | \$ | 466 | <b>Bond-Hill Scholarships</b>   |
|                     |        |   |    |     | —Initiative—Jobs that Pay. To provide additional funds for graduates of Lincoln or Cheyney Universities seeking professional degrees. |
|                     |        | <b>Pennsylvania Internship Program Grants</b>   | \$ | 475 | <b>Cheyney Keystone Academy</b>   |
| \$                  | -350   | —program elimination.   |    |     | —Initiative—Jobs that Pay. To provide additional funds for students receiving scholarships at Cheyney University.                     |

All other appropriations are recommended at the current year funding levels.

In addition, the budget provides \$7,000,000 for the Targeted Industry Cluster Scholarship Program, an increase of \$1,000,000 from 2014-15, \$7,500,000 for the STEM Scholarships, \$8,500,000 for Primary Health Care program and \$9,000,000 for the Dual Enrollment Grants.

Please see the Jobs that Pay theme in the Overview and Summaries Section for additional information.



# Higher Education Assistance Agency

## Program: Financial Assistance to Students (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                               |                   |                      |                   |                      |                      |                      |                      |
| Grants to Students.....                            | \$ 344,888        | \$ 344,888           | \$ 344,888        | \$ 344,888           | \$ 344,888           | \$ 344,888           | \$ 344,888           |
| Ready to Succeed Scholarships.....                 | 0                 | 5,000                | 15,000            | 15,000               | 15,000               | 15,000               | 15,000               |
| Higher Education for the Disadvantaged...          | 2,246             | 2,246                | 2,246             | 2,246                | 2,246                | 2,246                | 2,246                |
| Higher Education of Blind or Deaf<br>Students..... | 47                | 47                   | 47                | 47                   | 47                   | 47                   | 47                   |
| Pennsylvania Internship Program Grants..           | 350               | 350                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Matching Payments for Student Aid .....            | 12,496            | 12,496               | 12,496            | 12,496               | 12,496               | 12,496               | 12,496               |
| Bond-Hill Scholarships .....                       | 534               | 534                  | 1,000             | 1,000                | 1,000                | 1,000                | 1,000                |
| Cheyney Keystone Academy.....                      | 1,525             | 1,525                | 2,000             | 2,000                | 2,000                | 2,000                | 2,000                |
| <b>TOTAL GENERAL FUND.....</b>                     | <b>\$ 362,086</b> | <b>\$ 367,086</b>    | <b>\$ 377,677</b> | <b>\$ 377,677</b>    | <b>\$ 377,677</b>    | <b>\$ 377,677</b>    | <b>\$ 377,677</b>    |

## Program: Financial Aid to Institutions

*GOAL: To assist independent post-secondary institutions to maintain enrollments and stabilize their educational costs thereby promoting access to institutions in all sectors for Pennsylvania students.*

The Institutional Assistance Grants program, which began in 1974, provides grants to assist independent post-secondary institutions that are not-for-profit, nondenominational and non-recipients of direct state appropriations.

The program provides equal per capita grants to the schools based on the number of full-time equivalent state grant recipients enrolled during the academic year. Eighty-nine institutions are eligible to participate in the program.

The program helps to preserve and develop the diverse system of higher education in Pennsylvania by allowing Pennsylvania's independent colleges and universities to stabilize their educational costs and maintain enrollments. It recognizes the desirability of helping independent institutions remain fiscally sound and serves to promote student access to institutions in all sectors.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND**  
**Institutional Assistance Grants**  
 \$ 5,000 —Initiative—Jobs that Pay. To provide additional funds to independent post-secondary institutions to promote student access and stabilize educational costs.

Please see the Jobs that Pay theme in the Overview and Summaries Section for additional information.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                       | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                  |                   |                      |                   |                      |                      |                      |                      |
| Institutional Assistance Grants ..... | \$ 24,389         | \$ 24,389            | \$ 29,389         | \$ 29,389            | \$ 29,389            | \$ 29,389            | \$ 29,389            |

# Higher Education Assistance Agency

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Financial Assistance to Students

**Objective: Increase enrollment and graduation rates at Pennsylvania's colleges and universities, especially among economically disadvantaged students and first generation college students.**

#### Grants to Students

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Applications for grants  | 629,328 | 617,000 | 611,000 | 604,000 | 598,000 | 592,000 | 587,000 |
| Applications complete and needs tested for eligibility           | 399,842 | 392,000 | 388,000 | 384,000 | 380,000 | 376,000 | 373,000 |
| Eligible applicants meeting qualifications                       | 225,878 | 225,000 | 214,000 | 212,000 | 211,000 | 210,000 | 209,000 |
| Eligible applicants enrolled and accepting grants                | 178,681 | 178,000 | 169,000 | 168,000 | 167,000 | 166,000 | 166,000 |
| Eligible applicants not enrolled at a college/university         | 46,577  | 46,000  | 45,000  | 44,000  | 44,000  | 44,000  | 44,000  |
| Grant amount as percentage of applicant's total educational cost | 11.10%  | 9.80%   | 9.60%   | 9%      | 8.60%   | 8.10%   | 7.70%   |
| Students receiving Blind or Deaf Scholarships                    | 102     | 100     | 94      | 94      | 94      | 94      | 94      |
| Students Receiving Pennsylvania Internship Program Awards        | 50      | 60      | 60      | 60      | 60      | 60      | 60      |

#### Work Study

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Students assisted by federal, state and private funds | 30,400 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Student work study earnings (in millions)             | \$54   | \$54   | \$54   | \$54   | \$54   | \$54   | \$54   |

**Objective: Develop a strong workforce in targeted industries in Pennsylvania through access to financial assistance for higher education.**

#### Grants to Students

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Number of PA Targeted Industry Program (PA-TIP) applicants   | 2,625   | 2,782   | 2,782   | 2,782   | 2,782   | 2,782   | 2,782   |
| Average Award for PA Targeted Industry Program (PA-TIP)      | \$3,466 | \$3,186 | \$3,186 | \$3,186 | \$3,186 | \$3,186 | \$3,186 |
| Number of PA Targeted Industry Program (PA-TIP) participants | 1,391   | 1,669   | 1,950   | 1,950   | 1,950   | 1,950   | 1,950   |

### Program: Financial Aid to Institutions

**Objective: Support programs at institutions through the development and preservation of a planned system of higher education across the commonwealth.**

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Eligible grant recipients enrolled at eligible independent institutions | 43,973 | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 |
| Per capita grant  | \$558  | \$557  | \$668  | \$668  | \$668  | \$668  | \$668  |
| Institutions aided  | 35     | 33     | 33     | 33     | 33     | 33     | 33     |



---

# eHEALTH PARTNERSHIP AUTHORITY

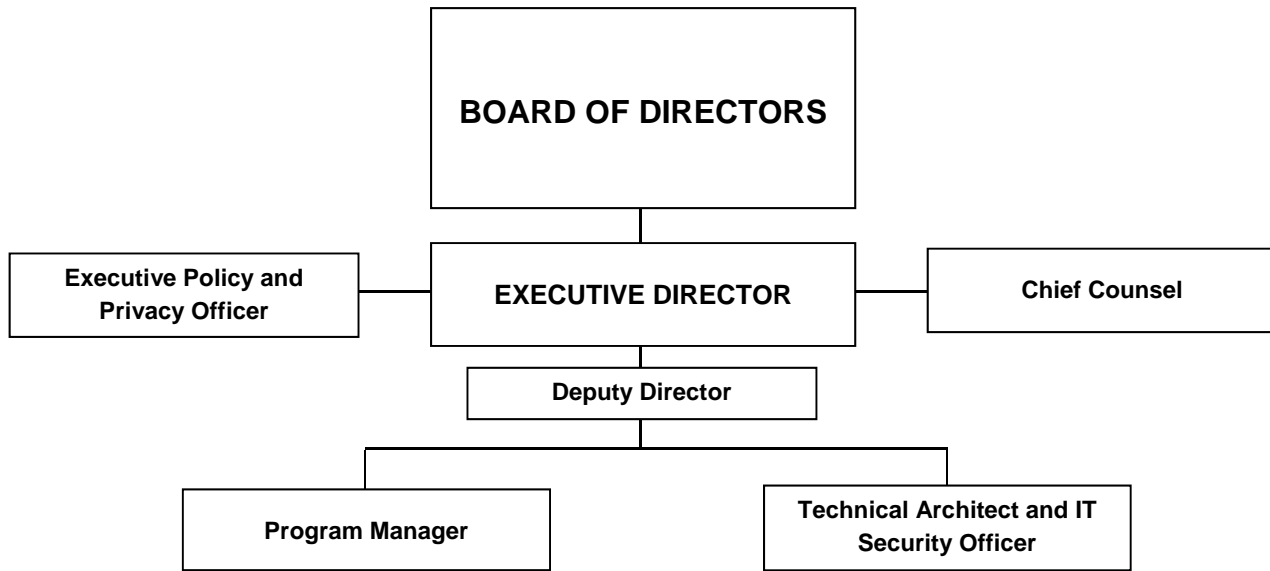
*The mission of the eHealth Partnership Authority is to improve health care delivery and health care outcomes in Pennsylvania by enabling the secure exchange of health information.*

The authority provides leadership and strategic direction for public and private, federally funded and state-funded investments in health information technology initiatives, including health information exchange capabilities and other related health information technology efforts. The authority works with various stakeholders, including health care providers, insurers, academics and consumer advocates, toward the ultimate goal of improving patient health. Based on existing legislation, the authority will expire on July 5, 2017.

## **Programs and Goals**

**Health Information Technology:** *To strengthen the health care system and improve both health care delivery and outcomes through the timely, secure and authorized exchange of patient health information among health care providers.*

## Organization Overview



- **Program Manager** is responsible for fiscal and human resources management support, assists in oversight of all day-to-day functions and, in cooperation with the deputy director, develops and implements management policies, plans and schedules.
- **Technical Architect and IT Security Officer** is responsible for planning, organizing and directing information technology functions within the eHealth Partnership Authority. This position is also responsible for application development, technical services, network administration, data or database management, information technology security and information technology policy and planning.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 0                 | 0                 | 0                 | 5                 | 9                 |

## Summary by Fund and Appropriation

|   | (Dollar Amounts in Thousands) |                       |                       |
|---|-------------------------------|-----------------------|-----------------------|
|   | 2013-14<br>ACTUAL             | 2014-15<br>AVAILABLE  | 2015-16<br>BUDGET     |
| <b>GENERAL FUND:</b>  |                               |                       |                       |
| <i>General Government:</i>                                      |                               |                       |                       |
| Transfer to PA eHealth Partnership Fund.....                    | \$ 2,000                      | \$ 1,850              | \$ 1,500              |
| <i>Grants and Subsidies:</i>                                    |                               |                       |                       |
| (F)State Health Care Innovation Model (EA).....                 | \$ 21                         | \$ 0                  | \$ 0                  |
| STATE FUNDS.....  | \$ 2,000                      | \$ 1,850              | \$ 1,500              |
| FEDERAL FUNDS.....  | 21                            | 0                     | 0                     |
| <b>GENERAL FUND TOTAL.....</b>                                  | <b>\$ 2,021</b>               | <b>\$ 1,850</b>       | <b>\$ 1,500</b>       |
| <b>OTHER FUNDS:</b>   |                               |                       |                       |
| <b>PENNSYLVANIA EHEALTH PARTNERSHIP FUND:</b>                   |                               |                       |                       |
| General Operations (EA).....                                    | \$ 2,400 <sup>a</sup>         | \$ 2,600 <sup>a</sup> | \$ 2,325 <sup>a</sup> |
| (F)ARRA - Health Information Exchange (EA).....                 | 8,837                         | 8,837                 | 0                     |
| (F)Health Information Technology Implementation Grant (EA)..... | 0                             | 9,000                 | 3,874                 |
| (F)State Health Care Innovation Model (EA).....                 | 21                            | 0                     | 0                     |
| (A)Fees.....  | 0                             | 1,000                 | 0                     |
| <b>PENNSYLVANIA EHEALTH PARTNERSHIP FUND TOTAL.....</b>         | <b>\$ 11,258</b>              | <b>\$ 21,437</b>      | <b>\$ 6,199</b>       |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                             |                               |                       |                       |
| GENERAL FUND.....   | \$ 2,000                      | \$ 1,850              | \$ 1,500              |
| SPECIAL FUNDS.....  | 0                             | 0                     | 0                     |
| FEDERAL FUNDS.....  | 21                            | 0                     | 0                     |
| OTHER FUNDS.....  | 11,258                        | 21,437                | 6,199                 |
| <b>TOTAL ALL FUNDS.....</b>                                     | <b>\$ 13,279</b>              | <b>\$ 23,287</b>      | <b>\$ 7,699</b>       |

<sup>a</sup> Transfer from the General Fund is excluded to avoid double counting: 2013-14 Actual is \$2,000,000, 2014-15 Available is \$1,850,000 and 2015-16 Budget is \$1,500,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual       | 2014-15<br>Available    | 2015-16<br>Budget      | 2016-17<br>Estimated    | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--------------------------------------|-------------------------|-------------------------|------------------------|-------------------------|----------------------|----------------------|----------------------|
| <b>EHEALTH PARTNERSHIP AUTHORITY</b> |                         |                         |                        |                         |                      |                      |                      |
| GENERAL FUND.....                    | \$ 2,000                | \$ 1,850                | \$ 1,500               | \$ 1,500                | \$ 0                 | \$ 0                 | \$ 0                 |
| SPECIAL FUNDS.....                   | 0                       | 0                       | 0                      | 0                       | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                   | 21                      | 0                       | 0                      | 3,874                   | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                     | 11,258                  | 21,437                  | 6,199                  | 5,874                   | 0                    | 0                    | 0                    |
| SUBCATEGORY TOTAL.....               | <u>\$ 13,279</u>        | <u>\$ 23,287</u>        | <u>\$ 7,699</u>        | <u>\$ 11,248</u>        | <u>\$ 0</u>          | <u>\$ 0</u>          | <u>\$ 0</u>          |
| <b>ALL PROGRAMS:</b>                 |                         |                         |                        |                         |                      |                      |                      |
| GENERAL FUND.....                    | \$ 2,000                | \$ 1,850                | \$ 1,500               | \$ 1,500                | \$ 0                 | \$ 0                 | \$ 0                 |
| SPECIAL FUNDS.....                   | 0                       | 0                       | 0                      | 0                       | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                   | 21                      | 0                       | 0                      | 3,874                   | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                     | 11,258                  | 21,437                  | 6,199                  | 5,874                   | 0                    | 0                    | 0                    |
| DEPARTMENT TOTAL.....                | <u><u>\$ 13,279</u></u> | <u><u>\$ 23,287</u></u> | <u><u>\$ 7,699</u></u> | <u><u>\$ 11,248</u></u> | <u><u>\$ 0</u></u>   | <u><u>\$ 0</u></u>   | <u><u>\$ 0</u></u>   |

## Program: Health Information Technology

*Goal: To strengthen the health care system and improve both health care delivery and outcomes through the timely, secure and authorized exchange of patient health information among health care providers.*

Act 121 of 2012 established the Pennsylvania eHealth Partnership Authority (Authority) to facilitate electronic health information exchange (eHIE) efforts in the commonwealth. Continued operation of the Authority, in accordance with the strategic and operational plan approved by the Authority's board of directors, is critical to keeping Pennsylvania on pace with other states and territories as eHIE and health information technology matures. The Authority's role is key to connecting the state and enabling other initiatives to evolve and succeed in improving patient care and reducing costs.

The Authority aligns Pennsylvania eHIE efforts with other governmental and private sector healthcare-related initiatives to ensure that eHIE can support these initiatives. The Authority also aligns its eHIE efforts with the efforts in other states and at the national level to work toward interstate exchange and support of patients' care as they move about their daily lives. It also provides state-level technical services that enable submission of private sector reports to state government, including the Department of Human Services and the Department of Health (immunization registry, lab results registry, cancer registry, communicable disease registry). The Authority's effort to establish this reporting channel is referred to as the Public Health Gateway.

The Authority is also responsible for advancing health information technology and eHIE across competing private sector healthcare organizations that otherwise could not or would not coordinate their efforts by engaging both public and private stakeholders to ensure continued alignment of eHIE-related efforts with private sector developments and supporting private sector programs to innovate for better patient care and new payment delivery models.

The Authority establishes and administers certification programs for private sector organizations to ensure compliance with legal and policy decisions and to promote interoperability. The programs promote a cohesive, interconnected healthcare system.

Finally, the Authority seeks federal funds and other funding sources to incentivize eHIE adoption and use by Pennsylvania health care providers, via the certified health information organizations. It intends to offer grants through leveraging of federal grant monies to help expand the use of health information technology.

These efforts are expected to improve long-term health care outcomes through the more timely and accurate availability of patient information for patients and providers.

Based on existing legislation, the Authority will expire on July 5, 2017, and will be up for reauthorization one year prior.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND**  
**Transfer to PA eHealth Partnership Fund**  
 \$ -350 —funding reduction.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                      |                   |                      |                   |                      |                      |                      |                      |
| Transfer to PA eHealth Partnership Fund.. | \$ 2,000          | \$ 1,850             | \$ 1,500          | \$ 1,500             | \$ 0                 | \$ 0                 | \$ 0                 |



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# EMERGENCY MANAGEMENT AGENCY

*The mission of the Pennsylvania Emergency Management Agency is to save lives, reduce suffering and protect property and the environment by leading and coordinating commonwealth agencies and resources to prevent, protect, prepare, respond and recover from any man-made or natural disaster.*

The agency develops and maintains a comprehensive plan and program for the civil defense of the commonwealth. Primarily the plan calls for the protection of life and property both prior to and in the event of natural and other disasters. The agency, through the Office of the State Fire Commissioner, provides loans to volunteer fire, ambulance and rescue companies, and coordinates state fire services. The agency also administers post-disaster aid to affected localities and citizens.

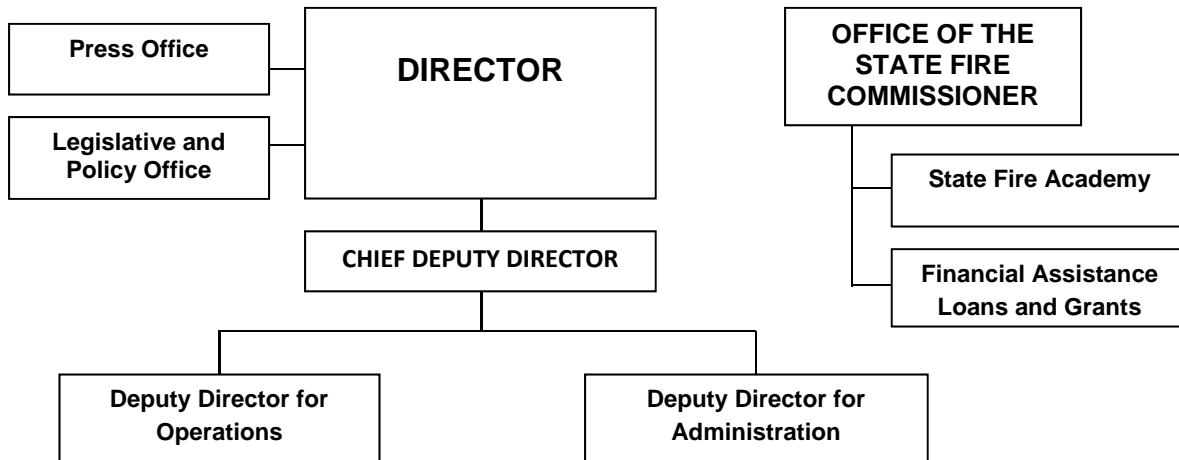
## **Programs and Goals**

**Emergency Management:** *To develop and maintain a statewide emergency preparedness and response program capable of immediate and effective action and rapid organizational expansion in the event of natural, technological or other man-made disasters.*

**Fire Prevention and Safety:** *To minimize the loss of life and property due to fire by developing and maintaining statewide municipal fire and emergency service capability and to promote citizen awareness to support community fire prevention and control efforts.*

---

## Organization Overview



- Deputy Director for Operations** oversees all operations relating to the warning point, State Emergency Operations Center (SEOC), tactical/operational planning and preparedness, and response activities of agency headquarters and area offices. Acts as the primary point of contact between PEMA and various search and rescue special team entities within the commonwealth. Manages the SEOC 24/7/365 Watch Operation, including its activation during disasters, and delivery of essential services during emergency response and recovery phases; conducts technological hazard planning including the commonwealth's five nuclear power plants; and trains and conducts emergency preparedness exercises to ensure that commonwealth citizens, county and local emergency management programs, first responders and commonwealth agencies are prepared to deal with emergencies. Oversees area offices that are the primary management and coordination points of contact and liaison within the western, central, or eastern regions of Pennsylvania.
- Deputy Director for Administration** oversees and manages a comprehensive administrative and management services program. Responsible for all agency activities related to manpower, staff utilization planning, classification and pay, labor relations; and provides fiscal, budget, facility management, procurement and grants management services. Also responsible for developing and defining strategies, goals and objectives that will formulate strategic plans for the agency, statewide emergency management and integration as well as emergency preparedness for the commonwealth. As a recipient of Homeland Security Grant funds, identifies threats and hazards that exist in the commonwealth and identifies needed planning, organization, exercise, training, and equipment in order to mitigate, protect, prevent, respond, and recover from a terroristic threat or an all-hazards incident. Provides information technology and telecommunications technical support to the agency, the SEOC, three area offices, the Special Operations Center, the Office of State Fire Commissioner and State Fire Academy. Responsible for the administration of the federal- and state-funded public assistance, individual assistance, and hazard mitigation programs that provide financial assistance to victims of disasters. Provides oversight for the commonwealth's county-based 9-1-1 system and manages communication with County 9-1-1 Coordinators to enable public safety answering points to provide expedient telephone access to emergency services for all 9-1-1 callers.
- State Fire Commissioner** oversees the State Fire Academy and the Volunteer Loan Assistance Program and is responsible for the diverse training, operational, and information needs of the commonwealth's fire and emergency services community. The Fire Commissioner reports to the Governor.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 178               | 161               | 190               | 193               | 195               |

# Emergency Management Agency

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL        | 2014-15<br>AVAILABLE     | 2015-16<br>BUDGET        |
|--|--------------------------|--------------------------|--------------------------|
| <b>GENERAL FUND:</b>   |                          |                          |                          |
| <i>General Government:</i>   |                          |                          |                          |
| <b>General Government Operations.....</b>                            | <b>\$ 8,668</b>          | <b>\$ 8,944</b>          | <b>\$ 10,400</b>         |
| (F)Civil Preparedness.....   | 21,000                   | 21,000                   | 21,000                   |
| (F)Hazardous Materials Planning and Training.....                    | 1,024                    | 900                      | 900                      |
| (F)Domestic Preparedness - First Responders (EA).....                | 180,000                  | 130,000                  | 130,000                  |
| (F)School Emergency Management Planning.....                         | 0                        | 987                      | 0                        |
| (A)Miscellaneous.....  | 35                       | 0                        | 0                        |
| Subtotal.....  | <u>\$ 210,727</u>        | <u>\$ 161,831</u>        | <u>\$ 162,300</u>        |
| <b>State Fire Commissioner.....</b>                                  | <b>2,032</b>             | <b>2,037</b>             | <b>2,111</b>             |
| (F)Fire Prevention.....  | 42                       | 42                       | 42                       |
| (F)Assistance to Firefighters Program.....                           | 0                        | 75                       | 0                        |
| (F)Firefighters Assistance Program (EA).....                         | 0                        | 177                      | 0                        |
| (A)Fire Academy Fees.....  | 4                        | 6                        | 6                        |
| (A)Volunteer Company Loan Program.....                               | 250                      | 250                      | 250                      |
| (A)Volunteer Company Grant Program.....                              | 250                      | 250                      | 250                      |
| Subtotal.....  | <u>\$ 2,578</u>          | <u>\$ 2,837</u>          | <u>\$ 2,659</u>          |
| Subtotal - State Funds.....  | \$ 10,700                | \$ 10,981                | \$ 12,511                |
| Subtotal - Federal Funds.....  | 202,066                  | 153,181                  | 151,942                  |
| Subtotal - Augmentations.....  | 539                      | 506                      | 506                      |
| Total - General Government.....                                      | <u>\$ 213,305</u>        | <u>\$ 164,668</u>        | <u>\$ 164,959</u>        |
| <i>Grants and Subsidies:</i>   |                          |                          |                          |
| (F)June 2006 Summer Storm - Public Assistance (EA).....              | \$ 1,000                 | \$ 0                     | \$ 0                     |
| (F)November 2006 Winter Storm Disaster - Public Assistance (EA)..... | 1,000                    | 0                        | 0                        |
| (F)February 2010 Winter Snowstorms - Hazard Mitigation (EA).....     | 3,500                    | 2,500                    | 0                        |
| (F)April 2011 Flooding - Public Assistance (EA).....                 | 4,500                    | 3,000                    | 2,000                    |
| <b>Summer 2011 Storm Disaster Relief.....</b>                        | <b>3,100</b>             | <b>0</b>                 | <b>0</b>                 |
| (F)Summer 2011 Storm Disaster Relief (EA).....                       | 100,000                  | 50,000                   | 30,000                   |
| <b>Hurricane Sandy Disaster Relief.....</b>                          | <b>0</b>                 | <b>250</b>               | <b>0</b>                 |
| (F)Hurricane Sandy Disaster Relief (EA).....                         | 6,800                    | 3,000                    | 2,000                    |
| <b>Summer 2013 Storm Disaster Relief.....</b>                        | <b>5,000</b>             | <b>0</b>                 | <b>0</b>                 |
| (F)Summer 2013 Storm Disaster Relief (EA).....                       | 15,000                   | 10,000                   | 5,000                    |
| <b>February 2014 Snow and Ice Storm Disaster Relief.....</b>         | <b>1,000</b>             | <b>0</b>                 | <b>0</b>                 |
| <b>Hazard Mitigation.....</b>  | <b>3,000</b>             | <b>0</b>                 | <b>0</b>                 |
| <b>Firefighters' Memorial Flag.....</b>                              | <b>10</b>                | <b>10</b>                | <b>10</b>                |
| <b>Red Cross Extended Care Program.....</b>                          | <b>150</b>               | <b>150</b>               | <b>150</b>               |
| <b>Search and Rescue.....</b>  | <b>0</b>                 | <b>250</b>               | <b>0</b>                 |
| <b>Local Municipal Emergency Relief.....</b>                         | <b>0</b>                 | <b>3,000</b>             | <b>0</b>                 |
| Subtotal - State Funds.....  | \$ 12,260                | \$ 3,660                 | \$ 160                   |
| Subtotal - Federal Funds.....  | 131,800                  | 68,500                   | 39,000                   |
| Total - Grants and Subsidies.....                                    | <u>\$ 144,060</u>        | <u>\$ 72,160</u>         | <u>\$ 39,160</u>         |
| STATE FUNDS.....   | \$ 22,960                | \$ 14,641                | \$ 12,671                |
| FEDERAL FUNDS.....   | 333,866                  | 221,681                  | 190,942                  |
| AUGMENTATIONS.....   | 539                      | 506                      | 506                      |
| <b>GENERAL FUND TOTAL.....</b>                                       | <b><u>\$ 357,365</u></b> | <b><u>\$ 236,828</u></b> | <b><u>\$ 204,119</u></b> |

# Emergency Management Agency

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| <b>OTHER FUNDS:</b>                                      |                   |                      |                   |
| <b>GENERAL FUND:</b>                                     |                   |                      |                   |
| VoIP Emergency Services Fund.....                        | \$ 21,495         | \$ 21,500            | \$ 21,500         |
| Radiological Emergency Response Planning.....            | 1,006             | 1,200                | 1,200             |
| Radiation Emergency Response Fund.....                   | 767               | 820                  | 800               |
| Radiation Transportation Emergency Response Fund.....    | 3                 | 75                   | 75                |
| <b>GENERAL FUND TOTAL.....</b>                           | <b>\$ 23,271</b>  | <b>\$ 23,595</b>     | <b>\$ 23,575</b>  |
| <b>HAZARDOUS MATERIAL RESPONSE FUND:</b>                 |                   |                      |                   |
| General Operations.....                                  | \$ 230            | \$ 200               | \$ 190            |
| Hazardous Materials Response Team.....                   | 230               | 200                  | 190               |
| Grants to Counties.....                                  | 1,610             | 1,400                | 1,330             |
| Public and Facility Owner Education.....                 | 230               | 200                  | 190               |
| <b>HAZARDOUS MATERIAL RESPONSE FUND TOTAL.....</b>       | <b>\$ 2,300</b>   | <b>\$ 2,000</b>      | <b>\$ 1,900</b>   |
| <b>PROPERTY TAX RELIEF FUND:</b>                         |                   |                      |                   |
| Transfer to Volunteer Company Grants Program (EA).....   | \$ 5,000          | \$ 5,000             | \$ 5,000          |
| <b>STATE GAMING FUND:</b>                                |                   |                      |                   |
| Transfer to Volunteer Company Grants Program (EA).....   | \$ 25,000         | \$ 25,000            | \$ 25,000         |
| <b>UNCONVENTIONAL GAS WELL FUND:</b>                     |                   |                      |                   |
| Emergency Response Planning.....                         | \$ 750            | \$ 750               | \$ 750            |
| First Responders Equipment and Training.....             | 750               | 750                  | 750               |
| <b>UNCONVENTIONAL GAS WELL FUND TOTAL.....</b>           | <b>\$ 1,500</b>   | <b>\$ 1,500</b>      | <b>\$ 1,500</b>   |
| <b>VOLUNTEER COMPANIES LOAN FUND:</b>                    |                   |                      |                   |
| Volunteer Company Loans.....                             | \$ 7,489          | \$ 15,000            | \$ 16,000         |
| <b>WIRELESS E-911 EMERGENCY SERVICES FUND:</b>           |                   |                      |                   |
| General Operations (EA).....                             | \$ 2,320          | \$ 2,340             | \$ 2,303          |
| Wireless E-911 Emergency Services Grants (EA).....       | 121,096           | 116,000              | 116,000           |
| <b>WIRELESS E-911 EMERGENCY SERVICES FUND TOTAL.....</b> | <b>\$ 123,416</b> | <b>\$ 118,340</b>    | <b>\$ 118,303</b> |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                      |                   |                      |                   |
| GENERAL FUND.....  | \$ 22,960         | \$ 14,641            | \$ 12,671         |
| SPECIAL FUNDS.....                                       | 0                 | 0                    | 0                 |
| FEDERAL FUNDS.....                                       | 333,866           | 221,681              | 190,942           |
| AUGMENTATIONS.....                                       | 539               | 506                  | 506               |
| OTHER FUNDS.....   | 187,976           | 190,435              | 191,278           |
| <b>TOTAL ALL FUNDS.....</b>                              | <b>\$ 545,341</b> | <b>\$ 427,263</b>    | <b>\$ 395,397</b> |

## Program Funding Summary

(Dollar Amounts in Thousands)

|                                   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-----------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>EMERGENCY MANAGEMENT</b>       |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                 | \$ 20,768         | \$ 12,444            | \$ 10,400         | \$ 9,899             | \$ 10,146            | \$ 10,400            | \$ 10,660            |
| SPECIAL FUNDS.....                | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                | 333,824           | 221,387              | 190,900           | 181,900              | 169,650              | 162,400              | 156,900              |
| OTHER FUNDS.....                  | 30,361            | 30,345               | 30,225            | 30,075               | 29,975               | 29,775               | 29,675               |
| SUBCATEGORY TOTAL.....            | <u>\$ 384,953</u> | <u>\$ 264,176</u>    | <u>\$ 231,525</u> | <u>\$ 221,874</u>    | <u>\$ 209,771</u>    | <u>\$ 202,575</u>    | <u>\$ 197,235</u>    |
| <b>FIRE PREVENTION AND SAFETY</b> |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                 | \$ 2,192          | \$ 2,197             | \$ 2,271          | \$ 2,345             | \$ 2,400             | \$ 2,456             | \$ 2,513             |
| SPECIAL FUNDS.....                | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                | 42                | 294                  | 42                | 42                   | 42                   | 42                   | 42                   |
| OTHER FUNDS.....                  | 158,154           | 160,596              | 161,559           | 162,559              | 163,559              | 164,559              | 165,559              |
| SUBCATEGORY TOTAL.....            | <u>\$ 160,388</u> | <u>\$ 163,087</u>    | <u>\$ 163,872</u> | <u>\$ 164,946</u>    | <u>\$ 166,001</u>    | <u>\$ 167,057</u>    | <u>\$ 168,114</u>    |
| <b>ALL PROGRAMS:</b>              |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                 | \$ 22,960         | \$ 14,641            | \$ 12,671         | \$ 12,244            | \$ 12,546            | \$ 12,856            | \$ 13,173            |
| SPECIAL FUNDS.....                | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                | 333,866           | 221,681              | 190,942           | 181,942              | 169,692              | 162,442              | 156,942              |
| OTHER FUNDS.....                  | 188,515           | 190,941              | 191,784           | 192,634              | 193,534              | 194,334              | 195,234              |
| DEPARTMENT TOTAL.....             | <u>\$ 545,341</u> | <u>\$ 427,263</u>    | <u>\$ 395,397</u> | <u>\$ 386,820</u>    | <u>\$ 375,772</u>    | <u>\$ 369,632</u>    | <u>\$ 365,349</u>    |

## Program: Emergency Management

*Goal: To develop and maintain a statewide emergency preparedness and response program capable of immediate and effective action and rapid organizational expansion in the event of natural, technological or other man-made disasters.*

---

The Pennsylvania Emergency Management Agency (PEMA) was created in 1951 to address civil defense related public planning and preparedness. Since then, PEMA's responsibilities have evolved, and the agency's mission has grown into that of a statewide all-hazards emergency management agency. The agency's mission is accomplished through systematic preparation for the threats that pose the greatest risk to the safety and security of the commonwealth, including natural and man-made disasters, pandemics and acts of terrorism. PEMA has adopted the "Whole Community" approach to emergency management that recognizes it takes all aspects of a community to effectively prepare for, protect against, respond to, recover from and mitigate against any disaster.

Pennsylvania preparedness occurs as the result of actions taken to plan, train and equip to build and sustain the capabilities and capacity to protect our state during emergency events. The agency has several objectives that help meet the statewide preparedness goal: increase community outreach to better prepare citizens to appropriately respond to all-hazard threats within their community; increase capabilities of emergency management within the commonwealth; increase the efficiency of federal and state grant administration; provide wireless 911 callers the enhanced benefits traditionally available to landline 911 callers; and reduce the risks to critical infrastructure from acts that would severely diminish the ability of government to perform essential health and safety missions and negatively impact our people, vital interests and way of life.

Pennsylvania's "Whole Community" public preparedness program is based on inter and intra governmental coordination, communication and cooperation and a team approach involving state, county, municipal and federal elected leaders, the private sector owners of our critical infrastructure, emergency managers and first responders. At its core is a multi-agency coordination and training program which develops and maintains a statewide emergency force composed of state, county and local units, jointly capable of prompt and effective action to protect life and property; alleviate human suffering and hardship resulting from natural and man-made disasters; and deploy rapidly when required.

PEMA's responsibilities include programs concerning prison and community safety, wireless Enhanced 911 (E-911) implementation and maintenance, statewide chemical and nuclear power safety, hazardous materials

transportation and individual emergency preparedness. PEMA assists local governments with hazard assessments, emergency planning, warning systems and emergency communications, and ongoing training programs to help them maintain their readiness. PEMA maintains and operates Pennsylvania's emergency response and command center on a 24/7 basis. In times of disaster, PEMA is responsible for all actions related to gubernatorial emergency declarations, presidential disaster declarations and all coordination with the Federal Emergency Management Agency.

Counties are required to have an approved emergency program plan consisting of a statement of accomplishments, required financial needs, hazard vulnerability and goals indicating projected activity. Counties are also required to have current hazard mitigation plans. Federal and state laws mandate conducting exercises to test and update existing emergency preparedness and response plans. This comprehensive exercise program is an extensive and integrated training and testing program that enhances and measures the ability of county and local forces to provide a first line of response to emergency conditions.

The agency coordinates urban search and rescue capabilities for response to certain types of disasters. Regional rapid assessment teams are trained to provide assessment of needs in disaster areas. The agency also coordinates nine regional counter-terrorism task forces and incident support teams. PEMA acts as the federally designated state administrative agency and is responsible for managing congressionally mandated and first responder preparedness support programs.

PEMA is responsible by law to require the operator of an unconventional well site to develop an emergency response plan that provides for equipment, procedures, training and documentation to properly respond to emergencies that threaten human health and safety for each well site or planned well site.

PEMA is responsible for the administration of the Public Safety Emergency Telephone Act which established the Wireless E-911 Emergency Services Fund. This fund provides support for a statewide integrated wireless E-911 system. The wireless surcharge funds are disbursed to public safety answering points (PSAPs) to upgrade E-911 technologies. Amendments to the act have added fees for voice over internet protocol phones and prepaid wireless phones which provide additional funding to the PSAPs.

# Emergency Management Agency

## Program: Emergency Management (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|  |   |                          |   |
|--|---|--------------------------|---|
| <b>General Government Operations</b>   |   | <b>Search and Rescue</b> |   |
| \$ 222                                 | —to continue current program.                                   | \$ -250                  | —program elimination.                   |
| 1,234                                  | —nonrecurring costs to transition to new headquarters building. |                          |   |
| <u>\$ 1,456</u>                        | <i>Appropriation Increase</i>                                   | \$ -3,000                | <b>Local Municipal Emergency Relief</b> |
|  |   |                          | —program elimination.                   |
| <b>Hurricane Sandy Disaster Relief</b> |   |                          |   |
| \$ -250                                | —state match for federally funded projects.                     |                          |   |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                                     |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....                      | \$ 8,668          | \$ 8,944             | \$ 10,400         | \$ 9,899             | \$ 10,146            | \$ 10,400            | \$ 10,660            |
| Hazard Mitigation .....                                  | 3,000             | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| Summer 2011 Storm Disaster Relief .....                  | 3,100             | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| Hurricane Sandy Disaster Relief .....                    | 0                 | 250                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Summer 2013 Storm Disaster Relief .....                  | 5,000             | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| February 2014 Snow and Ice Storm<br>Disaster Relief..... | 1,000             | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| Search and Rescue .....                                  | 0                 | 250                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Local Municipal Emergency Relief .....                   | 0                 | 3,000                | 0                 | 0                    | 0                    | 0                    | 0                    |
| <b>TOTAL GENERAL FUND .....</b>                          | <u>\$ 20,768</u>  | <u>\$ 12,444</u>     | <u>\$ 10,400</u>  | <u>\$ 9,899</u>      | <u>\$ 10,146</u>     | <u>\$ 10,400</u>     | <u>\$ 10,660</u>     |



## Program: Fire Prevention and Safety

*Goal: To minimize the loss of life and property due to fire by developing and maintaining statewide municipal fire and emergency service capability and to promote citizen awareness to support community fire prevention and control efforts.*

The state fire commissioner is responsible for addressing the diverse training, operational and informational needs of the commonwealth's fire and emergency services community. The commissioner oversees the development and operation of the State Fire Academy; the Volunteer Loan Assistance Program (VLAP); the Fire Company and Volunteer Ambulance Service Grant program; the Pennsylvania Fire Information Reporting System; an alternative energy curriculum that specifically addresses gas production from Marcellus Shale wells; a variety of public education/information programs; and the administration of the Firefighters' Memorial Flag program.

The commissioner is also responsible for coordinating federal, state and private fire safety funds; assisting state agencies in the development of plans related to fire safety; reviewing existing or proposed rules and regulations affecting the safety of commonwealth citizens; and providing a cost-effective fire-loss management system for the commonwealth.

Through contacts with government agencies, the business community, consumers and the fire service, the commissioner's office provides technical assistance; collects, reviews and disseminates pertinent information about fire death data and fire prevention and control techniques; and conducts statewide fire safety educational programs for the entire fire service community.

The State Fire Academy in Lewistown is the catalyst for the delivery of training and certification to the commonwealth's fire and emergency response community. The Local Level Training program, a unique system involving the academy, community colleges, and county and local training facilities and organizations, provides a comprehensive curriculum of basic and mid-level fire, rescue, hazardous material, officer development and fire department management courses deliverable to firefighters through county and local fire departments.

The academy's training facilities and staff support the Resident Training programs offering mid-level, advanced and specialty training in fire, rescue, hazardous material and officer development courses aimed at providing professional development opportunities for the

commonwealth's fire service, state certified instructors and employees from other state agencies. Programs of interest and concern are made available to the emergency services providers through the academy's "Academy on the Road" program. The academy manages the Firefighter Certification program that measures individual knowledge and skills against nationally accepted professional standards to assist responders in maximizing their training and experience credentials.

VLAP provides assistance to the volunteer fire fighting, ambulance and rescue community in the form of low-interest loans for the purpose of establishing or modernizing facilities to house apparatus and equipment, purchasing new or rehabilitating old apparatus and purchasing protective, communications and accessory equipment.

The Fire Company and Volunteer Ambulance Service Grant program annually transfers \$25 million from the State Gaming Fund and \$5 million from the Property Tax Relief Fund to the grants program to provide grant funding to all fire companies and volunteer ambulance services to assist in maintaining or improving capability to provide fire, ambulance and rescue services.

The Pennsylvania Fire and Rescue Mutual Aid System (PA-FaRMAS) provides a statewide fire service mutual aid system. The system was developed to identify and deploy emergency resources when an incident expands beyond the capabilities of local jurisdictions and resources.

Act 168 of 1990, which provides for a flag to honor firefighters who have died in the line of duty, assigns the Office of the Pennsylvania State Fire Commissioner the responsibility to implement the provisions of the act. As part of its involvement in this program, the fire commissioner's office provides personal support and assistance to fire departments and surviving relatives immediately following such deaths and attempts to ascertain and use lessons learned to reduce the number of firefighter deaths in the future.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 74 **State Fire Commissioner**  
—to continue current program.

The Firefighters' Memorial Flag and the Red Cross Extended Care Program appropriations are recommended at the current year funding levels.

# Emergency Management Agency

## Program: Fire Prevention and Safety (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                 |                   |                      |                   |                      |                      |                      |                      |
| State Fire Commissioner .....        | \$ 2,032          | \$ 2,037             | \$ 2,111          | \$ 2,185             | \$ 2,240             | \$ 2,296             | \$ 2,353             |
| Firefighters' Memorial Flag .....    | 10                | 10                   | 10                | 10                   | 10                   | 10                   | 10                   |
| Red Cross Extended Care Program..... | 150               | 150                  | 150               | 150                  | 150                  | 150                  | 150                  |
| <b>TOTAL GENERAL FUND .....</b>      | <b>\$ 2,192</b>   | <b>\$ 2,197</b>      | <b>\$ 2,271</b>   | <b>\$ 2,345</b>      | <b>\$ 2,400</b>      | <b>\$ 2,456</b>      | <b>\$ 2,513</b>      |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Emergency Management

**Objective: Increase emergency management capabilities to respond to, recover from and mitigate against any disaster within the commonwealth.**

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| State and local emergency management personnel trained | 3,955 | 3,100 | 3,100 | 3,100 | 3,100 | 3,100 | 3,100 |
|--|-------|-------|-------|-------|-------|-------|-------|

**Objective: Improve the preparedness and response capabilities of individuals and communities to all hazards.**

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Percentage of residents prepared for a disaster | 55% | 60% | 65% | 70% | 75% | 80% | 85% |
|---|-----|-----|-----|-----|-----|-----|-----|

|  |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|
| Percentage of counties that request funding for Citizen Corps programs or outreach materials | 55% | 60% | 65% | 70% | 75% | 80% | 80% |
|--|-----|-----|-----|-----|-----|-----|-----|

**Objective: Increase federal and state grant distribution, management and administration.**

|   |          |          |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|----------|----------|
| State and federal emergency management grant funds disbursed (in thousands) | \$76,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
|---|----------|----------|----------|----------|----------|----------|----------|

### Program: Fire Prevention and Safety

**Objective: Improve fire department effectiveness and service delivery, and promote and enhance the safety of first responders through participation in firefighter certification programs and training opportunities.**

#### Emergency Preparedness and Response

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| State Fire Academy entry level training graduates | 7,977 | 8,100 | 8,200 | 8,300 | 8,400 | 8,450 | 8,500 |
|---|-------|-------|-------|-------|-------|-------|-------|

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Individuals nationally certified at Firefighter I or higher at the State Fire Academy Certification Program | 3,593 | 3,700 | 3,800 | 3,900 | 4,000 | 4,100 | 4,100 |
|---|-------|-------|-------|-------|-------|-------|-------|

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Incidents reports entered into the PA Fire Information Reporting System | 405,000 | 425,000 | 447,000 | 469,000 | 492,000 | 517,000 | 545,000 |
|---|---------|---------|---------|---------|---------|---------|---------|

|   |         |         |         |          |          |          |          |
|---|---------|---------|---------|----------|----------|----------|----------|
| Volunteer company loans approved (in thousands) | \$7,800 | \$8,500 | \$9,500 | \$10,500 | \$11,500 | \$12,500 | \$13,500 |
|---|---------|---------|---------|----------|----------|----------|----------|

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Fire company and volunteer ambulance service grants awarded | 2,572 | 2,750 | 2,750 | 2,750 | 2,750 | 2,750 | 2,750 |
|---|-------|-------|-------|-------|-------|-------|-------|

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Fire departments participating in Fire Department Recognition program | 475 | 535 | 600 | 650 | 700 | 750 | 800 |
|---|-----|-----|-----|-----|-----|-----|-----|



---

# DEPARTMENT OF ENVIRONMENTAL PROTECTION

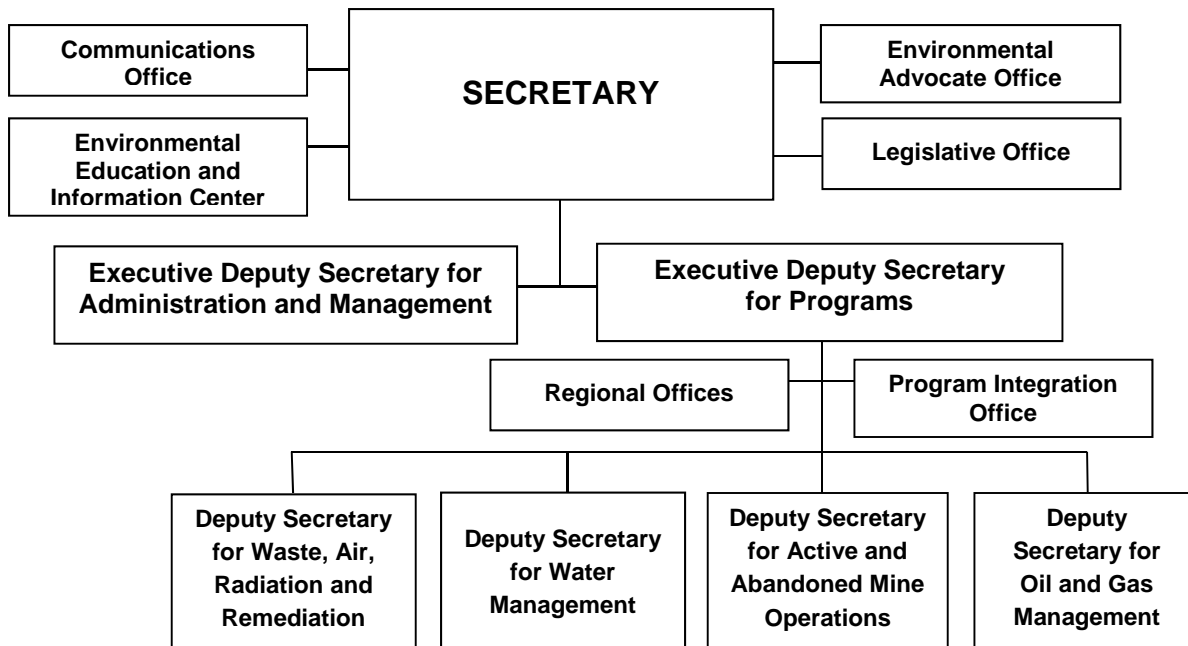
*The mission of the Department of Environmental Protection is to protect Pennsylvania's air, land and water from pollution and to provide for the health and safety of its citizens through a cleaner environment. The department will work as partners with individuals, organizations, governments and businesses to prevent pollution and restore our natural resources.*

## **Programs and Goals**

**Environmental Support Services:** *To provide administrative and technical support for the commonwealth's environmental protection programs.*

**Environmental Protection and Management:** *To protect and improve the quality of the air, water and environment for the health and safety of the citizens of the commonwealth, to protect people from dangerous or unnecessary radiation from natural and manmade sources, including occupational and medical exposure and to manage water and mineral resources in a way that protects their undue destruction and depletion while allowing economic benefits from their use.*

## Organization Overview



- **Executive Deputy Secretary for Administration and Management** oversees the agency's business management and finance functions. The deputy is instrumental in formulating and executing agency strategies to improve operations and staff performance.
- **Deputy Secretary for Waste, Air, Radiation and Remediation** oversees the bureaus of Waste Management, Air Quality, Radiation Protection and Environmental Cleanup and Brownfields (remediation).
- **Deputy Secretary for Water Management** oversees the Interstate Waters Office and the bureaus of Waterways Engineering and Wetlands, Conservation and Restoration, Point and Non-point Source Management and Safe Drinking Water.
- **Deputy Secretary for Active and Abandoned Mine Operations** oversees the bureaus of Mining Programs, Abandoned Mine Reclamation, Mine Safety and District Mining Operations.
- **Deputy Secretary for Oil and Gas Management** directs the bureaus of Oil and Gas Planning and Program Management and District Oil and Gas Operations. Oversees the development of departmental policy as well as regulatory and technical guidance on oil and gas activities in Pennsylvania and outreach and education for the public and regulatory communities.

## Authorized Complement\*

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2,849             | 2,853             | 2,784             | 2,784             | 2,722             |

\*Includes Environmental Hearing Board.

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

### GENERAL FUND:

#### General Government:

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| <b>General Government Operations.....</b> | <b>\$ 10,446</b>  | <b>\$ 12,432</b>     | <b>\$ 13,418</b>  |
| (A)Reimbursement - EDP Services.....      | 7,874             | 8,760                | 8,760             |
| (A)Department Services.....               | 168               | 175                  | 175               |
| Subtotal.....                             | <b>\$ 18,488</b>  | <b>\$ 21,367</b>     | <b>\$ 22,353</b>  |

|   |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
| <b>Environmental Hearing Board.....</b> | <b>2,075</b>    | <b>2,255</b>    | <b>2,379</b>    |
| (A)Reimbursement for Services.....      | 0               | 0               | 1               |
| Subtotal.....                           | <b>\$ 2,075</b> | <b>\$ 2,255</b> | <b>\$ 2,380</b> |

|  |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
| <b>Environmental Program Management.....</b>                       | <b>25,733</b>     | <b>28,517</b>     | <b>29,746</b>     |
| (F)Coastal Zone Management.....                                    | 4,700             | 4,700             | 4,700             |
| (F)Construction Management Assistance Grants - Administration..... | 1,400             | 1,400             | 1,400             |
| (F)Storm Water Permitting Initiative.....                          | 2,300             | 2,300             | 2,300             |
| (F)Safe Drinking Water Act - Management.....                       | 5,500             | 5,500             | 5,500             |
| (F)Water Pollution Control Grants - Management.....                | 5,500             | 5,500             | 5,500             |
| (F)Air Pollution Control Grants - Management.....                  | 3,200             | 3,200             | 3,200             |
| (F)Surface Mine Conservation.....                                  | 6,500             | 6,500             | 6,500             |
| (F)Wetland Protection Fund.....                                    | 840               | 840               | 840               |
| (F)Diagnostic X-Ray Equipment Testing.....                         | 550               | 550               | 550               |
| (F)Water Quality Outreach Operator Training.....                   | 0                 | 200               | 200               |
| (F)Water Quality Management Planning Grants.....                   | 1,150             | 1,150             | 1,150             |
| (F)Small Operators Assistance.....                                 | 0                 | 300               | 300               |
| (F)Wellhead Protection Fund.....                                   | 250               | 250               | 250               |
| (F)Indoor Radon Abatement.....                                     | 600               | 700               | 700               |
| (F)Non-Point Source Implementation.....                            | 12,800            | 14,800            | 14,800            |
| (F)Hydroelectric Power Conservation Fund.....                      | 4                 | 51                | 51                |
| (F)Survey Studies.....   | 5,000             | 5,000             | 5,000             |
| (F)National Dam Safety.....  | 300               | 300               | 300               |
| (F)Training Reimbursement for Small Systems.....                   | 3,500             | 3,500             | 3,500             |
| (F)State Energy Program.....                                       | 15,000            | 15,000            | 15,000            |
| (F)Pollution Prevention.....                                       | 800               | 800               | 800               |
| (F)Energy & Environmental Opportunities.....                       | 1,200             | 1,200             | 1,200             |
| (F)Surface Mine Conservation.....                                  | 680               | 680               | 680               |
| (F)Abandoned Mine Reclamation (EA).....                            | 55,000            | 55,000            | 55,000            |
| (F)Nuclear and Chemical Security (EA).....                         | 31                | 120               | 50                |
| (F)Homeland Security Initiative (EA).....                          | 2,000             | 500               | 500               |
| (A)Payments - Department Services.....                             | 1,394             | 1,332             | 1,332             |
| (A)Vehicle Sales.....  | 21                | 5                 | 5                 |
| (A)Clean Water Fund.....   | 335               | 300               | 300               |
| (A)Reimbursement from Water Pollution Control Revolving Fund.....  | 242               | 200               | 200               |
| (R)Sewage Facilities Program Administration (EA).....              | 1,500             | 1,500             | 1,000             |
| (A)Sewage Facility Program Administration.....                     | 100               | 0                 | 0                 |
| (R)Used Tire Pile Remediation (EA).....                            | 1,253             | 387               | 359               |
| Subtotal.....  | <b>\$ 159,383</b> | <b>\$ 162,282</b> | <b>\$ 162,913</b> |

|  |                 |                  |                  |
|--|-----------------|------------------|------------------|
| <b>Chesapeake Bay Agricultural Source Abatement.....</b> | <b>2,667</b>    | <b>2,671</b>     | <b>2,671</b>     |
| (F)Chesapeake Bay Pollution Abatement.....               | 6,200           | 9,200            | 9,200            |
| Subtotal.....  | <b>\$ 8,867</b> | <b>\$ 11,871</b> | <b>\$ 11,871</b> |

|   |               |               |               |
|---|---------------|---------------|---------------|
| <b>Environmental Protection Operations.....</b>         | <b>75,184</b> | <b>84,438</b> | <b>89,562</b> |
| (F)EPA Planning Grant - Administration.....             | 8,400         | 8,400         | 8,400         |
| (F)Water Pollution Control Grants.....                  | 8,900         | 8,900         | 8,900         |
| (F)Air Pollution Control Grants.....                    | 5,010         | 5,010         | 5,010         |
| (F)Surface Mine Control and Reclamation.....            | 11,344        | 11,344        | 11,344        |
| (F)Training & Education of Underground Coal Miners..... | 1,700         | 1,700         | 1,700         |
| (F)Construction Management Assistance Grants.....       | 350           | 350           | 350           |
| (F)Safe Drinking Water.....                             | 5,700         | 5,700         | 5,700         |
| (F)Oil Pollution Spills Removal.....                    | 1,000         | 1,000         | 1,000         |
| (F)Technical Assistance to Small Systems (EA).....      | 1,000         | 1,000         | 1,000         |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| (F)Assistance to State Programs (EA).....                         | 4,500             | 4,500                | 4,500             |
| (F)Local Assistance and Source Water Protection (EA).....         | 6,000             | 6,000                | 6,000             |
| (A)Oil and Gas Enforcement.....                                   | 0                 | 0                    | 5,000             |
| (A)Clean Air Fund.....  | 3,182             | 3,860                | 3,860             |
| (A)Vehicle Sale.....  | 85                | 80                   | 80                |
| (A)Reimbursement from Water Pollution Control Revolving Fund..... | 159               | 145                  | 145               |
| (A)Safe Drinking Water Account.....                               | 200               | 200                  | 200               |
| (A)Solid Waste Abatement.....                                     | 145               | 500                  | 500               |
| (A)Reimbursement - Department Services.....                       | 2,159             | 6,390                | 6,390             |
| (A)PADOT ISTEPA Program.....                                      | 867               | 825                  | 825               |
| (A)Safe Drinking Water Revolving Fund.....                        | 604               | 615                  | 615               |
| (A)Reimbursement - Laboratory Services.....                       | 9,423             | 10,506               | 10,783            |
| (A)Lab Accreditation.....   | 1,679             | 1,610                | 1,900             |
| Subtotal.....   | \$ 147,591        | \$ 163,073           | \$ 173,764        |
| <b>Black Fly Control and Research.....</b>                        | <b>3,274</b>      | <b>3,316</b>         | <b>3,316</b>      |
| (A)County Contributions.....                                      | 774               | 725                  | 725               |
| Subtotal.....   | \$ 4,048          | \$ 4,041             | \$ 4,041          |
| <b>West Nile Virus Control.....</b>                               | <b>3,824</b>      | <b>3,831</b>         | <b>3,939</b>      |
| (A)Reimbursement for Spraying.....                                | 13                | 0                    | 0                 |
| Subtotal.....   | \$ 3,837          | \$ 3,831             | \$ 3,939          |
| Subtotal - State Funds.....                                       | \$ 123,203        | \$ 137,460           | \$ 145,031        |
| Subtotal - Federal Funds.....                                     | 188,909           | 193,145              | 193,075           |
| Subtotal - Augmentations.....                                     | 29,424            | 36,228               | 41,796            |
| Subtotal - Restricted Revenues.....                               | 2,753             | 1,887                | 1,359             |
| Total - General Government.....                                   | \$ 344,289        | \$ 368,720           | \$ 381,261        |
| <b>Grants and Subsidies:</b>                                      |                   |                      |                   |
| Sewage Facilities Planning Grants.....                            | \$ 200            | \$ 0                 | \$ 0              |
| Delaware River Master.....  | 76                | 76                   | 76                |
| Susquehanna River Basin Commission.....                           | 573               | 573                  | 573               |
| Interstate Commission on the Potomac River.....                   | 46                | 46                   | 46                |
| Delaware River Basin Commission.....                              | 934               | 434                  | 750               |
| Ohio River Valley Water Sanitation Commission.....                | 136               | 136                  | 136               |
| Chesapeake Bay Commission.....                                    | 227               | 227                  | 227               |
| Transfer to Conservation District Fund.....                       | 2,506             | 2,506                | 2,506             |
| Interstate Mining Commission.....                                 | 30                | 30                   | 30                |
| Total - Grants and Subsidies.....                                 | \$ 4,728          | \$ 4,028             | \$ 4,344          |
| STATE FUNDS.....  | \$ 127,931        | \$ 141,488           | \$ 149,375        |
| FEDERAL FUNDS.....  | 188,909           | 193,145              | 193,075           |
| AUGMENTATIONS.....  | 29,424            | 36,228               | 41,796            |
| RESTRICTED REVENUES.....  | 2,753             | 1,887                | 1,359             |
| <b>GENERAL FUND TOTAL.....</b>                                    | <b>\$ 349,017</b> | <b>\$ 372,748</b>    | <b>\$ 385,605</b> |
| <b>MOTOR LICENSE FUND:</b>  |                   |                      |                   |
| <b>General Government:</b>  |                   |                      |                   |
| Dirt and Gravel Roads.....  | \$ 4,000          | \$ 0                 | \$ 0              |
| <b>OTHER FUNDS:</b>   |                   |                      |                   |
| <b>GENERAL FUND:</b>  |                   |                      |                   |
| Safe Drinking Water Account.....                                  | \$ 1,010          | \$ 1,215             | \$ 1,218          |
| Radiation Protection Fund.....                                    | 11,113            | 13,475               | 13,733            |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| Clean Water Fund.....   | 15,736            | 24,777               | 20,859            |
| Solid Waste Abatement Fund.....                                     | 2,450             | 4,964                | 4,860             |
| Well Plugging Account.....  | 18,686            | 23,967               | 31,059            |
| Abandoned Well Plugging.....  | 242               | 574                  | 278               |
| Orphan Well Plugging.....   | 981               | 1,052                | 550               |
| Alternative Fuels.....  | 4,246             | 3,816                | 4,042             |
| Industrial Land Recycling.....                                      | 66                | 212                  | 220               |
| Waste Transportation Safety Account.....                            | 2,315             | 3,308                | 3,290             |
| <b>GENERAL FUND TOTAL.....</b>                                      | <b>\$ 56,845</b>  | <b>\$ 77,360</b>     | <b>\$ 80,109</b>  |
| <b>ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:</b>             |                   |                      |                   |
| (F)Acid Mine Drainage Abatement and Treatment (EA).....             | \$ 11,493         | \$ 12,293            | \$ 11,850         |
| <b>CLEAN AIR FUND:</b>  |                   |                      |                   |
| Major Emission Facilities (EA).....                                 | \$ 18,413         | \$ 20,874            | \$ 21,892         |
| Mobile and Area Facilities (EA).....                                | 8,036             | 10,581               | 10,243            |
| <b>CLEAN AIR FUND TOTAL.....</b>                                    | <b>\$ 26,449</b>  | <b>\$ 31,455</b>     | <b>\$ 32,135</b>  |
| <b>COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND:</b>                |                   |                      |                   |
| General Operations (EA).....  | \$ 2,702          | \$ 3,673             | \$ 3,687          |
| Payment of Claims (EA).....   | 1,576             | 2,040                | 2,040             |
| <b>COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL.....</b>      | <b>\$ 4,278</b>   | <b>\$ 5,713</b>      | <b>\$ 5,727</b>   |
| <b>COAL LANDS IMPROVEMENT FUND:</b>                                 |                   |                      |                   |
| Coal Lands Restoration (EA).....                                    | \$ 0              | \$ 262               | \$ 100            |
| <b>CONSERVATION DISTRICT FUND:</b>                                  |                   |                      |                   |
| Conservation District Grants (EA).....                              | \$ 3,756          | \$ 4,428             | \$ 4,476          |
| <b>ENERGY DEVELOPMENT FUND:</b>                                     |                   |                      |                   |
| Energy Development - Administration (EA).....                       | \$ 54             | \$ 128               | \$ 132            |
| Energy Development Loans/Grants (EA).....                           | 0                 | 950                  | 2,300             |
| <b>ENERGY DEVELOPMENT FUND TOTAL.....</b>                           | <b>\$ 54</b>      | <b>\$ 1,078</b>      | <b>\$ 2,432</b>   |
| <b>ENVIRONMENTAL EDUCATION FUND:</b>                                |                   |                      |                   |
| General Operations (EA).....  | \$ 712            | \$ 673               | \$ 675            |
| <b>ENVIRONMENTAL STEWARDSHIP FUND:</b>                              |                   |                      |                   |
| Abandoned Mine Reclamation and Remediation (EA).....                | \$ 1,099          | \$ 0                 | \$ 0              |
| Watershed Protection and Restoration (EA).....                      | 20,765            | 24,696               | 25,402            |
| <b>ENVIRONMENTAL STEWARDSHIP FUND TOTAL.....</b>                    | <b>\$ 21,864</b>  | <b>\$ 24,696</b>     | <b>\$ 25,402</b>  |
| <b>HAZARDOUS SITES CLEANUP FUND:</b>                                |                   |                      |                   |
| General Operations (EA).....  | \$ 18,285         | \$ 23,169            | \$ 23,861         |
| Hazardous Sites Cleanup (EA).....                                   | 21,708            | 27,000               | 27,000            |
| Host Municipality Grants (EA).....                                  | 13                | 75                   | 75                |
| Transfer to Industrial Sites Cleanup Fund (EA).....                 | 2,000             | 1,500                | 2,000             |
| Small Business Pollution Prevention (EA).....                       | 986               | 1,000                | 1,000             |
| Transfer-Industrial Sites Environmental Assessment Fund (EA).....   | 2,000             | 2,000                | 2,000             |
| Transfer to Household Hazardous Waste Account (EA).....             | 1,000             | 875                  | 1,000             |
| <b>HAZARDOUS SITES CLEANUP FUND TOTAL.....</b>                      | <b>\$ 45,992</b>  | <b>\$ 55,619</b>     | <b>\$ 56,936</b>  |
| <b>MARCELLUS LEGACY FUND:</b>                                       |                   |                      |                   |
| Natural Gas Energy Development Program.....                         | \$ 2,500          | \$ 0                 | \$ 0              |
| <b>MINE SAFETY FUND:</b>  |                   |                      |                   |
| General Operations (EA).....  | \$ 58             | \$ 63                | \$ 33             |
| <b>NON-COAL SURFACE MINING CONSERVATION &amp; RECLAMATION FUND:</b> |                   |                      |                   |
| General Operations (EA).....  | \$ 3,045          | \$ 3,547             | \$ 4,296          |
| <b>NUTRIENT MANAGEMENT FUND:</b>                                    |                   |                      |                   |
| Education, Research and Technical Assistance (EA).....              | \$ 2,004          | \$ 2,019             | \$ 2,073          |
| <b>RECYCLING FUND:</b>  |                   |                      |                   |
| Recycling Coordinator Reimbursement (EA).....                       | \$ 2,000          | \$ 1,600             | \$ 1,600          |
| Reimbursement for Municipal Inspection (EA).....                    | 384               | 400                  | 400               |



## Summary by Fund and Appropriation

|  | (Dollar Amounts in Thousands) |                      |                   |
|--|-------------------------------|----------------------|-------------------|
|  | 2013-14<br>ACTUAL             | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
| Reimburse-Host Municipality Permit Applications Review (EA)..... | 0                             | 10                   | 10                |
| Administration of Recycling Program (EA).....                    | 1,482                         | 1,424                | 1,481             |
| County Planning Grants (EA).....                                 | 760                           | 2,000                | 2,000             |
| Municipal Recycling Grants (EA).....                             | 16,627                        | 23,000               | 19,600            |
| Municipal Recycling Performance Program (EA).....                | 16,500                        | 17,500               | 18,500            |
| Public Education/Technical Assistance (EA).....                  | 2,459                         | 4,302                | 4,027             |
| <b>RECYCLING FUND TOTAL.....</b>                                 | <b>\$ 40,212</b>              | <b>\$ 50,236</b>     | <b>\$ 47,618</b>  |
| <b>REMINING FINANCIAL ASSURANCE FUND:</b>                        |                               |                      |                   |
| Remining Financial Assurance (EA).....                           | \$ 0                          | \$ 324               | \$ 50             |
| <b>STORAGE TANK FUND:</b>  |                               |                      |                   |
| General Operations (EA).....                                     | \$ 6,526                      | \$ 7,631             | \$ 7,120          |
| (A)Investment/Closing Cost Reimbursement.....                    | 3,310                         | 2,650                | 2,650             |
| (F)Underground Storage Tanks (EA).....                           | 1,750                         | 1,750                | 1,750             |
| (F)Leaking Underground Storage Tanks (EA).....                   | 2,990                         | 2,990                | 2,990             |
| <b>STORAGE TANK FUND TOTAL.....</b>                              | <b>\$ 14,576</b>              | <b>\$ 15,021</b>     | <b>\$ 14,510</b>  |
| <b>SURFACE MINING CONSERVATION &amp; RECLAMATION FUND:</b>       |                               |                      |                   |
| General Operations (EA).....                                     | \$ 3,814                      | \$ 4,978             | \$ 7,348          |
| <b>UNCONVENTIONAL GAS WELL FUND:</b>                             |                               |                      |                   |
| Transfer to Well Plugging Account.....                           | \$ 6,000                      | \$ 6,000             | \$ 6,000          |
| <b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:</b>            |                               |                      |                   |
| Environmental Cleanup Program (EA).....                          | \$ 4,628                      | \$ 5,296             | \$ 5,296          |
| Pollution Prevention Program (EA).....                           | 80                            | 1,000                | 1,000             |
| Catastrophic Release Program (EA).....                           | 311                           | 5,201                | 5,201             |
| <b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....</b>  | <b>\$ 5,019</b>               | <b>\$ 11,497</b>     | <b>\$ 11,497</b>  |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                              |                               |                      |                   |
| GENERAL FUND.....  | \$ 127,931                    | \$ 141,488           | \$ 149,375        |
| SPECIAL FUNDS.....   | 4,000                         | 0                    | 0                 |
| FEDERAL FUNDS.....   | 188,909                       | 193,145              | 193,075           |
| AUGMENTATIONS.....   | 29,424                        | 36,228               | 41,796            |
| RESTRICTED.....  | 2,753                         | 1,887                | 1,359             |
| OTHER FUNDS.....   | 248,671                       | 307,262              | 313,267           |
| <b>TOTAL ALL FUNDS.....</b>                                      | <b>\$ 601,688</b>             | <b>\$ 680,010</b>    | <b>\$ 698,872</b> |

## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>ENVIRONMENTAL SUPPORT SERVICES</b>          |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                              | \$ 12,521                | \$ 14,687                | \$ 15,797                | \$ 16,350                | \$ 16,759                | \$ 17,178                | \$ 17,608                |
| SPECIAL FUNDS.....                             | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                             | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....                               | 8,142                    | 8,935                    | 8,936                    | 8,936                    | 8,936                    | 8,936                    | 8,936                    |
| SUBCATEGORY TOTAL.....                         | <u>\$ 20,663</u>         | <u>\$ 23,622</u>         | <u>\$ 24,733</u>         | <u>\$ 25,286</u>         | <u>\$ 25,695</u>         | <u>\$ 26,114</u>         | <u>\$ 26,544</u>         |
| <b>ENVIRONMENTAL PROTECTION AND MANAGEMENT</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                              | \$ 115,410               | \$ 126,801               | \$ 133,578               | \$ 137,847               | \$ 141,003               | \$ 144,238               | \$ 147,555               |
| SPECIAL FUNDS.....                             | 4,000                    | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                             | 188,909                  | 193,145                  | 193,075                  | 193,075                  | 193,075                  | 193,075                  | 193,075                  |
| OTHER FUNDS.....                               | 272,706                  | 336,442                  | 347,486                  | 337,486                  | 337,486                  | 337,486                  | 337,486                  |
| SUBCATEGORY TOTAL.....                         | <u>\$ 581,025</u>        | <u>\$ 656,388</u>        | <u>\$ 674,139</u>        | <u>\$ 668,408</u>        | <u>\$ 671,564</u>        | <u>\$ 674,799</u>        | <u>\$ 678,116</u>        |
| <b>ALL PROGRAMS:</b>                           |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                              | \$ 127,931               | \$ 141,488               | \$ 149,375               | \$ 154,197               | \$ 157,762               | \$ 161,416               | \$ 165,163               |
| SPECIAL FUNDS.....                             | 4,000                    | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                             | 188,909                  | 193,145                  | 193,075                  | 193,075                  | 193,075                  | 193,075                  | 193,075                  |
| OTHER FUNDS.....                               | 280,848                  | 345,377                  | 356,422                  | 346,422                  | 346,422                  | 346,422                  | 346,422                  |
| DEPARTMENT TOTAL.....                          | <u><u>\$ 601,688</u></u> | <u><u>\$ 680,010</u></u> | <u><u>\$ 698,872</u></u> | <u><u>\$ 693,694</u></u> | <u><u>\$ 697,259</u></u> | <u><u>\$ 700,913</u></u> | <u><u>\$ 704,660</u></u> |

## Program: Environmental Support Services

*Goal: To provide administrative and technical support for the commonwealth's environmental protection programs.*

This program provides the administrative and technical systems that direct and support the department's programs. It includes the executive and administrative offices, the Office of Chief Counsel, information and data processing systems, the Citizens Advisory Council and the Environmental Quality Board.

The Environmental Hearing Board's purpose is to safeguard the environmental rights of Pennsylvania's citizens through appeals of actions taken or instituted by the Department of Environmental Protection and/or the private sector. It is included here for presentation purposes.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|    |     |   |
|----|-----|---|
| \$ | 986 | <b>General Government Operations</b><br>—to continue current program. |
| \$ | 124 | <b>Environmental Hearing Board</b><br>—to continue current program.   |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                     | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations ..... | \$ 10,446         | \$ 12,432            | \$ 13,418         | \$ 13,888            | \$ 14,235            | \$ 14,591            | \$ 14,956            |
| Environmental Hearing Board .....   | 2,075             | 2,255                | 2,379             | 2,462                | 2,524                | 2,587                | 2,652                |
| <b>TOTAL GENERAL FUND .....</b>     | <b>\$ 12,521</b>  | <b>\$ 14,687</b>     | <b>\$ 15,797</b>  | <b>\$ 16,350</b>     | <b>\$ 16,759</b>     | <b>\$ 17,178</b>     | <b>\$ 17,608</b>     |

## Program: Environmental Protection and Management

*Goal: To protect and improve the quality of the air, water and environment for the health and safety of the citizens of the commonwealth, to protect people from dangerous or unnecessary radiation from natural and man-made sources, including occupational and medical exposure and to manage water and mineral resources in a way that protects their undue destruction and depletion while allowing economic benefits from their use.*

This program encompasses the major program elements that help to protect the health and safety of the citizens of the commonwealth as well as the quality of their environment and economic health. These activities are all associated with the department's goals for clean air, clean water, land protection, community health and safety and identifying alternative energy opportunities.

Act 68 of 1999, the Environmental Stewardship and Watershed Protection Act, authorized the beginning of the "Growing Greener" program. The goal of this program is to ensure citizens their rights to clean air, to pure water and to the preservation of the natural, scenic, historic and esthetic values of the environment. In the Department of Environmental Protection, a number of program areas are affected: water quality protection, water allocation, mine safety and safe drinking water. Expanded activities include the reclamation of abandoned mines, plugging of certain oil and gas wells, protection and restoration of watersheds and improvements to drinking water and sewer systems. The primary revenue sources for the Environmental Stewardship Fund is a \$0.25 Environmental Stewardship fee and a \$4 Disposal fee per ton of solid waste disposed in Pennsylvania's municipal waste landfills. The budget includes funds from the Growing Greener II bond initiative, approved by the voters May 17, 2005. Growing Greener II provided the department with \$230 million to clean up rivers and streams, address serious environmental problems at abandoned mines and contaminated industrial sites and finance the deployment of advanced energy projects.

The Bureau of Laboratories provides analytical data for the department that determines and identifies pollution levels in samples from any part of the environment. As an accredited lab, the Bureau of Laboratories reviews samples from streams and lakes, solid wastes, drinking water and industrial wastes. Fish are analyzed for toxic chemicals. Milk, food, water and air are examined for radiation. Water from supply systems, beaches and sewage treatment plants is examined for bacteria and homeowners' water is examined for potability.

In November 2012, the department instituted the permit review process and permit decision guarantee, moving away from the former money back guarantee process. This effort results in more timely permitting decisions, provides

clear expectations for applicants to improve the quality of permit applications, establishes performance measures for the department's permit review staff, and implements electronic permitting tools to enhance internal operations. Data from the first two years, under the new policy, shows that DEP is generally meeting review timeframes more often than under the previous review process. Additionally, DEP has made significant achievements in eliminating the 9,982 permits that were in the queue when Executive Order 2012-11 "Permit Decision Guarantee for the Department of Environmental Protection" was signed. Not taking into account authorizations where DEP is awaiting action by others, 99% of the permit queue has been cleared.

### **CLEAN AIR**

#### **Program Element: Protection of Air Quality**

Emissions of air contaminants are closely monitored and controlled by the department to protect public health as required by the federal Clean Air Act, the Pennsylvania Air Pollution Control Act of 1960 and regulations adopted under the acts. Pollutants of primary concern include ground-level ozone, particulate matter, sulfur and nitrogen oxides, volatile organic compounds, lead and toxic air pollutants. These air contaminants can aggravate or cause respiratory ailments.

Many of the volatile organic compounds and heavy metals resulting from industrial processes and combustion sources are toxic air pollutants or near major sources of air contaminants. Emissions of these pollutants must be controlled under federal maximum achievable control technology requirements.

The department's system of ambient (outside) monitors measure overall air quality. Sites are chosen primarily for their proximity to populated areas. Source monitoring, by both operators and mobile teams from the department, is used to check individual sources of emissions. Certain large facilities are required to install instruments that continuously monitor emissions.

Permits and inspections ensure that sources of emissions are designed and operated in accordance with air quality regulations. The department regulates more than 3,000 sources of air emissions. The department

## Program: Environmental Protection and Management (continued)

approves plans for new construction or modification of existing facilities and issues operating permits for air contamination sources. Inspections and stack tests are conducted to assure that facilities conform to approved operating standards. The department uses compliance agreements and abatement orders to correct violations.

The department assists businesses with compliance with state rules for area sources such as auto body refinishing and works with other state and federal agencies and regional entities to obtain reductions from mobile sources of pollution.

The department reviews plans for the management and removal of asbestos in schools, regulates companies doing removal work and oversees the safe disposal of asbestos.

The department provides multimedia assistance to businesses to promote pollution prevention and environmental management systems. These activities protect the environment and promote economic activity. In addition, the department provides small businesses with grants to hire consultants to assess pollution prevention opportunities and a loan program that small businesses can use for equipment that prevents pollution.

### CLEAN WATER

#### ***Program Element: Protection of Water Quality***

The department protects public health and safety and preserves natural aquatic systems for public use in Pennsylvania's watersheds by monitoring and assessing surface water quality, developing water quality standards, managing non-point sources of pollution, protecting coastal zone resources and regulating mining and oil and gas development.

Water pollution sources are classified into two general categories: point and non-point sources. Point sources are those in which the polluting substances are conveyed into a body of water by a pipe or channel, such as sewage discharges, industrial waste discharges and storm or combined sewage drainage. Non-point sources are generally diffused discharges.

Funding from the Growing Greener program is helping to improve water quality by restoring or improving approximately 7,440 acres of stream buffers and installing 327 acid mine drainage treatment systems (active and passive). In addition, seven large active systems maintained by the Acid Mine Drainage Abatement and Treatment Fund treat more than seven billion gallons of acid mine drainage annually.

Through its various oversight activities, the department regulates water pollution control facilities and maintains a statewide surface and groundwater quality monitoring program. The National Pollutant Discharge Elimination System, a delegated program under the federal Clean Water Act, requires the commonwealth to permit and monitor point source discharges.

The Clean Water State Revolving Fund program provides low-interest loans to communities for construction of wastewater facilities and the installation of best management practices to manage non-point source pollution from agriculture, abandoned mine drainage and urban stormwater runoff. The department assists the Pennsylvania Infrastructure Investment Authority (PENVEST) in implementing this program by establishing priorities for funding, managing and inspecting projects during construction.

Mining activities can degrade water quality through erosion and sediment runoff. The department requires applicants for mining permits to provide detailed information about hydrology, geology and proposed operations in order to demonstrate that the mining activity will not adversely impact water quality. In addition, the department launched a process to encourage the use of mine-influenced water by the oil and gas industry, such as acid mine drainage in oil and gas operations for hydraulic fracturing.

The department also regulates oil and gas development. Through a permitting system for drilling activity, inspection of drilling and storage sites, and monitoring and enforcement actions, the department works toward protecting the environment and balancing conflicting interests among the oil, gas and coal industries. In 2013, the department launched eWell, an electronic well permitting process, which streamlines the current oil and gas permitting process by converting a paper-based permit to an online process that includes an electronic application submission, online fee payment and electronic review by department staff. The eWell permit results in improved data quality of submitted permit applications, reduced physical storage space needs and increased ability to locate records to provide timely responses to right-to-know requests. Department staff is also able to quickly route permit applications for review and approval, resulting in a more efficient review process.

#### ***Program Element: Water Allocation***

The department protects aquatic life and downstream users by providing surface water allocation permits to water suppliers. These permits, which grant water rights to public water supply agencies, contain conditions designed to ensure adequate stream flows to protect other in-stream and downstream withdrawal uses and ensure implementation of effective water conservation practices.

The department coordinates interstate and international management of water resources with other states through agreements covered by the Delaware River Basin Commission, the Susquehanna River Basin Commission, the Interstate Commission on the Potomac River Basin, the Ohio River Valley Water Sanitation Commission, the Chesapeake Bay Commission and multiple organizations related to the Great Lakes including the Great Lakes Commission, the Council of Great Lakes Governors and the Great Lakes Regional Body.



## Program: Environmental Protection and Management (continued)

Working with the Pennsylvania Fish and Boat Commission, the Susquehanna River Basin Commission and the United States Geological Survey, staff have undergone a comprehensive, fact and science-based approach to gather the information needed to ensure the Susquehanna River and its many tributaries are healthy.

The Water Resources Planning Act of 2002 required the department to complete a State Water Plan. The plan identifies alternatives to assure adequate water supplies in watersheds where demands may exceed availability.

### LAND PROTECTION

#### **Program Element: Safe Waste Management**

The department encourages waste reduction, promotes recycling and reuse of waste products and protects the public by providing for safe transportation and disposal of waste. Its principal programs concern municipal waste, residual waste and hazardous waste.

Act 101 of 1988, the Municipal Waste Planning and Recycling Act, requires mandatory recycling in 478 communities. In 1998, Pennsylvania met the goal set by Act 101 of 1988 by recycling more than 25 percent of its municipal waste. The goal was raised to 35 percent by 2003. Act 175 of 2002 required the department to develop a plan to assist municipalities in making recycling programs under this act financially self-sufficient. This plan was completed in 2004 and is now used as technical assistance for local governments to develop and improve their integrated waste management systems.

The department regulates new and existing landfills to ensure they are designed, constructed and operated with minimal risk to nearby residents and the environment. Communities in which landfills or waste-to-energy facilities are located have taken an active role in permitting and inspecting these facilities to assure that they are operated properly.

Residual waste is non-hazardous material from industrial, mining, commercial and other similar operations. The department regulates residual waste generators and treatment, storage and disposal facilities, municipal waste facilities and transporters. The department performs permitting and routine monitoring of residual waste management facilities. The department licenses hazardous waste transporters and provides permits to waste management facilities. In addition, the department tracks the movement of hazardous waste from generation to ultimate treatment or disposal through a manifest program run by the Department of Revenue. The department uses this information to identify discrepancies and take enforcement actions against violators.

#### **Program Element: Protection of Land**

The department protects land by regulating storage tanks and requiring reclamation at active mining and oil and gas operations. The Storage Tank and Spill Prevention Act

protects health, safety and the environment by preventing releases of dangerous materials from Pennsylvania's regulated above ground and underground storage tanks. This is accomplished through a program of registration, permitting, compliance assistance and inspections. In addition, the department certifies storage tank installers and inspectors.

The federal Surface Mining Control and Reclamation Act established a comprehensive set of performance standards for mining and reclamation of surface and underground coal mines, coal refuse disposal and coal preparation facilities. Pennsylvania is required to follow a mandatory enforcement and civil penalty program under this law and to inspect each mining operation violator monthly until reclamation is achieved. Industrial mineral mines are regulated under the Non-Coal Surface Mining Conservation and Reclamation Act of 1984 and related statutes.

The department offers mine subsidence insurance to residential and small commercial property owners. This insurance program is financially self-supporting and directed by the Coal and Clay Mine Subsidence Insurance Board. The growth in the number and value of policies has steadily increased since the program's inception in 1961.

The department regulates the exploration, development and operation of more than 100,000 active oil and gas wells and gas storage reservoirs, and production of oil and gas resources under a comprehensive network of environmental laws.

#### **Program Element: Restoration of Land**

The department protects health and the environment and promotes community development by restoring sites contaminated by hazardous substances or affected by historic mining or oil and gas development. More than 13,000 sites in Pennsylvania are known to be contaminated by hazardous substances.

The department's Land Recycling program, which promotes voluntary cleanups, identifies risk-based standards for cleanups, simplifying the approval process and limiting future liability. In 2004, Pennsylvania became the first state in the nation to establish a "one-stop cleanup program" creating a one-stop shop for state and federal brownfield cleanup standards.

The department's Hazardous Sites Cleanup program provides funding to conduct cleanups where there is no known responsible party. The department also has enforcement authority to force persons who are responsible for releases of hazardous substances to conduct cleanup actions or repay cleanup funds spent by the department. Program funds are also used to pay Pennsylvania's share of cleanup costs for sites in the federal Superfund program, the administration of the Land Recycling program, the portion of the hazardous waste management program not funded by federal grants, and pollution prevention and brownfield cleanup grants. The program has been funded

## **Program: Environmental Protection and Management (continued)**

through an annual \$40 million transfer from Capital Stock and Franchise Tax revenues. The program will receive 5 percent of Marcellus Legacy Fund revenue starting in 2015 as established by Act 13 of 2012 that imposed the unconventional gas drilling impact fee.

The department's Storage Tank Cleanup program, authorized by the Pennsylvania Storage Tank and Spill Prevention Act, Act 32 of 1989, controls the corrective action of releases from regulated above and underground storage tanks.

The department resolves environmental degradation and health and safety problems resulting from inactive and abandoned coal mines. The Remining Operator Assistance program provides assistance and funding to coal operators who mine and reclaim abandoned mine lands by paying for the cost of data collection and permit application. The department also receives direct funding from the federal Office of Surface Mining for the reclamation of abandoned mines, abatement and treatment of acid mine drainage, control of underground mine fires and refuse bank fires and control of surface subsidence from abandoned deep mines.

The Oil and Gas Act of 2012 requires oil and gas well operators to plug non-producing wells and authorizes permit surcharges to support the department's orphaned and abandoned well plugging program. An unplugged abandoned well can be a hazard to the health and safety of people living near it and the environment.

### **SAFE AND HEALTHY COMMUNITIES**

#### ***Program Element: Safe Drinking Water***

The department protects public health by regulating nearly 9,000 public water systems serving 10.7 million Pennsylvanians. The department also provides consultative services for the 700,000 private residential water supplies in Pennsylvania. The department carries out its duties and responsibilities through various programs and activities related to permitting, monitoring, compliance, enforcement and technical assistance. As a primacy state, the department implements all aspects of the federal Safe Drinking Water Act, including drinking water standards, source water protection, operator training and certification, and capability enhancement programs for public water systems to address technical, managerial and financial issues.

The department also implements water infrastructure financing programs like the Safe Drinking Water State Revolving Fund. The department assists the Pennsylvania Infrastructure Investment Authority (PENNVEST) in implementing this program by establishing priorities for funding, managing and inspecting projects during construction. As a result of these programs, great strides have been made in ensuring that drinking water consistently meets all health-based drinking water standards and that the public is protected from waterborne disease.

#### ***Program Element: Radiation Protection***

The department protects citizens from exposure to dangerous levels of radiation through licensing and inspection of radiation source users. This includes registering radiation-producing equipment, licensing users of radioactive materials and inspecting facilities to assure compliance. The department inspects mammography X-ray facilities under a contract with the federal Food and Drug Administration. This activity enhances the quality of mammograms and increases the likelihood of early detection of breast cancer.

The department also monitors the environment for radiation, primarily in the vicinity of nuclear power plants. Samples from ambient air, milk produced on local farms, surface waters, vegetation, fish and silt are collected and tested at regular intervals.

The department works with the federal Nuclear Regulatory Commission (NRC) to provide routine inspection and oversight for all nuclear power-generating facilities in the commonwealth. The department also inspects decommissioning and decontamination activities as well as active sites regulated by the NRC for occupational, public and environmental radiation exposures. Surveys and samples are taken to ensure the cleanup levels established for the site have been met.

Pennsylvania is one of the most severely affected states in the country for radon problems with approximately 40 percent of our homes and buildings testing greater than the EPA guideline. The department conducts a program of public education and outreach to encourage voluntary measurement and remediation of naturally occurring radon gas in private dwellings and helps to identify effective solutions. The department certifies radon testing and mitigation firms and testing laboratories to ensure accurate test results and effective construction or remedial techniques.

#### ***Program Element: Nuisance and Vector Control***

The department provides surveillance and control to reduce the threat of West Nile Virus in cooperation with the departments of Health and Agriculture. The department monitors mosquito populations, takes steps to control mosquitoes that may carry the virus and examines unknown vectors and reservoirs involved in the transmission of the virus.

The department reduces the black fly population and gives relief to citizens and visitors of the commonwealth by treating 368,576 acres along the Susquehanna, Delaware and Allegheny rivers and their tributaries.

#### ***Program Element: Emergency Preparedness and Response***

The department's emergency response personnel are available whenever there is an immediate threat to public health, safety or the environment. Each year, the

## Program: Environmental Protection and Management (continued)

department responds to thousands of environmental releases. While the department's major focus is response to spills to land and water, the department also has significant involvement with air pollution incidents (fires or industrial-transportation-related releases) and leaking underground storage tanks. In addition, the department responds to a smaller number of incidents involving public water supply shortages or contamination, mining-related discharges, oil and gas production-related discharges and waterborne illness outbreaks. The department develops plans to address any contingencies associated with fuel supply disruptions. In addition, the department is prepared to protect the citizens of Pennsylvania in the event of an accident involving radioactive materials at a power plant or other facility utilizing radioactive materials.

### ***Program Element: Dam Safety, Flood Protection, Water Obstructions and Encroachments***

The department's stream improvement programs protect lives and property through the construction of physical structures such as dams, levees, flood walls, channels, culverts and bank stabilization works. Major flood protection projects are generally designed to protect communities from damages from the 100-year, 24-hour flood event.

The department inspects currently serviceable flood protection projects located in approximately 113 communities within the commonwealth. The department regulates dams and reservoirs, including an engineering and environmental technical review of dam projects meeting the scope of the Dam Safety and Encroachments Act, inspection of existing dams and dams under construction, an annual review of high-hazard dams, and less frequent periodic review of non-high hazard dams. Approximately 800 of the more than 3,300 dams regulated by the department are considered high hazard, meaning the failure of these dams would endanger populated areas downstream. The engineering review assesses conformance to the current standards accepted by the engineering profession. The environmental review assures that adverse impacts to the environment are avoided and, if avoidance is not feasible, then the adverse impacts are mitigated. The department is also active in facilitating the removal of dams which are no longer used for their intended purpose to restore the stream through the dam and impoundment area.

In addition, the department regulates construction and maintenance of any obstructions or encroachments that change the course, current or cross section of a watercourse.

### ***Program Element: Mine Safety***

The department protects the health and safety of miners through safety programs that reduce the possibility of accidents. Mine safety inspections include technical evaluations for explosive use, subsidence, map composition, electrical installations, cleaning plant safety,

active refuse banks and safety zones. The department provides safety oversight for approximately 3,500 coal and industrial mineral mining operations, in addition to safety and emergency medical training and certifications for underground mine workers. Of this total, 100 are underground operations.

In the event of an emergency, the department responds in order to rescue the affected mine workers. Additionally, the department investigates all fatal and serious accidents that occur at Pennsylvania mines.

## ***ALTERNATIVE ENERGY OPPORTUNITIES***

### ***Program Element: Advanced Energy Development***

The department promotes renewable and advanced energy development through grants, financing and technical support for projects that protect the environment and support Pennsylvania's economy. Program goals include greater energy security through a distributed power infrastructure as well as the retention of energy dollars in the commonwealth.

Significant increases in natural gas production have occurred in Pennsylvania since 2008 as a result of the use of horizontal drilling and hydraulic fracturing techniques that are now commonly used by oil and gas operators throughout the shale plays in Pennsylvania. The department permits and inspects oil and gas sites and natural gas gathering pipelines. The department conducted 12,391 unconventional well inspections in 2013, up from 1,262 in 2008. At the same time, violations and enforcements have steadily declined with the introduction of better technology and more rigorous regulations that industry is complying with and in many cases, exceeding.

The Oil and Gas Act of 2012 imposed an impact fee on unconventional gas drilling in Pennsylvania and has helped develop alternative energy opportunities across the commonwealth, the nation, and the world. The impact fee has produced more than \$630 million in state revenue to date, and the department has been allocated a portion of the funds to support oil and gas inspections and permitting. In the 2013-14 fiscal year, the Natural Gas Energy Development Fund dispersed more than \$7.7 million to assist businesses and transit organizations convert vehicle fleets to operate on natural gas. This program helps to spur the development of natural gas fueling infrastructure for public and private interests. Another \$6.5 million was awarded through the Alternative Fuel Incentive Grant program to support the deployment of alternative fuel vehicles.

### ***Program Element: Energy Conservation, Efficiency, and Education***

The department provides technical support to thousands of companies and other entities each year for the design and installation of technologies to promote energy conservation and efficiency. The department launched a



# Environmental Protection

## Program: Environmental Protection and Management (continued)

new education initiative call the “DEP at Home” exhibit. The exhibit is a mock home that is taken across the state to educate Pennsylvanians of all ages about the simple steps they can take to incorporate Pennsylvania produced energy efficient and green products into their own home. The exhibit features energy efficient appliances, a radon mitigation system, recycled flooring and countertops,

energy efficient lighting, green building products, a mock natural gas fueling station that can be handled and used by the visitors, and an all-electric vehicle including at home plug in station. Visitors can take home information on department programs and learn how to purchase and incorporate the products they see featured in their home.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|  |                               |        |  |
|--|-------------------------------|--------|--|
| <b>GENERAL FUND</b>                        |                               |        |  |
| <b>Environmental Program Management</b>    |                               |        | <b>West Nile Virus Control</b>         |
| \$ 1,229                                   | —to continue current program. | \$ 108 | —to continue current program.          |
| <b>Environmental Protection Operations</b> |                               |        | <b>Delaware River Basin Commission</b> |
| \$ 5,124                                   | —to continue current program. | \$ 316 | —to continue current program.          |

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                         |                   |                      |                   |                      |                      |                      |                      |
| Environmental Program Management.....        | \$ 25,733         | \$ 28,517            | \$ 29,746         | \$ 30,787            | \$ 31,557            | \$ 32,346            | \$ 33,155            |
| Chesapeake Bay Agricultural Source           |                   |                      |                   |                      |                      |                      |                      |
| Abatement .....                              | 2,667             | 2,671                | 2,671             | 2,764                | 2,833                | 2,904                | 2,977                |
| Environmental Protection Operations.....     | 75,184            | 84,438               | 89,562            | 92,697               | 95,014               | 97,389               | 99,824               |
| Black Fly Control and Research .....         | 3,274             | 3,316                | 3,316             | 3,316                | 3,316                | 3,316                | 3,316                |
| West Nile Virus Control .....                | 3,824             | 3,831                | 3,939             | 3,939                | 3,939                | 3,939                | 3,939                |
| Sewage Facilities Planning Grants.....       | 200               | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| Delaware River Master .....                  | 76                | 76                   | 76                | 76                   | 76                   | 76                   | 76                   |
| Susquehanna River Basin Commission ....      | 573               | 573                  | 573               | 573                  | 573                  | 573                  | 573                  |
| Interstate Commission on the Potomac         |                   |                      |                   |                      |                      |                      |                      |
| River .....                                  | 46                | 46                   | 46                | 46                   | 46                   | 46                   | 46                   |
| Delaware River Basin Commission .....        | 934               | 434                  | 750               | 750                  | 750                  | 750                  | 750                  |
| Ohio River Valley Water Sanitation           |                   |                      |                   |                      |                      |                      |                      |
| Commission.....                              | 136               | 136                  | 136               | 136                  | 136                  | 136                  | 136                  |
| Chesapeake Bay Commission .....              | 227               | 227                  | 227               | 227                  | 227                  | 227                  | 227                  |
| Transfer to Conservation District Fund ..... | 2,506             | 2,506                | 2,506             | 2,506                | 2,506                | 2,506                | 2,506                |
| Interstate Mining Commission .....           | 30                | 30                   | 30                | 30                   | 30                   | 30                   | 30                   |
| <b>TOTAL GENERAL FUND .....</b>              | <b>\$ 115,410</b> | <b>\$ 126,801</b>    | <b>\$ 133,578</b> | <b>\$ 137,847</b>    | <b>\$ 141,003</b>    | <b>\$ 144,238</b>    | <b>\$ 147,555</b>    |
| <b>MOTOR LICENSE FUND:</b>                   |                   |                      |                   |                      |                      |                      |                      |
| Dirt and Gravel Roads .....                  | \$ 4,000          | \$ 0                 | \$ 0              | \$ 0                 | \$ 0                 | \$ 0                 | \$ 0                 |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Environmental Protection and Management

**Objective: Reduce impacts of pollution to Pennsylvania's land, air and water resources.**

#### Protection of Air Quality

|  |        |       |       |       |       |       |       |
|--|--------|-------|-------|-------|-------|-------|-------|
| Hazardous air pollutant reductions (in tons)   | 10,121 | 9,200 | 7,500 | 7,300 | 6,200 | 6,200 | 6,200 |
| Percentage of population in counties attaining the ambient PM-2.5 (fine particles) annual standard | 58%    | 58%   | 58%   | 58%   | 100%  | 100%  | N/A   |
| Percentage of population in counties attaining the 1997 ambient ozone standard                     | 88%    | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Percentage of population in counties attaining the 2008 ambient ozone standard                     | 34%    | 78%   | 100%  | 100%  | 100%  | 100%  | 100%  |

#### Protection of Water Quality

|  |        |       |       |       |       |       |       |
|--|--------|-------|-------|-------|-------|-------|-------|
| Miles of impaired streams restored to attaining their designated use | 333    | 50    | 50    | 50    | 50    | 50    | 50    |
| Acres of impaired lakes restored to attaining their designated use   | 12,445 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Acres of existing stream buffers protected                           | 47     | 500   | 500   | 1,000 | 1,000 | 1,000 | 1,000 |

#### Safe Waste Management

|  |      |      |      |      |      |      |      |
|--|------|------|------|------|------|------|------|
| Tons of municipal solid waste recycled (in millions) | N/A  | 7    | 7    | 7    | 7    | 7    | 7    |
| Tons of municipal solid waste disposed per capita    | 0.67 | 0.67 | 0.67 | 0.67 | 0.67 | 0.67 | 0.67 |

#### Restoration of Land

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Sites currently in Environmental Cleanup and Brownfields Voluntary Cleanup program                | 1,067 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Site cleanups completed under the Environmental Cleanup and Brownfields Voluntary Cleanup program | 360   | 350   | 350   | 350   | 350   | 350   | 350   |

**Objective: Restore Pennsylvania lands impacted by legacy environmental issues.**

#### Protection of Water Quality

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Total number of treatment systems treating Acid Mine Drainage | 336 | 345 | 355 | 365 | 375 | 375 | 375 |
|---|-----|-----|-----|-----|-----|-----|-----|

#### Restoration of Land

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Leaking storage tank cleanups completed                                       | 487    | 400    | 350    | 300    | 300    | 300    | 300    |
| Response actions to hazardous substances completed                            | 178    | 100    | 100    | 100    | 100    | 100    | 100    |
| Percentage of storage tank releases cleaned up                                | 86.78% | 87.30% | 87.63% | 87.63% | 87.63% | 87.63% | 87.63% |
| Number of acres reclaimed (Government Financed Construction Contract Program) | 213    | 90     | 90     | 90     | 90     | 90     | 90     |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Number of remining projects completed                                    | 11      | 10      | 10      | 10      | 10      | 10      | 10      |
| Number of acres reclaimed (remining)                                     | 221     | 175     | 175     | 175     | 175     | 175     | 175     |
| Abandoned Mineland (AML) acres reclaimed                                 | 812     | 600     | 600     | 600     | 600     | 600     | 600     |
| Cumulative acres of AML reclaimed since inception of AML program in 1977 | 29,664  | 30,264  | 30,864  | 31,464  | 32,064  | 32,664  | 33,264  |

### Objective: Improve quality of life by protecting the health and safety of Pennsylvania citizens.

#### Safe Drinking Water

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Percentage of community water systems that meet health based drinking water standards     | 92%   | 95%   | 95%   | 95%   | 95%   | 95%   | 95%   |
| Percentage of public water systems with no reported cases of waterborne disease outbreaks | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Number of water samples tested for private well owners                                    | 2,137 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Number of sanitary survey inspections conducted at public water systems                   | 2,181 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |

#### Radiation Protection

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Buildings with radon mitigated by certified installers (both residential and commercial) | 11,200 | 11,600 | 12,000 | 12,400 | 12,900 | 13,300 | 13,700 |
|--|--------|--------|--------|--------|--------|--------|--------|

#### Nuisance and Vector Control

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Acres treated for black fly control       | 368,576 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 |
| Acres treated for West Nile Virus control | 50,895  | 50,000  | 50,000  | 50,000  | 50,000  | 50,000  | 50,000  |

#### Mine Safety

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Lost-time accidents per 200,000 employee hours of exposure | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Mine subsidence policies issued                            | 58,550 | 61,250 | 63,950 | 66,650 | 69,350 | 72,050 | 74,750 |
| Mine subsidence insurance policies - new                   | 4,719  | 2,700  | 2,700  | 2,700  | 2,700  | 2,700  | 2,700  |

### Objective: Reduce risks to communities posed by dams.

#### Dam Safety

|   |           |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Dam Emergency Action Plan compliance rate                   | 92%       | 96%       | 98%       | 99%       | 99%       | 99%       | 99%       |
| Percentage of deficient high-hazard dams                    | 68%       | 58.10%    | 54.20%    | 50.30%    | 50.30%    | 50.30%    | 50.30%    |
| Population at risk downstream of deficient high-hazard dams | 1,463,000 | 1,300,000 | 1,250,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 |
| Percentage of high-hazard dams classified as safe           | 87%       | 87.50%    | 88%       | 88.50%    | 88.50%    | 88.50%    | 88.50%    |

## Program Measures

|   | 2013-14       | 2014-15       | 2015-16       | 2016-17       | 2017-18       | 2018-19       | 2019-20       |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Capital budget flood protection projects: Total authorized funds for projects under design/construction | \$287,560,220 | \$314,330,220 | \$314,330,220 | \$292,542,930 | \$278,030,930 | \$250,098,930 | \$211,309,134 |
| Capital budget flood protection projects: Total construction cost of projects completed                 | N/A           | N/A           | \$21,787,290  | \$17,262,000  | \$29,432,000  | \$38,789,796  | \$8,812,000   |

### Objective: Improve environmental health and safety through permitting, inspections and enforcement.

#### Protection of Water Quality

|                                   |     |       |       |       |       |       |       |
|-----------------------------------|-----|-------|-------|-------|-------|-------|-------|
| Acres of stream buffers installed | 753 | 1,000 | 1,000 | 1,500 | 1,500 | 1,500 | 1,500 |
|-----------------------------------|-----|-------|-------|-------|-------|-------|-------|

#### Safe Waste Management

|   |        |       |        |       |        |       |        |
|---|--------|-------|--------|-------|--------|-------|--------|
| Number of wastewater facility inspections   | 7,185  | 7,000 | 7,000  | 7,000 | 7,000  | 7,000 | 7,000  |
| Percentage of wastewater inspections with no recorded violations  | 74%    | 74%   | 74%    | 74%   | 74%    | 74%   | 74%    |
| Percentage of wastewater violations that were remedied  | 74%    | 74%   | 74%    | 74%   | 74%    | 74%   | 74%    |
| Number of wastewater systems with improved operational capability through optimization or other compliance assistance | 16     | 12    | 20     | 30    | 35     | 16    | 12     |
| Number of waste facility inspections  | 4,205  | 4,200 | 4,200  | 4,200 | 4,200  | 4,200 | 4,200  |
| Percentage of waste facilities complying with environmental regulations   | 79.57% | 80%   | 80.50% | 81%   | 81.50% | 82%   | 82.50% |

#### Mine Safety

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Number of surface mine inspections                                       | 23,292 | 23,200 | 23,200 | 23,200 | 23,200 | 23,200 | 23,200 |
| Number of deep mine safety inspections                                   | 1,147  | 1,200  | 1,200  | 1,200  | 1,200  | 1,200  | 1,200  |
| Number of deep mine equipment approvals                                  | 242    | 250    | 250    | 250    | 250    | 250    | 250    |
| Number of deep mine miner certifications                                 | 980    | 1,000  | 1,000  | 1,000  | 1,000  | 1,000  | 1,000  |
| Number of violations at deep mine sites, prep plants and refuse sites    | 1,742  | 1,675  | 1,675  | 1,675  | 1,675  | 1,675  | 1,675  |
| Number of orders at deep mine sites, prep plants and refuse sites        | 701    | 675    | 675    | 675    | 675    | 675    | 675    |
| Violations per order at deep mine sites, prep plants and refuse sites    | 2.49   | 2.48   | 2.48   | 2.48   | 2.48   | 2.48   | 2.48   |
| Number of notices of violation (NOV) issued at surface mine sites        | 731    | 725    | 725    | 725    | 725    | 725    | 725    |
| Number of violations cited in NOVs issued at surface mine sites          | 951    | 900    | 900    | 900    | 900    | 900    | 900    |
| Violations per notice of violation at surface mine sites                 | 1.30   | 1.24   | 1.24   | 1.24   | 1.24   | 1.24   | 1.24   |
| Number of failure to abate cessation orders issued at surface mine sites | 9      | 10     | 10     | 10     | 10     | 10     | 10     |
| Number of imminent harm cessation orders issued at surface mine sites    | 40     | 50     | 50     | 50     | 50     | 50     | 50     |

## Program Measures

|   | 2013-14   | 2014-15   | 2015-16   | 2016-17   | 2017-18   | 2018-19   | 2019-20   |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Value of collected fines and penalties at surface mine sites            | \$574,299 | \$575,000 | \$575,000 | \$575,000 | \$575,000 | \$575,000 | \$575,000 |
| <b>Oil and Gas Management</b>   |           |           |           |           |           |           |           |
| Number of oil and gas drilling permits processed                        | 4,786     | 4,250     | 4,000     | 4,250     | 4,400     | 4,600     | 4,600     |
| Number of oil and gas well inspections (conventional wells)             | 11,477    | 12,500    | 12,000    | 12,000    | 12,100    | 12,100    | 12,100    |
| Number of oil and gas violations (conventional wells)                   | 1,637     | 1,450     | 1,000     | 1,100     | 1,400     | 1,450     | 1,450     |
| Number of oil and gas enforcement actions (conventional wells)          | 368       | 325       | 275       | 300       | 310       | 320       | 320       |
| Number of oil and gas enforcement actions (unconventional wells)        | 180       | 140       | 125       | 125       | 130       | 130       | 130       |
| Number of oil and gas violations (unconventional wells)                 | 486       | 400       | 350       | 350       | 370       | 370       | 370       |
| Number of oil and gas well inspections (unconventional wells)           | 11,438    | 11,300    | 12,000    | 12,000    | 12,100    | 12,100    | 12,100    |
| <b>Department-wide Totals</b>   |           |           |           |           |           |           |           |
| Percentage of sites with full compliance with environmental regulations | 79.56%    | 82%       | 82%       | 82%       | 82%       | 82%       | 82%       |
| Number of permits issued department-wide                                | 31,823    | 32,800    | 33,300    | 33,900    | 34,400    | 35,000    | 35,500    |
| Percentage of permits processed on time (Permit Decision Guarantee)     | 90.20%    | 90%       | 90%       | 90%       | 90%       | 90%       | 90%       |
| Number of permit applications received                                  | 33,371    | 35,100    | 35,700    | 36,300    | 36,900    | 37,500    | 38,100    |
| Number of violations  | 23,659    | 23,000    | 23,000    | 23,000    | 23,000    | 23,000    | 23,000    |
| Number of violations resolved   | 23,388    | 23,000    | 23,000    | 23,000    | 23,000    | 23,000    | 23,000    |



---

# ETHICS COMMISSION

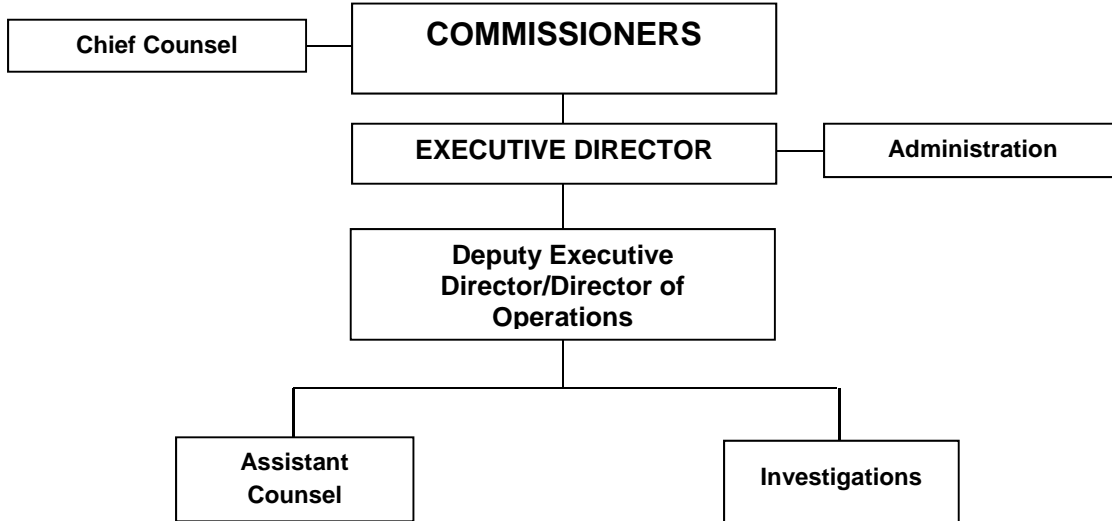
*The mission of the State Ethics Commission is to promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.*

The responsibilities of the commission include rendering advisory opinions to present or former public officials and public employees, or their appointing authorities, regarding such individuals' duties and responsibilities under the Ethics Act. The commission also investigates alleged violations of the Ethics Act and prescribes rules and regulations to implement the provisions of the act.

## **Programs and Goals**

**Executive Direction:** *To promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.*

## Organization Overview



The commission has responsibilities with regards to the Ethics Act, the Lobbying Disclosure Law and the Gaming Act.

- **Ethics Act.** The commission administers and enforces financial disclosure requirements, provides advice and guidance in the form of written opinions to public officials and public employees regarding their responsibilities and duties under the Ethics Act, and investigates alleged violations of the Ethics Act.
- **Lobbying Disclosure Law.** The commission is authorized to issue advisory opinions as well as to conduct investigation and enforcement actions.
- **Gaming Act.** The commission biennially issues various lists of officials and positions subject to provisions of the Gaming Act, and provides determinations as to whether a particular individual or person would be subject to various prohibitions of the Gaming Act.

## Reported Complement

(Independent Agency – Complement Not Under the Governor’s Jurisdiction/Control)

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 26                | 26                | 26                | 26                | 27                |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|-------------------|----------------------|-------------------|
|-------------------|----------------------|-------------------|

### **GENERAL FUND:**

#### *General Government:*

|                              |          |          |          |
|------------------------------|----------|----------|----------|
| State Ethics Commission..... | \$ 1,868 | \$ 2,090 | \$ 2,153 |
|------------------------------|----------|----------|----------|



## Program Funding Summary

(Dollar Amounts in Thousands)

|                          | 2013-14<br>Actual      | 2014-15<br>Available   | 2015-16<br>Budget      | 2016-17<br>Estimated   | 2017-18<br>Estimated   | 2018-19<br>Estimated   | 2019-20<br>Estimated   |
|--------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>ETHICS COMMISSION</b> |                        |                        |                        |                        |                        |                        |                        |
| GENERAL FUND.....        | \$ 1,868               | \$ 2,090               | \$ 2,153               | \$ 2,228               | \$ 2,284               | \$ 2,341               | \$ 2,400               |
| SPECIAL FUNDS.....       | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| FEDERAL FUNDS.....       | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| OTHER FUNDS.....         | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| SUBCATEGORY TOTAL.....   | <u>\$ 1,868</u>        | <u>\$ 2,090</u>        | <u>\$ 2,153</u>        | <u>\$ 2,228</u>        | <u>\$ 2,284</u>        | <u>\$ 2,341</u>        | <u>\$ 2,400</u>        |
| <b>ALL PROGRAMS:</b>     |                        |                        |                        |                        |                        |                        |                        |
| GENERAL FUND.....        | \$ 1,868               | \$ 2,090               | \$ 2,153               | \$ 2,228               | \$ 2,284               | \$ 2,341               | \$ 2,400               |
| SPECIAL FUNDS.....       | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| FEDERAL FUNDS.....       | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| OTHER FUNDS.....         | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| DEPARTMENT TOTAL.....    | <u><u>\$ 1,868</u></u> | <u><u>\$ 2,090</u></u> | <u><u>\$ 2,153</u></u> | <u><u>\$ 2,228</u></u> | <u><u>\$ 2,284</u></u> | <u><u>\$ 2,341</u></u> | <u><u>\$ 2,400</u></u> |

## Program: Executive Direction

*Goal: To promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.*

The Pennsylvania State Ethics Commission is an independent state agency established by Act 170 of 1978 and is charged with the responsibility of enforcing the Public Official and Employee Ethics Act. The Ethics Act applies to public officials, public employees and candidates and nominees for public office. The commission's responsibilities under the act include rendering advisory opinions, enforcing the act as it relates to the filing of Statements of Financial Interests forms, investigating alleged violations of the act, issuing decisions in relation to such investigations and providing guidance and education to public officials and public employees regarding their duties and responsibilities under the law.

The commission also has additional responsibilities under the Lobbying Disclosure Law. These responsibilities include enforcing the reporting and registration provisions of the law as well as investigating alleged violations. The commission is also required to issue advisory opinions under the law.

Pursuant to the Pennsylvania Race Horse Development and Gaming Act, the commission is vested with responsibilities which include generating a public listing of all state, county, municipal, and other government positions meeting the definitions of the terms "public official" or "executive-level public employee" as set forth in the Gaming Act.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND**  
**State Ethics Commission**  
 \$ 63 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                              | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>         |                   |                      |                   |                      |                      |                      |                      |
| State Ethics Commission..... | \$ 1,868          | \$ 2,090             | \$ 2,153          | \$ 2,228             | \$ 2,284             | \$ 2,341             | \$ 2,400             |

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

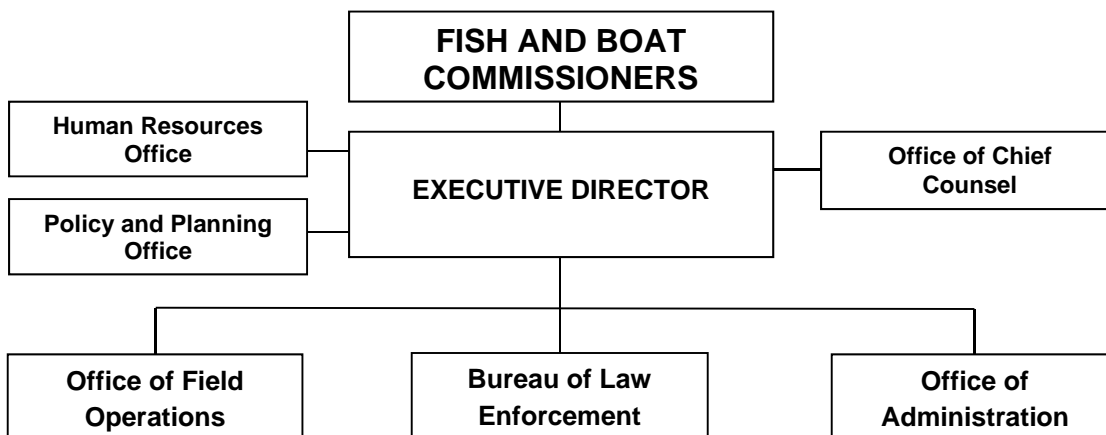
# FISH AND BOAT COMMISSION

*The mission of the Fish and Boat Commission is to protect, conserve and enhance the commonwealth's aquatic resources and provide fishing and boating opportunities.*

## **Programs and Goals**

**Recreational Fishing and Boating:** *To conserve aquatic resources including fish and wildlife populations, to provide recreational opportunities for fishing and boating on commonwealth waters and to promote safe recreational use of these aquatic resources.*

## Organization Overview



- **Deputy Director for Office of Field Operations** manages, develops and coordinates the commission's Fisheries, Hatcheries, Boating & Outreach and Engineering programs.
- **Deputy Director of the Bureau of Law Enforcement** directs the enforcement of fish laws, boating laws and certain water pollution/disturbance laws of the commonwealth. Additionally, within the scope of commission activities, directs the enforcement of Title 18 (relating to crimes and offenses) and other misdemeanors and felonies.
- **Deputy Director of the Office of Administration** manages, develops and coordinates the commission's administrative, financial, information technology, public access and real estate programs.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 432               | 432               | 432               | 432               | 432               |

# Fish and Boat Commission

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| <b>OTHER FUNDS:</b>                                |                   |                      |                   |
| <b>BOAT FUND:</b>                                  |                   |                      |                   |
| General Operations (EA).....                       | \$ 13,095         | \$ 13,085            | \$ 12,485         |
| Miscellaneous Boat Grants (EA).....                | 7,621             | 5,195                | 5,467             |
| (A)State Reimbursement of Services.....            | 3,027             | 0                    | 0                 |
| (R)Improvement of Hazardous Dams.....              | 0                 | 4,430                | 8,730             |
| <b>BOAT FUND TOTAL.....</b>                        | <b>\$ 23,743</b>  | <b>\$ 22,710</b>     | <b>\$ 26,682</b>  |
| <b>FISH FUND:</b>                                  |                   |                      |                   |
| General Operations (EA).....                       | \$ 34,352         | \$ 34,198            | \$ 34,004         |
| (F)Miscellaneous Fish Grants (EA).....             | 8,880             | 8,762                | 7,319             |
| (A)Reimbursement for Services - Miscellaneous..... | 3,950             | 0                    | 0                 |
| (A)High Hazard Dams.....                           | 0                 | 11,245               | 0                 |
| <b>FISH FUND TOTAL.....</b>                        | <b>\$ 47,182</b>  | <b>\$ 54,205</b>     | <b>\$ 41,323</b>  |
| <b>STATE GAMING FUND:</b>                          |                   |                      |                   |
| Payments in Lieu of Taxes (EA).....                | \$ 40             | \$ 40                | \$ 40             |
| <b>UNCONVENTIONAL GAS WELL FUND:</b>               |                   |                      |                   |
| Gas Well Fee Administration.....                   | \$ 1,000          | \$ 1,000             | \$ 1,000          |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                |                   |                      |                   |
| GENERAL FUND.....                                  | \$ 0              | \$ 0                 | \$ 0              |
| SPECIAL FUNDS.....                                 | 0                 | 0                    | 0                 |
| OTHER FUNDS.....                                   | 71,965            | 77,955               | 69,045            |
| <b>TOTAL ALL FUNDS.....</b>                        | <b>\$ 71,965</b>  | <b>\$ 77,955</b>     | <b>\$ 69,045</b>  |

## Program Funding Summary

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual       | 2014-15<br>Available    | 2015-16<br>Budget       | 2016-17<br>Estimated    | 2017-18<br>Estimated    | 2018-19<br>Estimated    | 2019-20<br>Estimated    |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>RECREATIONAL FISHING AND BOATING</b> |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....                       | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | 0                       |
| SPECIAL FUNDS.....                      | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....                      | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| OTHER FUNDS.....                        | 71,965                  | 77,955                  | 69,045                  | 70,715                  | 70,715                  | 70,715                  | 70,715                  |
| SUBCATEGORY TOTAL.....                  | <u>\$ 71,965</u>        | <u>\$ 77,955</u>        | <u>\$ 69,045</u>        | <u>\$ 70,715</u>        | <u>\$ 70,715</u>        | <u>\$ 70,715</u>        | <u>\$ 70,715</u>        |
| <b>ALL PROGRAMS:</b>                    |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....                       | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | 0                       |
| SPECIAL FUNDS.....                      | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....                      | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| OTHER FUNDS.....                        | 71,965                  | 77,955                  | 69,045                  | 70,715                  | 70,715                  | 70,715                  | 70,715                  |
| DEPARTMENT TOTAL.....                   | <u><u>\$ 71,965</u></u> | <u><u>\$ 77,955</u></u> | <u><u>\$ 69,045</u></u> | <u><u>\$ 70,715</u></u> | <u><u>\$ 70,715</u></u> | <u><u>\$ 70,715</u></u> | <u><u>\$ 70,715</u></u> |

## Program: Recreational Fishing and Boating

*Goal: To conserve aquatic resources including fish and wildlife populations, to provide recreational opportunities for fishing and boating on commonwealth waters and to promote safe recreational use of these aquatic resources.*

The Fish and Boat Commission is responsible for the enforcement of the fishing and boating laws and regulations, registration of boats, the state boating and water safety education programs and the management and promotion of recreational boating. The Boating Advisory Board, a group of knowledgeable boaters appointed by the governor, advises the commission on boating matters.

In addition to recreational boating, the commission is responsible for recreational fishing in the commonwealth.

This includes fish propagation, stocking, fisheries, environmental services, the cooperative nurseries program, research and fish management. The commission also provides for the development, improvement and maintenance of facilities for lake and access areas. As water quality is a major factor in aquatic recreation, the commission's goals are to protect, conserve and enhance aquatic resources by monitoring the water quality of many streams, lakes and rivers in the commonwealth.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| BOAT FUND                           |      | FISH FUND                           |      |
|-------------------------------------|------|-------------------------------------|------|
| General Operations (EA)             |      | General Operations (EA)             |      |
| \$                                  | -600 | \$                                  | -194 |
| —reduction in administrative costs. |      | —reduction in administrative costs. |      |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                               | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>FISH FUND:</b>             |                   |                      |                   |                      |                      |                      |                      |
| General Operations (EA) ..... | \$ 34,352         | \$ 34,198            | \$ 34,004         | \$ 34,004            | \$ 34,004            | \$ 34,004            | \$ 34,004            |
| <b>BOAT FUND:</b>             |                   |                      |                   |                      |                      |                      |                      |
| General Operations (EA) ..... | \$ 13,095         | \$ 13,085            | \$ 12,485         | \$ 12,485            | \$ 12,485            | \$ 12,485            | \$ 12,485            |



## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Program: Recreational Fishing and Boating****Objective: Protect and improve the quality of the commonwealth's aquatic resources.**

|  |           |           |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Pounds of fish stocked in commonwealth streams and lakes         | 1,995,773 | 2,150,000 | 2,150,000 | 2,150,000 | 2,150,000 | 2,150,000 | 2,150,000 |
| Cost per pound of fish stocked in commonwealth streams and lakes | \$5       | \$5       | \$5       | \$5       | \$6       | \$6       | \$6       |

**Objective: Expand and enhance fishing and safe boating opportunities.**

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Warnings issued for violations of fishing and boating laws | 36,000 | 34,000 | 34,000 | 34,000 | 34,000 | 34,000 | 34,000 |
| Convictions for violations of fishing and boating laws     | 7,100  | 6,000  | 6,000  | 6,000  | 6,000  | 6,000  | 6,000  |

**Objective: Improve the recruitment and retention of individuals, families and children as anglers, boaters and stewards of our resources.**

|                               |         |         |         |         |         |         |         |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Fishing licenses sold         | 859,863 | 887,000 | 887,000 | 887,000 | 887,000 | 887,000 | 887,000 |
| Cost per fishing license sold | \$1     | \$1     | \$1     | \$1     | \$1     | \$1     | \$1     |
| Actively registered boats     | 329,841 | 333,000 | 333,000 | 333,000 | 333,000 | 333,000 | 333,000 |



---

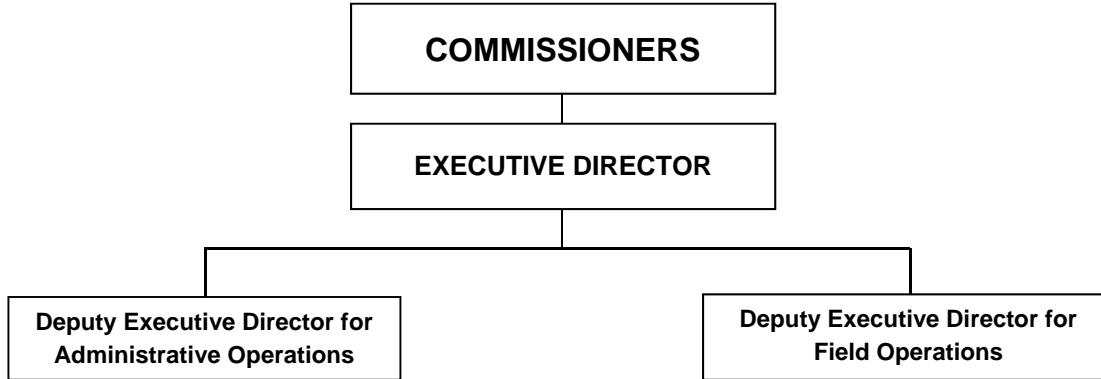
# GAME COMMISSION

*The mission of the Game Commission is to manage Pennsylvania's wild birds, wild mammals and their habitats for current and future generations.*

## **Programs and Goals**

**Wildlife Management:** *To establish habitats and environments that will sustain wildlife populations for recreational uses and for the perpetuation of species.*

## Organization Overview



- **Deputy Executive Director for Administrative Operations** is responsible for assisting in the planning and directing of statewide wildlife management programs for the Pennsylvania Game Commission and developing and maintaining administrative procedures for the day-to-day management of the agency through coordination of the agency's bureau directors.
- **Deputy Executive Director for Field Operations** is responsible for overseeing and directing agency regional field operations statewide through coordination of the agency's regional directors.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 698               | 698               | 708               | 708               | 708               |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| <b><u>OTHER FUNDS:</u></b>                 |                   |                      |                   |
| <b>GAME FUND:</b>                          |                   |                      |                   |
| General Operations (EA).....               | \$ 82,700         | \$ 78,709            | \$ 78,294         |
| (F)Pittman-Robertson Act (EA).....         | 19,500            | 28,000               | 20,000            |
| (F)Miscellaneous Wildlife Grants (EA)..... | 873               | 1,095                | 1,165             |
| (R)Natural Propagation of Wildlife.....    | 7,500             | 7,500                | 7,500             |
| Land Acquisition and Development (EA)..... | 150               | 400                  | 0                 |
| GAME FUND TOTAL.....                       | <b>\$ 110,723</b> | <b>\$ 115,704</b>    | <b>\$ 106,959</b> |
| <b>STATE GAMING FUND:</b>                  |                   |                      |                   |
| Payments in Lieu of Taxes (EA).....        | \$ 3,550          | \$ 3,586             | \$ 3,686          |
| DEPARTMENT TOTAL - ALL FUNDS               |                   |                      |                   |
| GENERAL FUND.....                          | \$ 0              | \$ 0                 | \$ 0              |
| SPECIAL FUNDS.....                         | 0                 | 0                    | 0                 |
| OTHER FUNDS.....                           | 114,273           | 119,290              | 110,645           |
| <b>TOTAL ALL FUNDS.....</b>                | <b>\$ 114,273</b> | <b>\$ 119,290</b>    | <b>\$ 110,645</b> |

## Program Funding Summary

(Dollar Amounts in Thousands)

|                            | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>WILDLIFE MANAGEMENT</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....          | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     |
| SPECIAL FUNDS.....         | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....         | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....           | 114,273                  | 119,290                  | 110,645                  | 110,645                  | 110,645                  | 110,645                  | 110,645                  |
| SUBCATEGORY TOTAL.....     | <u>\$ 114,273</u>        | <u>\$ 119,290</u>        | <u>\$ 110,645</u>        | <u>\$ 110,645</u>        | <u>\$ 110,645</u>        | <u>\$ 110,645</u>        | <u>\$ 110,645</u>        |
| <b>ALL PROGRAMS:</b>       |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....          | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     |
| SPECIAL FUNDS.....         | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....         | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....           | 114,273                  | 119,290                  | 110,645                  | 110,645                  | 110,645                  | 110,645                  | 110,645                  |
| DEPARTMENT TOTAL.....      | <u><u>\$ 114,273</u></u> | <u><u>\$ 119,290</u></u> | <u><u>\$ 110,645</u></u> | <u><u>\$ 110,645</u></u> | <u><u>\$ 110,645</u></u> | <u><u>\$ 110,645</u></u> | <u><u>\$ 110,645</u></u> |

## Program: Wildlife Management

*Goal: To establish habitats and environments that will sustain wildlife populations for recreational uses and for the perpetuation of species.*

The main responsibility of the Game Commission is the perpetuation of the species of wildlife found in Pennsylvania. The commission achieves its mission through wildlife research, management of game habitat, operation of programs for endangered and threatened species and enforcement of the Game and Wildlife Code. Wildlife conservation officers enforce the provisions of the Game and Wildlife Code to protect the natural balance of the commonwealth's wildlife population.

The primary means of ensuring the propagation and preservation of wildlife is properly managing land and game habitats. The commission currently administers approximately 1.5 million acres of State Game Lands and is judiciously acquiring additional lands, including critically important wetlands. The commission also administers cooperative programs to encourage good land use management and habitat improvement by private

landowners. Wildlife habitat assessment techniques are used to develop management plans. These assessments apply to all Pennsylvania state game lands, farm game projects and other areas actively managed by the Game Commission.

All species receive mandated protection. However, those species considered game animals, such as deer, turkey and bear, receive the most attention. The number of antlerless deer licenses available for sale is based on the deer population projections. The optimal number of deer is based on acres of forested land in the commonwealth. Hunting, while recreational in nature, is a wildlife management tool as well. Future year projection numbers indicate the number of deer that need to be harvested to sustain the population. Also protected by the commission are endangered and threatened species such as Allegheny woodrats, ospreys and peregrine falcons.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GAME FUND**  
**General Operations (EA)**  
 \$ -815 —reduction in administrative costs.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GAME FUND:</b>                         |                   |                      |                   |                      |                      |                      |                      |
| General Operations (EA) .....             | \$ 82,700         | \$ 78,709            | \$ 78,294         | \$ 78,294            | \$ 78,294            | \$ 78,294            | \$ 78,294            |
| Land Acquisition and Development (EA) ... | 150               | 400                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| <b>TOTAL GAME FUND.....</b>               | <b>\$ 82,850</b>  | <b>\$ 79,109</b>     | <b>\$ 78,294</b>  | <b>\$ 78,294</b>     | <b>\$ 78,294</b>     | <b>\$ 78,294</b>     | <b>\$ 78,294</b>     |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Program: Wildlife Management**
**Objective: Ensure the propagation and preservation of wildlife through land and game management.**

|  |         |         |         |         |         |           |           |
|--|---------|---------|---------|---------|---------|-----------|-----------|
| Hunting licenses sold                    | 952,989 | 963,000 | 973,000 | 983,000 | 993,000 | 1,003,000 | 1,013,000 |
| Citations for violation of game laws     | 7,045   | 7,300   | 7,300   | 7,300   | 7,300   | 7,300     | 7,300     |
| Development of wildlife management plans | 2       | 2       | 2       | 2       | 2       | 2         | 2         |



---

# GAMING CONTROL BOARD

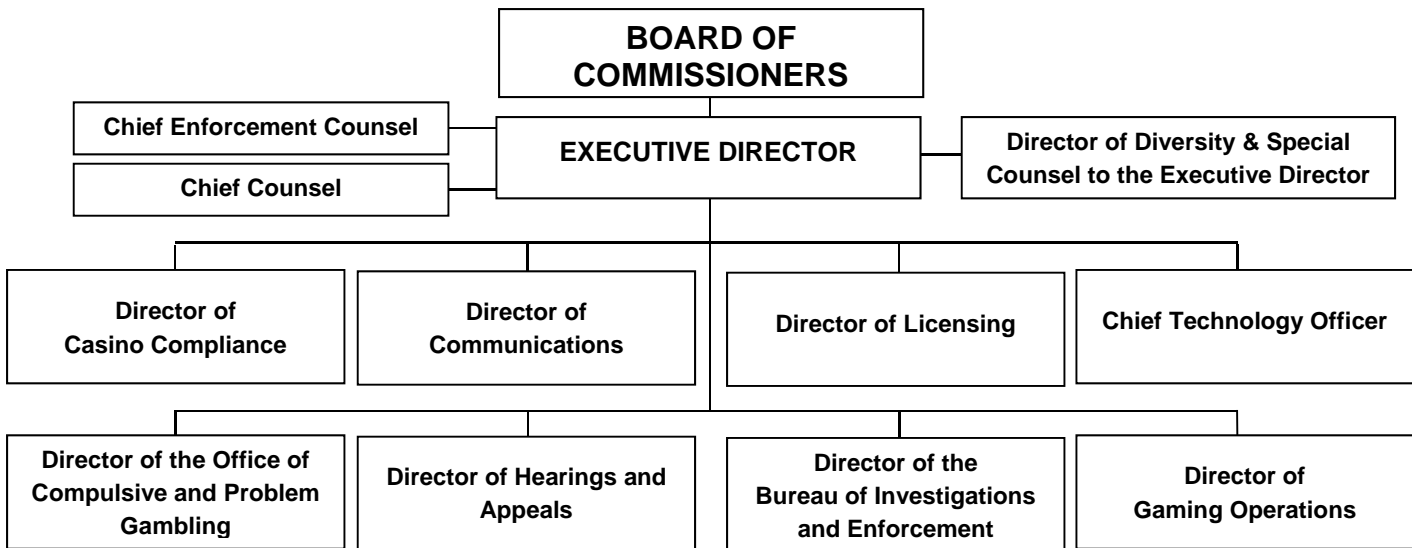
The Gaming Control Board regulates the implementation and operation of gaming that is intended to generate revenues that provide assistance to the commonwealth's horse racing industry, tax relief and economic development opportunities.

## **Programs and Goals**

**Gaming Regulation:** *To provide a revenue stream that supports property tax relief, wage tax reduction in Philadelphia, economic development and the commonwealth's horse racing industry through the implementation and oversight of gaming.*



## Organization Overview



- **Director of Casino Compliance** oversees the twenty four hour/seven day a week onsite presence of compliance officers at all casinos to assure the integrity of gaming, including the proper collection, counting and recording of gaming revenue.
- **Director of Communications** is responsible for media and public relations, along with ensuring that the board's business is visible to the citizens of Pennsylvania.
- **Director of Licensing** oversees the licensing of the state's casinos and other gaming related companies doing business in the state as well as the employees working in and supporting the gaming industry.
- **Chief Technology Officer** is responsible for the board's Office of Information Technology and the Bureau of Gaming Laboratory Operations, which ensures the performance and integrity of slot machines and associated equipment in Pennsylvania casinos.
- **Director of the Office of Compulsive and Problem Gambling** oversees the state's Self-Exclusion Program, reviews casinos' Compulsive and Problem Gambling Plans and collaborates with other state agencies as well as national and state problem gambling organizations on problem gambling prevention, education, awareness and outreach.
- **Director of Hearings and Appeals** oversees the hearing and appeals process.
- **Director of the Bureau of Investigations and Enforcement** ensures the integrity of the commonwealth's gaming industry through conducting suitability and regulatory investigations.
- **Director of Gaming Operations** oversees a staff whose responsibilities include compliance auditing and the review and approval of accounting and internal controls, table game rules and equipment including cards, dice and chips.

## Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 290               | 328               | 326               | 311               | 313               |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

| 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|-------------------|----------------------|-------------------|
|-------------------|----------------------|-------------------|

### OTHER FUNDS:

#### STATE GAMING FUND:

|  |                  |                  |                  |
|--|------------------|------------------|------------------|
| (R)Administration.....                 | \$ 31,153        | \$ 30,990        | \$ 32,900        |
| (R)General Operations.....             | 5,755            | 7,000            | 7,000            |
| (R)Tavern Games - Investigations.....  | 12               | 100              | 100              |
| Local Law Enforcement Grants (EA)..... | 2,000            | 2,000            | 2,000            |
| STATE GAMING FUND TOTAL.....           | <b>\$ 38,920</b> | <b>\$ 40,090</b> | <b>\$ 42,000</b> |

## Program Funding Summary

(Dollar Amounts in Thousands)

|                          | 2013-14<br>Actual       | 2014-15<br>Available    | 2015-16<br>Budget       | 2016-17<br>Estimated    | 2017-18<br>Estimated    | 2018-19<br>Estimated    | 2019-20<br>Estimated    |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>GAMING REGULATION</b> |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....        | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    |
| SPECIAL FUNDS.....       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| OTHER FUNDS.....         | 38,920                  | 40,090                  | 42,000                  | 43,152                  | 44,003                  | 44,875                  | 45,770                  |
| SUBCATEGORY TOTAL.....   | <u>\$ 38,920</u>        | <u>\$ 40,090</u>        | <u>\$ 42,000</u>        | <u>\$ 43,152</u>        | <u>\$ 44,003</u>        | <u>\$ 44,875</u>        | <u>\$ 45,770</u>        |
| <b>ALL PROGRAMS:</b>     |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....        | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    |
| SPECIAL FUNDS.....       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| OTHER FUNDS.....         | 38,920                  | 40,090                  | 42,000                  | 43,152                  | 44,003                  | 44,875                  | 45,770                  |
| DEPARTMENT TOTAL.....    | <u><u>\$ 38,920</u></u> | <u><u>\$ 40,090</u></u> | <u><u>\$ 42,000</u></u> | <u><u>\$ 43,152</u></u> | <u><u>\$ 44,003</u></u> | <u><u>\$ 44,875</u></u> | <u><u>\$ 45,770</u></u> |

## Program: Gaming Regulation

*Goal: To provide a revenue stream that supports property tax relief, wage tax reduction in Philadelphia, economic development and the commonwealth's horse racing industry through the implementation and oversight of gaming.*

Act 71 of 2004, the Pennsylvania Race Horse Development Act, established the Gaming Control Board to regulate and oversee the implementation and operation of slot machines intended to create new revenue to support property tax relief, wage tax reduction in Philadelphia, economic development and the commonwealth's horse racing industry.

The State Gaming Fund was established in the act to receive all license fees provided in the act and 34 percent of the gross terminal revenue (GTR) generated by licensed gaming facilities. These proceeds are disbursed on an annual basis as follows:

- \$2 million or .002 multiplied by the GTR, whichever is greater, to the Compulsive and Problem Gambling Treatment Fund in the Department of Health;
- Payments in lieu of taxes to the Department of Conservation and Natural Resources, the Fish and Boat Commission and the Game Commission;
- \$25 million to the Emergency Management Agency for the Volunteer Company Grants program;
- \$2 million for the Local Law Enforcement Grants program; and
- \$3 million to the Department of Health for drug and alcohol addiction treatment services.

The remaining balance is used to fund property tax relief as provided in Act 1 of Special Session 1 of 2006. In addition, 4 percent of GTR is distributed as a local share where gaming facilities are located.

Act 71 of 2004 established the Gaming Economic Development and Tourism Fund and the Race Horse Development Fund. The Gaming Economic Development and Tourism Fund, administered by the Department of

Community and Economic Development, receives 5 percent of the GTR and provides for additional uses of gaming revenues as specified in Act 53 of 2007 and Act 63 of 2008. The Race Horse Development Fund receives a maximum of 12 percent of the GTR generated at each licensed facility.

Act 1 of 2010 authorized table games at licensed gaming facilities. Table games license fees and 14 percent of gross table game revenue (GTGR) are deposited into the General Fund. After two years of operation, a facility's assessment rate will be reduced to 12 percent of GTGR. When the balance in the Budget Stabilization Reserve Fund exceeds \$750 million, the state share of GTGR will then be deposited into the Property Tax Relief Fund. A 2 percent local share distribution of GTGR is also included in Act 1 of 2010.

Act 78 of 2012 authorized an additional \$5 million from the Property Tax Relief Reserve Fund to the Emergency Management Agency for the Volunteer Company Grants program.

Several state agencies provide support to the Gaming Control Board. The Department of Revenue manages a centralized computer system, which calculates the state's share of GTR on a daily basis and monitors the operation of all licensed gaming machines. The Pennsylvania State Police and the Attorney General also have enforcement and oversight responsibilities.

Act 90 of 2013 authorized the Gaming Control Board to provide background checks for tavern games applicants for the Liquor Control Board. The State Gaming Fund is shown in the Other Special Funds Appendix section of this budget.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

#### STATE GAMING FUND

This budget recommends a total of \$39,900,000 from restricted accounts in the State Gaming Fund for the operation of the Gaming Control Board in the 2015-16 fiscal year.

In addition, \$100,000 of tavern games investigations revenue will support this program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>STATE GAMING FUND:</b>               |                   |                      |                   |                      |                      |                      |                      |
| (R) Administration .....                | \$ 31,153         | \$ 30,990            | \$ 32,900         | \$ 34,052            | \$ 34,903            | \$ 35,775            | \$ 36,670            |
| (R) General Operations .....            | 5,755             | 7,000                | 7,000             | 7,000                | 7,000                | 7,000                | 7,000                |
| (R) Tavern Games - Investigations ..... | 12                | 100                  | 100               | 100                  | 100                  | 100                  | 100                  |
| Local Law Enforcement Grants (EA) ..... | 2,000             | 2,000                | 2,000             | 2,000                | 2,000                | 2,000                | 2,000                |
| <b>TOTAL STATE GAMING FUND .....</b>    | <b>\$ 38,920</b>  | <b>\$ 40,090</b>     | <b>\$ 42,000</b>  | <b>\$ 43,152</b>     | <b>\$ 44,003</b>     | <b>\$ 44,875</b>     | <b>\$ 45,770</b>     |

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

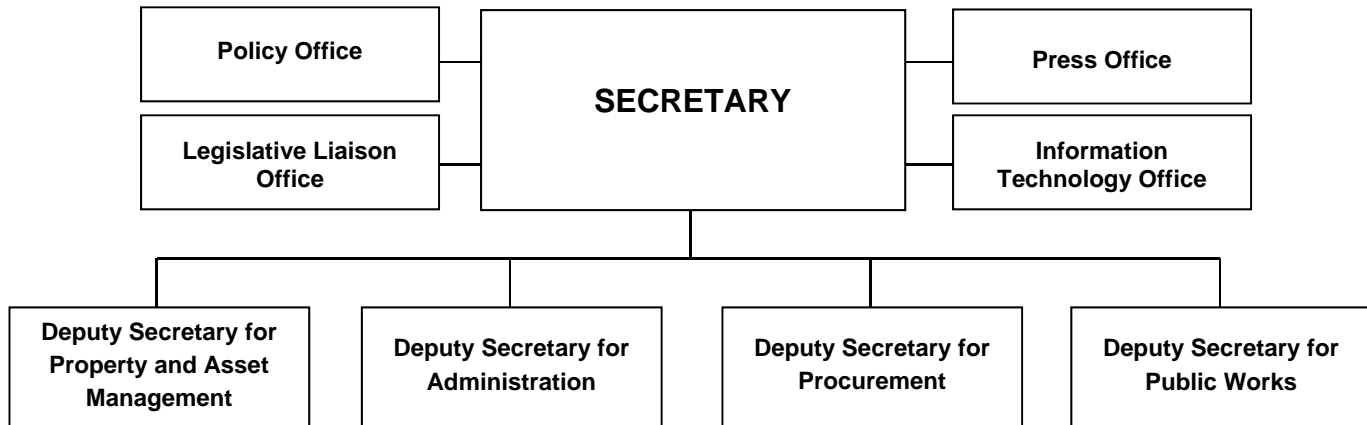
# DEPARTMENT OF GENERAL SERVICES

*The mission of the Department of General Services is to deliver innovative services and solutions to support cost-effective operations and responsible public stewardship in state government. As the agency responsible for providing essential functions, such as procurement of goods and services, oversight of the vehicle fleet, management of state property and facilities and construction of the commonwealth's buildings and non-highway infrastructure, the department reaches for unparalleled customer service and continuous improvement while fostering sensible, sustainable and transparent government.*

## **Programs and Goals**

**Facility, Property and Commodity Management:** *To maintain the commonwealth's real property and facilities; to provide commonwealth agencies with quality commodities in a timely manner; and to settle tort claims in an equitable manner while reducing risks.*

## Organization Overview



- **Deputy Secretary for Property and Asset Management** is responsible for the operation and maintenance of the Capitol Complex, for all commonwealth-owned and operated properties, Vehicle Management, Capitol events, Capitol Police and Energy Management.
- **Deputy Secretary for Administration** is responsible for the bureaus of Human Resources, Commonwealth Media Services, Real Estate, Risk and Insurance Management, and Financial and Management Services.
- **Deputy Secretary for Procurement** is responsible for the bureaus of Procurement, Small Business Opportunities, Publications, and Supplies and Surplus Operations.
- **Deputy Secretary for Public Works** is responsible for the Office of Energy Management and the bureaus of Professional Selections and Administrative Services, Engineering and Architecture, and Construction.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1,246             | 1,138             | 1,061             | 999               | 1,003             |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL        | 2014-15<br>AVAILABLE     | 2015-16<br>BUDGET        |
|---|--------------------------|--------------------------|--------------------------|
| <b>GENERAL FUND:</b>                                      |                          |                          |                          |
| <i>General Government:</i>                                |                          |                          |                          |
| <b>General Government Operations.....</b>                 | <b>\$ 58,018</b>         | <b>\$ 62,387</b>         | <b>\$ 64,516</b>         |
| (A)Federal Surplus Property.....                          | 1,825                    | 2,036                    | 1,853                    |
| (A)State Surplus Property.....                            | 605                      | 450                      | 450                      |
| (A)State Buildings Use.....                               | 116                      | 75                       | 75                       |
| (A)Employee Liability Self Insurance Program.....         | 416                      | 427                      | 429                      |
| (A)Newsroom Services.....                                 | 5                        | 5                        | 5                        |
| (A)Administrative Services.....                           | 116                      | 81                       | 91                       |
| (A)Plans and Specifications.....                          | 20                       | 10                       | 10                       |
| (A)Media Center Reimbursements.....                       | 845                      | 2,116                    | 1,120                    |
| (A)Recycling Program.....                                 | 400                      | 695                      | 400                      |
| (A)Metrology Fees.....                                    | 232                      | 228                      | 236                      |
| (A)CoStar Program.....                                    | 1,128                    | 1,424                    | 1,701                    |
| (A)Centralized Procurement.....                           | 8,144                    | 9,489                    | 9,489                    |
| (A)Contract Administration Fees.....                      | 0                        | 0                        | 98                       |
| (A)Energy Office Management Fees.....                     | 76                       | 50                       | 0                        |
| (A)DGS Annex.....   | 386                      | 383                      | 383                      |
| (A)E-Verify.....  | 3                        | 5                        | 2                        |
| (A)Small Business Opportunities.....                      | 2                        | 48                       | 48                       |
| (A)Real Estate Services.....                              | 444                      | 742                      | 779                      |
| Subtotal.....   | <u>\$ 72,781</u>         | <u>\$ 80,651</u>         | <u>\$ 81,685</u>         |
| <b>Capitol Police Operations.....</b>                     | <b>11,394</b>            | <b>11,881</b>            | <b>12,190</b>            |
| (A)Capitol Police Services.....                           | 228                      | 180                      | 184                      |
| Subtotal.....   | <u>\$ 11,622</u>         | <u>\$ 12,061</u>         | <u>\$ 12,374</u>         |
| <b>Rental and Municipal Charges.....</b>                  | <b>22,969</b>            | <b>24,162</b>            | <b>25,469</b>            |
| (A)Agency Rental Charges.....                             | 334                      | 332                      | 366                      |
| (A)Real Estate Lease Reimbursements.....                  | 23,848                   | 22,843                   | 24,479                   |
| Subtotal.....   | <u>\$ 47,151</u>         | <u>\$ 47,337</u>         | <u>\$ 50,314</u>         |
| <b>Utility Costs.....</b>                                 | <b>21,141</b>            | <b>20,281</b>            | <b>22,640</b>            |
| (A)DGS Annex.....   | 226                      | 215                      | 215                      |
| (A)Energy Office.....                                     | 59                       | 0                        | 0                        |
| Subtotal.....   | <u>\$ 21,426</u>         | <u>\$ 20,496</u>         | <u>\$ 22,855</u>         |
| <b>Excess Insurance Coverage.....</b>                     | <b>1,211</b>             | <b>1,099</b>             | <b>1,288</b>             |
| Subtotal - State Funds.....                               | \$ 114,733               | \$ 119,810               | \$ 126,103               |
| Subtotal - Augmentations.....                             | 39,458                   | 41,834                   | 42,413                   |
| Total - General Government.....                           | <u>\$ 154,191</u>        | <u>\$ 161,644</u>        | <u>\$ 168,516</u>        |
| <i>Grants and Subsidies:</i>                              |                          |                          |                          |
| <b>Capitol Fire Protection.....</b>                       | <b>\$ 496</b>            | <b>\$ 496</b>            | <b>\$ 496</b>            |
| STATE FUNDS.....  | \$ 115,229               | \$ 120,306               | \$ 126,599               |
| AUGMENTATIONS.....  | 39,458                   | 41,834                   | 42,413                   |
| <b>GENERAL FUND TOTAL.....</b>                            | <b><u>\$ 154,687</u></b> | <b><u>\$ 162,140</u></b> | <b><u>\$ 169,012</u></b> |
| <b>MOTOR LICENSE FUND:</b>                                |                          |                          |                          |
| <i>General Government:</i>                                |                          |                          |                          |
| <b>Harristown Rental Charges (EA).....</b>                | <b>\$ 92</b>             | <b>\$ 92</b>             | <b>\$ 121</b>            |
| <b>Harristown Utility and Municipal Charges (EA).....</b> | <b>200</b>               | <b>207</b>               | <b>199</b>               |
| Total - General Government.....                           | <u>\$ 292</u>            | <u>\$ 299</u>            | <u>\$ 320</u>            |



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--------------------------------------|-------------------|----------------------|-------------------|
| <b><i>Grants and Subsidies:</i></b>  |                   |                      |                   |
| Tort Claims Payments.....            | \$ 10,000         | \$ 10,000            | \$ 10,000         |
| <b>MOTOR LICENSE FUND TOTAL.....</b> | <b>\$ 10,292</b>  | <b>\$ 10,299</b>     | <b>\$ 10,320</b>  |
| <b><u>OTHER FUNDS:</u></b>           |                   |                      |                   |
| <b>GENERAL FUND:</b>                 |                   |                      |                   |
| Temporary Fleet Vehicles.....        | \$ 2,965          | \$ 1,455             | \$ 1,500          |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>  |                   |                      |                   |
| GENERAL FUND.....                    | \$ 115,229        | \$ 120,306           | \$ 126,599        |
| SPECIAL FUNDS.....                   | 10,292            | 10,299               | 10,320            |
| AUGMENTATIONS.....                   | 39,458            | 41,834               | 42,413            |
| OTHER FUNDS.....                     | 2,965             | 1,455                | 1,500             |
| <b>TOTAL ALL FUNDS.....</b>          | <b>\$ 167,944</b> | <b>\$ 173,894</b>    | <b>\$ 180,832</b> |

## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>FACILITY, PROPERTY AND COMMODITY<br/>MANAGEMENT</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                                      | \$ 115,229               | \$ 120,306               | \$ 126,599               | \$ 129,374               | \$ 131,455               | \$ 133,592               | \$ 135,787               |
| SPECIAL FUNDS.....                                     | 10,292                   | 10,299                   | 10,320                   | 10,320                   | 10,320                   | 10,320                   | 10,320                   |
| FEDERAL FUNDS.....                                     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....                                       | 42,423                   | 43,289                   | 43,913                   | 43,913                   | 43,913                   | 43,913                   | 43,913                   |
| SUBCATEGORY TOTAL.....                                 | <u>\$ 167,944</u>        | <u>\$ 173,894</u>        | <u>\$ 180,832</u>        | <u>\$ 183,607</u>        | <u>\$ 185,688</u>        | <u>\$ 187,825</u>        | <u>\$ 190,020</u>        |
| <b>ALL PROGRAMS:</b>                                   |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                                      | \$ 115,229               | \$ 120,306               | \$ 126,599               | \$ 129,374               | \$ 131,455               | \$ 133,592               | \$ 135,787               |
| SPECIAL FUNDS.....                                     | 10,292                   | 10,299                   | 10,320                   | 10,320                   | 10,320                   | 10,320                   | 10,320                   |
| FEDERAL FUNDS.....                                     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....                                       | 42,423                   | 43,289                   | 43,913                   | 43,913                   | 43,913                   | 43,913                   | 43,913                   |
| DEPARTMENT TOTAL.....                                  | <u><u>\$ 167,944</u></u> | <u><u>\$ 173,894</u></u> | <u><u>\$ 180,832</u></u> | <u><u>\$ 183,607</u></u> | <u><u>\$ 185,688</u></u> | <u><u>\$ 187,825</u></u> | <u><u>\$ 190,020</u></u> |

## Program: Facility, Property and Commodity Management

*Goal: To maintain the commonwealth's real property and facilities; to provide commonwealth agencies with quality commodities in a timely manner; and to settle tort claims in an equitable manner while reducing risks.*

The Department of General Services oversees the procurement of goods and services, manages non-highway capital projects and is responsible for numerous core operations of state government, including management of the vehicle fleet, Capitol Police force and state buildings and facilities, disposition of surplus property and general printing operations. The department also serves as the state's real estate agent and insurance broker and oversees the commonwealth's media services and minority and women-owned business programs.

### **Procurement**

The Bureau of Procurement is responsible for purchasing and contracting for services, equipment and supplies for the commonwealth and establishing procurement policy for all state agencies. In total, the bureau oversees more than \$3.5 billion in goods and services for the commonwealth each year, ranging from office supplies to computers to vehicles. Contracts are negotiated to leverage the aggregate purchasing power of commonwealth agencies for best pricing.

### **Public Works**

The department's public works bureaus coordinate and oversee the design and construction of all non-highway capital construction projects for the commonwealth. The scope of responsibilities includes new construction and all types of alterations and renovations to existing commonwealth properties and capital improvement projects for all state agencies. Projects range from dams and sewage treatment plants to buildings such as prisons, offices and laboratories. The department also administers the selection of architects and engineers, advertises projects for bid, obtains construction bids, executes construction contracts and manages budgets for construction projects.

The public works bureaus maximize efficiency and monitor performance through a series of criteria focused on reducing change order rates, increasing the number of construction projects completed on time and on budget and reducing the number of claims filed against the commonwealth.

Priorities include the appropriate use of competitive request for proposals or best value contracting to ensure timely delivery of quality construction projects by qualified vendors and the annual update of the commonwealth's five year capital plan. The goal of the capital plan is to better manage limited dollars by developing a comprehensive and strategic approach to releasing capital projects.

### **Vehicles**

The Bureau of Vehicle Management maintains and oversees the commonwealth automotive fleet. All commonwealth vehicles and equipment requiring a license plate, with the exception of vehicles owned by the Department of Transportation and the Turnpike Commission, are titled and registered to the Department of General Services. The bureau approves and tracks the maintenance and repairs of all fleet vehicles to ensure compliance with manufacturers' suggested service programs and monitors operating costs.

The bureau is responsible for the cost effective management of the state fleet by establishing thresholds for permanently assigned vehicles to state employees, minimizing the use of personal vehicle mileage reimbursement and determining optimum vehicle repair schedules.

### **Capitol Police**

The Pennsylvania Capitol Police are responsible for protecting and serving state employees, public officials and visitors to the Capitol Complex as well as department-managed state office buildings and grounds. This mission is accomplished with security guards and sworn police officers. The Pennsylvania Capitol Police is a state and internationally accredited law enforcement agency, receiving certifications by the Commission on Accreditation for Law Enforcement Agencies and the Pennsylvania Law Enforcement Accreditation Commission. Capitol Police Officers are certified police officers with the Municipal Police Officers Education and Training Commission.

### **Federal and State Surplus**

The Bureau of Supplies and Surplus Operations administers both federal and state surplus property programs. Federal surplus property is donated to state agencies, local municipalities, nonprofit organizations and law enforcement entities for a nominal service charge. During 2013-14, federal property originally valued at \$16.1 million was distributed to eligible organizations. The State Surplus Division distributes this property among commonwealth and local agencies. Thereafter, goods are recycled or sold to the public through on-site auctions or internet sales. This division also conducts private sales of Department of Transportation heavy equipment to municipalities in compliance with Title 4 of the Pennsylvania Code. Revenue generated from the recycling or sale of state surplus property was more than \$7.4 million in 2013-14.

## Program: Facility, Property and Commodity Management (continued)

### ***Publications***

The Bureau of Publications provides web graphics, graphic design, printing, mailing and signage services to all state agencies and commissions. Projects include annual reports, brochures, newsletters, logos, stationery, book covers, variable data printing and mass mailings. The printing operation provides a variety of printing services including graphic design, security printing, application programming, envelope insertion and mailing services. The State Sign Shop delivers signage, engraving and banner services. The bureau also produces the Pennsylvania Manual and the Commonwealth Telephone Directory. In addition, the bureau hosts a web application <http://www.papublisher.com> used by commonwealth agencies, commissions and offices. The site maintains digital catalogs for on demand printing and direct distribution to any location. The Bureau of Publications completes mission critical and deadline-driven services 24 hours per day / five days per week.

### ***Real Estate***

The Bureau of Real Estate is responsible for the purchase, sale and lease of property and the portfolio management of property and space owned by the commonwealth. The Leasing Division reviews, analyzes, negotiates and administers leases on behalf of the commonwealth including retail leases needed by the Pennsylvania Liquor Control Board. The Space Management Division analyzes space requests and allocates space to departments, boards and commissions in state-owned and leased facilities. The Real Estate Acquisitions and Dispositions Land Management Division acquires real property for capital projects and disposes of real property owned by the commonwealth and designated as surplus. This division also prepares the surplus annual real property disposition plan and administers all leases, licenses and easements involving commonwealth property. The Real Estate Services Division maintains an inventory of facility and building information, a portfolio of commonwealth leases and building maintenance records.

### ***Risk and Insurance***

The department handles approximately 7,100 tort claims each year, in conjunction with the Office of Attorney General, brought against the commonwealth, its officials and employees. Act 152 of 1978 and Act 151 of 1986 restricted the commonwealth's use of sovereign immunity as a defense against tort claims by establishing criteria for limited amounts of liability in specific areas: vehicle liability, medical professional liability, personal property, commonwealth real estate, potholes and other dangerous conditions. These include care, custody and

control of domestic animals, liquor store sales, National Guard activities and toxoids and vaccines. The department investigates claims in the pre-litigation stage, while the Office of Attorney General defends against those claims in litigation.

### ***Facilities***

The department is responsible for the management and maintenance of 20 state-owned office buildings in and around the Capitol Complex, two executive residences, two Harristown leased buildings, the master lease of Forum Place and 53 buildings on the former Harrisburg State Hospital complex. Outside of the Harrisburg area, the department operates the Scranton and Reading state office buildings and master leased buildings in Philadelphia and Pittsburgh. In total, these facilities contain nearly 7.5 million square feet of office space, with 280.3 acres of grounds, parking and roadway areas.

### ***Small Business Opportunities***

The Bureau of Small Business Opportunities is committed to implementing programs and policies that increase contracting opportunities for self-certified small and verified small diverse businesses. The Small Business Procurement Initiative provides the impetus for promoting the economic growth and success of small businesses. The Small Diverse Business program streamlines the process for minority, women, veteran and service-disabled veteran-owned small businesses to participate as prime contractors, subcontractors, suppliers and professional service providers. The bureau also focuses on contract compliance to ensure commitments are realized and allegations of abuse, false certification or discriminatory practices are investigated.

### ***Commonwealth Media Services***

The Bureau of Commonwealth Media Services provides studio and remote broadcast television services, fixed and remote satellite uplinking, electronic asset management and archiving, web animation and graphics, website and application development, electronic signage and a host of other services. News conferencing facilities and services are provided both at the Capitol Media Center and remotely. Additionally, the bureau provides a full range of creative services incorporated into the production of documentaries, educational, promotional, training and public service programs. The bureau is part of the commonwealth's emergency communications infrastructure, providing broadcast video, audio, photographic and web streaming services on a continuous basis during commonwealth emergencies.

## Program: Facility, Property and Commodity Management (continued)

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|                                      |                                    |  |   |
|--------------------------------------|------------------------------------|--|---|
| <b>GENERAL FUND</b>                  |                                    | <b>MOTOR LICENSE FUND</b>                            |   |
| <b>General Government Operations</b> |                                    | <b>Harristown Rental Charges (EA)</b>                |   |
| \$ 2,129                             | —to continue current program.      | \$ 29  | —increase in pro rata share of charges. |
| <b>Capitol Police Operations</b>     |                                    | <b>Harristown Utility and Municipal Charges (EA)</b> |   |
| \$ 309                               | —to continue current program.      | \$ -8  | —decrease in pro rata share of charges. |
| <b>Rental and Municipal Charges</b>  |                                    |  |   |
| \$ 1,307                             | —increase in lease costs.          |  |   |
| <b>Utility Costs</b>                 |                                    |  |   |
| \$ 2,359                             | —based on current estimates.       |  |   |
| <b>Excess Insurance Coverage</b>     |                                    |  |   |
| \$ 189                               | —increase in administrative costs. |  |   |

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                                   |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....                    | \$ 58,018         | \$ 62,387            | \$ 64,516         | \$ 66,774            | \$ 68,443            | \$ 70,154            | \$ 71,908            |
| Capitol Police Operations .....                        | 11,394            | 11,881               | 12,190            | 12,617               | 12,932               | 13,255               | 13,586               |
| Rental and Municipal Charges .....                     | 22,969            | 24,162               | 25,469            | 25,469               | 25,469               | 25,469               | 25,469               |
| Utility Costs .....                                    | 21,141            | 20,281               | 22,640            | 22,640               | 22,640               | 22,640               | 22,640               |
| Excess Insurance Coverage .....                        | 1,211             | 1,099                | 1,288             | 1,378                | 1,475                | 1,578                | 1,688                |
| Capitol Fire Protection .....                          | 496               | 496                  | 496               | 496                  | 496                  | 496                  | 496                  |
| <b>TOTAL GENERAL FUND .....</b>                        | <b>\$ 115,229</b> | <b>\$ 120,306</b>    | <b>\$ 126,599</b> | <b>\$ 129,374</b>    | <b>\$ 131,455</b>    | <b>\$ 133,592</b>    | <b>\$ 135,787</b>    |
| <b>MOTOR LICENSE FUND:</b>                             |                   |                      |                   |                      |                      |                      |                      |
| Harristown Rental Charges (EA) .....                   | \$ 92             | \$ 92                | \$ 121            | \$ 121               | \$ 121               | \$ 121               | \$ 121               |
| Harristown Utility and Municipal<br>Charges (EA) ..... | 200               | 207                  | 199               | 199                  | 199                  | 199                  | 199                  |
| Tort Claims Payments .....                             | 10,000            | 10,000               | 10,000            | 10,000               | 10,000               | 10,000               | 10,000               |
| <b>TOTAL MOTOR LICENSE<br/>FUND .....</b>              | <b>\$ 10,292</b>  | <b>\$ 10,299</b>     | <b>\$ 10,320</b>  | <b>\$ 10,320</b>     | <b>\$ 10,320</b>     | <b>\$ 10,320</b>     | <b>\$ 10,320</b>     |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Facility, Property and Commodity Management

**Objective: Generate procurement savings for the commonwealth.**

#### Procurement

|   |          |          |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|----------|----------|
| Annual DGS procurement related savings (in thousands) | \$74,800 | \$32,000 | \$33,000 | \$34,000 | \$35,000 | \$36,000 | \$37,000 |
|---|----------|----------|----------|----------|----------|----------|----------|

#### Torts

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Average cost per insurance settlement (pre litigation only) | \$550 | \$570 | \$595 | \$620 | \$640 | \$670 | \$700 |
| Insurance claims settled per year (pre litigation only)     | 1,658 | 1,800 | 1,900 | 2,000 | 2,100 | 2,000 | 2,100 |

**Objective: Increase participation of and opportunity for small businesses and small diverse businesses.**

#### Small Diverse Businesses

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Annual percentage of commonwealth contract spending awarded to small and small diverse businesses | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
|---|-----|-----|-----|-----|-----|-----|-----|

**Objective: Increase percentage of projects completed annually that are within 105 percent of the original project award.**

#### Public Works

|   |       |     |     |       |     |       |     |
|---|-------|-----|-----|-------|-----|-------|-----|
| Maintain Error/Omission changes to no more than 15 percent of total change order cost   | 4.90% | 5%  | 9%  | 8.50% | 8%  | 7.50% | 7%  |
| Percentage of projects completed annually with final project contract costs at time of final inspection within 105 percent of the original construction award | 54%   | 60% | 65% | 70%   | 75% | 80%   | 90% |

**Objective: Complete construction projects within the initial scheduled completion date, allowing additional time for severe weather only.**

#### Public Works

|   |     |      |      |      |      |      |      |
|---|-----|------|------|------|------|------|------|
| Percentage of projects within the original scheduled completion date, while allowing extensions of time only for severe weather | 84% | 80%  | 80%  | 85%  | 85%  | 100% | 100% |
| Percentage of all construction contracts executed within 45 days of the Notice of Award   | 97% | 100% | 100% | 100% | 100% | 100% | 100% |

**Objective: Decrease the amount of unused and underutilized leased office space.**

#### Real Estate

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Total square footage reduced each year | 153,200 | 112,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
|--|---------|---------|---------|---------|---------|---------|---------|

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Objective: Decrease the operating costs for management of the commonwealth's state owned buildings and vehicle fleet.**

### Vehicles

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Percentage decrease in the number of state-owned, non law enforcement passenger vehicles from January 2011 number | 20% | 25% | 30% | 30% | 30% | 30% | 30% |
|---|-----|-----|-----|-----|-----|-----|-----|

**Objective: Reduce energy consumption and associated energy costs in state owned facilities.**

### Energy

|                                       |     |     |     |     |     |     |     |
|---------------------------------------|-----|-----|-----|-----|-----|-----|-----|
| Percentage reduction in utility costs | 10% | 10% | 10% | 10% | 10% | 10% | 10% |
|---------------------------------------|-----|-----|-----|-----|-----|-----|-----|



---

# DEPARTMENT OF HEALTH

*The mission of the Department of Health is to promote healthy lifestyles, prevent injury and disease, and to ensure the safe delivery of quality health care for all commonwealth citizens.*

To accomplish this mission, the department works collaboratively with public and private community partners to facilitate the development of an effective public health system. The department licenses and regulates a variety of health facilities, and provides outreach, education, prevention and treatment services. Community-based groups receive grants to provide essential services to the commonwealth's citizens including programs for women and children, nutrition, immunization, diagnosis and treatment of certain blood and communicable diseases, cancer control and prevention.

## **Programs and Goals**

**Health Support Services:** *To provide effective administration and support systems through which the substantive programs of the health delivery system and the department can be achieved.*

**Health Research:** *To develop better basic scientific knowledge of the nature of disease, illness and the environment, which will improve the use of existing and new health resources.*

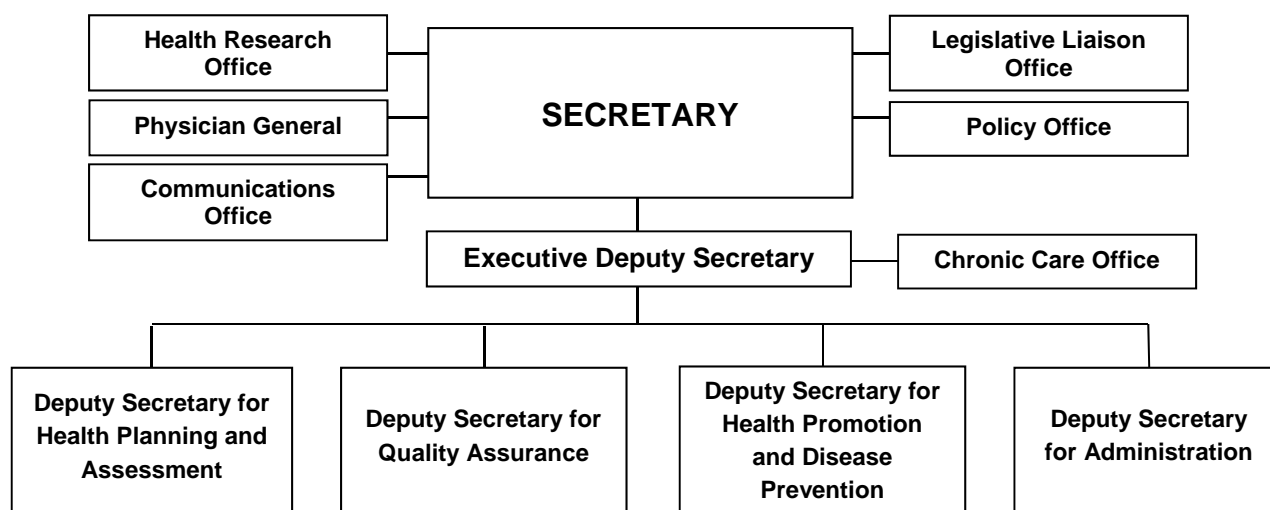
**Preventive Health:** *To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care.*

**Health Treatment Services:** *To maximize the individual's capacity for independent living through the provision of an array of service and support programs.*

---



## Organization Overview



- **Deputy Secretary for Health Planning and Assessment** is responsible for the monitoring, tracking and analysis of the health status of Pennsylvania communities. The office oversees the state laboratories and licenses independent clinical labs; supervises emergency medical services; and ensures epidemiological data collection, dissemination and analysis.
- **Deputy Secretary for Quality Assurance** works to ensure the delivery of quality health care in most in-patient and out-patient health care facilities and substance abuse treatment centers throughout Pennsylvania. The office also approves building, engineering and construction plans for these facilities. In addition, the office certifies managed care organizations in conjunction with the Department of Insurance.
- **Deputy Secretary for Health Promotion and Disease Prevention** is responsible for developing and implementing a wide variety of educational, preventative and treatment programs for people of all ages.
- **Deputy Secretary for Administration** directs the provision of all personnel administration and management support; is responsible for the development of the department's administrative policies and procedures and for all of the department's information technology functions. Also assists the Secretary of Health in effectively utilizing public health data to make policy decisions.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1,582             | 1,529             | 1,495             | 1,395*            | 1,336             |

\*Authorized Complement reflects the transfer of Drug and Alcohol Programs' positions effective July 1, 2012.

# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL  | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|--------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>   |                    |                      |                   |
| <b>General Government:</b>                                     |                    |                      |                   |
| <b>General Government Operations.....</b>                      | <b>\$ 21,400</b>   | <b>\$ 22,395</b>     | <b>\$ 23,098</b>  |
| (F)WIC Administration and Operation.....                       | 18,524             | 26,128               | 31,990            |
| (F)Health Assessment.....                                      | 485                | 535                  | 537               |
| (F)PHHSBG - Administration and Operation.....                  | 2,178              | 1,941                | 4,456             |
| (F)SABG - DDAP Support Services (EA).....                      | 309                | 446                  | 364               |
| (F)MCHSBG - Administration and Operation.....                  | 16,157             | 15,472               | 14,404            |
| (F)Adult Blood Lead Epidemiology.....                          | 103                | 108                  | 135               |
| (F)EMS for Children.....                                       | 150                | 155                  | 155               |
| (F)TB - Administration and Operation.....                      | 1,230              | 1,232                | 1,070             |
| (F)Lead - Administration and Operation.....                    | 734                | 1,832                | 1,459             |
| (F)AIDS Health Education - Administration and Operation.....   | 5,015              | 6,506                | 6,511             |
| (F)Primary Care Cooperative Agreements.....                    | 244                | 313                  | 314               |
| (F)HIV / AIDS Surveillance.....                                | 1,155              | 1,610                | 1,614             |
| (F)HIV Care - Administration and Operation.....                | 2,680              | 5,331                | 5,427             |
| (F)Cancer Prevention and Control.....                          | 6,908              | 8,338                | 9,411             |
| (F)Environmental Public Health Tracking.....                   | 1,039              | 1,100                | 1,123             |
| (F)Health Equity.....  | 167                | 225                  | 0                 |
| (F)Strengthening Public Health Infrastructure.....             | 540                | 863                  | 244               |
| (F)Special Preparedness Initiatives.....                       | 350                | 500                  | 500               |
| (F)Public Health Emergency Preparedness and Response (EA)..... | 46,089             | 54,358               | 48,403            |
| (F)Learning Management System (EA).....                        | 60                 | 60                   | 60                |
| (A)Data Center Services.....                                   | 52                 | 52                   | 52                |
| (A)Departmental Services.....                                  | 0                  | 1                    | 1                 |
| (A)NACDD Epidemiologist.....                                   | 61                 | 0                    | 0                 |
| Subtotal.....  | <b>\$ 125,630</b>  | <b>\$ 149,501</b>    | <b>\$ 151,328</b> |
| <b>Quality Assurance.....</b>                                  | <b>18,392</b>      | <b>18,891</b>        | <b>21,399</b>     |
| (F)Medicare - Health Service Agency Certification.....         | 9,863              | 11,364               | 11,394            |
| (F)Medicaid Certification.....                                 | 6,962              | 8,100                | 8,424             |
| (A)Publication Fees.....                                       | 3                  | 3                    | 3                 |
| Subtotal.....  | <b>\$ 35,220</b>   | <b>\$ 38,358</b>     | <b>\$ 41,220</b>  |
| <b>Chronic Care Management.....</b>                            | <b>756</b>         | <b>973</b>           | <b>3,974</b>      |
| (F)State Innovation Model Initiative.....                      | 1,343 <sup>a</sup> | 60,000 <sup>b</sup>  | 3,000             |
| (F)ARRA - Health Information Exchange Capacity (EA).....       | 0                  | 268                  | 268               |
| Subtotal.....  | <b>\$ 2,099</b>    | <b>\$ 61,241</b>     | <b>\$ 7,242</b>   |
| <b>Achieving Better Care - MAP Administration.....</b>         | <b>0</b>           | <b>0</b>             | <b>2,147</b>      |
| <b>Vital Statistics.....</b>                                   | <b>5,687</b>       | <b>5,970</b>         | <b>6,679</b>      |
| (F)Cooperative Health Statistics.....                          | 1,351              | 1,800                | 1,804             |
| (F)Health Statistics.....                                      | 68                 | 84                   | 87                |
| (F)Behavioral Risk Factor Surveillance System.....             | 400                | 703                  | 490               |
| (A)Reimbursement for Microfilming.....                         | 34                 | 35                   | 35                |
| (A)VitalChek Surcharge.....                                    | 506                | 0                    | 1,450             |
| (R)County Coroner/Medical Examiner Distribution (EA).....      | 1,194              | 1,176                | 1,192             |
| (R)Vital Statistics Improvement Administration (EA).....       | 3,950              | 5,930                | 3,996             |
| Subtotal.....  | <b>\$ 13,190</b>   | <b>\$ 15,698</b>     | <b>\$ 15,733</b>  |
| <b>State Laboratory.....</b>                                   | <b>2,611</b>       | <b>3,175</b>         | <b>3,469</b>      |
| (F)Clinical Laboratory Improvement.....                        | 603                | 678                  | 680               |
| (F)Epidemiology and Laboratory Surveillance and Response.....  | 3,036              | 3,433                | 3,437             |
| (F)Food Emergency Response.....                                | 285                | 249                  | 305               |
| (A)Blood Lead Testing.....                                     | 18                 | 18                   | 18                |
| (A)Blood Lead Specimen Testing.....                            | 6                  | 7                    | 7                 |
| (A)Erythrocyte Porphyrin Testing.....                          | 11                 | 12                   | 12                |
| (A)Alcohol Proficiency Testing.....                            | 64                 | 65                   | 65                |
| (A)Drug Abuse Proficiency.....                                 | 159                | 159                  | 159               |
| (A)Licensure for Clinical Laboratories.....                    | 1,490              | 1,491                | 1,491             |

# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| (A) Training Course Fees.....                                    | 2                 | 2                    | 2                 |
| (A) Viral Load Testing.....                                      | 32                | 13                   | 32                |
| (A) Association of Public Health Laboratories.....               | 9                 | 9                    | 9                 |
| Subtotal.....  | \$ 8,326          | \$ 9,311             | \$ 9,686          |
| <b>State Health Care Centers.....</b>                            | <b>18,683</b>     | <b>20,518</b>        | <b>25,002</b>     |
| (F) Disease Control Immunization.....                            | 10,850            | 11,571               | 11,589            |
| (F) PHHSBG - Block Program Services.....                         | 3,020             | 7,159                | 6,780             |
| (F) Preventive Health Special Projects.....                      | 1,321             | 2,377                | 3,340             |
| (F) Collaborative Chronic Disease Programs.....                  | 5,925             | 7,777                | 10,183            |
| (F) Sexual Violence Prevention and Education.....                | 1,591             | 1,707                | 1,305             |
| (F) Live Healthy.....  | 0                 | 0                    | 4,409             |
| (F) Refugee Health Program (EA).....                             | 3,080             | 3,980                | 3,228             |
| Subtotal.....  | \$ 44,470         | \$ 55,089            | \$ 65,836         |
| <b>Sexually Transmitted Disease Screening and Treatment.....</b> | <b>1,729</b>      | <b>1,729</b>         | <b>1,729</b>      |
| (F) Survey and Follow-Up - Sexually Transmitted Diseases.....    | 2,734             | 2,835                | 2,852             |
| Subtotal.....  | \$ 4,463          | \$ 4,564             | \$ 4,581          |
| Subtotal - State Funds.....                                      | \$ 69,258         | \$ 73,651            | \$ 87,497         |
| Subtotal - Federal Funds.....                                    | 156,549           | 251,138              | 201,752           |
| Subtotal - Augmentations.....                                    | 2,447             | 1,867                | 3,336             |
| Subtotal - Restricted Revenues.....                              | 5,144             | 7,106                | 5,188             |
| Total - General Government.....                                  | \$ 233,398        | \$ 333,762           | \$ 297,773        |
| <b>Grants and Subsidies:</b>                                     |                   |                      |                   |
| <b>Diabetes Programs.....</b>                                    | <b>\$ 100</b>     | <b>\$ 100</b>        | <b>\$ 0</b>       |
| <b>Primary Health Care Practitioner.....</b>                     | <b>3,371</b>      | <b>4,671</b>         | <b>1,793</b>      |
| (F) Loan Repayment Program.....                                  | 176               | 312                  | 0                 |
| (F) ARRA - Health Professions Workforce Development.....         | 86                | 0                    | 0                 |
| Subtotal.....  | \$ 3,633          | \$ 4,983             | \$ 1,793          |
| <b>Community-Based Health Care Subsidy.....</b>                  | <b>3,734</b>      | <b>6,000</b>         | <b>6,000</b>      |
| <b>Newborn Screening.....</b>                                    | <b>4,110</b>      | <b>4,260</b>         | <b>5,710</b>      |
| <b>Cancer Screening Services.....</b>                            | <b>2,563</b>      | <b>2,563</b>         | <b>2,563</b>      |
| <b>AIDS Programs and Special Pharmaceutical Services.....</b>    | <b>17,436 c</b>   | <b>17,436</b>        | <b>17,436</b>     |
| (F) AIDS Health Education Program.....                           | 2,431 d           | 3,113                | 3,113             |
| (F) AIDS Ryan White and HIV Care.....                            | 45,163 e          | 56,669               | 57,577            |
| (F) Housing for Persons with AIDS.....                           | 2,104 f           | 2,538                | 3,538             |
| (A) AIDS SPBP Rebates.....                                       | 8,418 g           | 16,991               | 12,973            |
| Subtotal.....  | \$ 75,552         | \$ 96,747            | \$ 94,637         |
| <b>Regional Cancer Institutes.....</b>                           | <b>600</b>        | <b>600</b>           | <b>450</b>        |
| <b>School District Health Services.....</b>                      | <b>35,570</b>     | <b>36,620</b>        | <b>36,620</b>     |
| <b>Local Health Departments.....</b>                             | <b>25,421</b>     | <b>25,421</b>        | <b>25,421</b>     |
| <b>Local Health - Environmental.....</b>                         | <b>6,989</b>      | <b>6,989</b>         | <b>6,989</b>      |
| <b>Maternal and Child Health.....</b>                            | <b>766</b>        | <b>651</b>           | <b>718</b>        |
| (F) MCH Lead Poisoning Prevention and Abatement.....             | 1,282             | 2,050                | 1,194             |
| (F) MCHSBG - Program Services.....                               | 16,334            | 17,035               | 18,135            |
| (F) Women, Infants and Children (WIC).....                       | 276,112           | 276,112              | 276,112           |
| (F) Abstinence Education.....                                    | 2,627             | 2,576                | 2,405             |
| (F) Traumatic Brain Injury.....                                  | 304               | 370                  | 270               |
| (F) Family Health Special Projects.....                          | 434               | 600                  | 661               |
| (F) Screening Newborns.....                                      | 881               | 744                  | 776               |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE     | 2015-16<br>BUDGET |
|---|-------------------|--------------------------|-------------------|
| (F)Newborn Hearing Screening and Intervention.....                          | 290               | 316                      | 366               |
| (F)Teenage Pregnancy Prevention.....  | 4,080             | 3,892                    | 4,372             |
| Subtotal.....   | \$ 303,110        | \$ 304,346               | \$ 305,009        |
| <b>Tuberculosis Screening and Treatment.....</b>                            | <b>874</b>        | <b>874</b>               | <b>874</b>        |
| (F)Tuberculosis Control Program.....  | 318               | 385                      | 326               |
| Subtotal.....   | \$ 1,192          | \$ 1,259                 | \$ 1,200          |
| <b>Renal Dialysis.....</b>  | <b>6,779</b>      | <b>7,279<sup>h</sup></b> | <b>7,900</b>      |
| <b>Services for Children with Special Needs.....</b>                        | <b>1,535</b>      | <b>1,551</b>             | <b>1,551</b>      |
| <b>Adult Cystic Fibrosis &amp; Other Chronic Respiratory Illnesses.....</b> | <b>699</b>        | <b>750</b>               | <b>450</b>        |
| <b>Cooley's Anemia.....</b>   | <b>100</b>        | <b>100</b>               | <b>100</b>        |
| <b>Hemophilia.....</b>  | <b>959</b>        | <b>959</b>               | <b>949</b>        |
| <b>Lupus.....</b>   | <b>100</b>        | <b>100</b>               | <b>0</b>          |
| <b>Sickle Cell.....</b>   | <b>1,260</b>      | <b>1,260</b>             | <b>1,200</b>      |
| <b>Regional Poison Control Centers.....</b>                                 | <b>700</b>        | <b>700</b>               | <b>0</b>          |
| <b>Trauma Prevention.....</b>   | <b>425</b>        | <b>460</b>               | <b>0</b>          |
| <b>Epilepsy Support Services.....</b>                                       | <b>550</b>        | <b>550</b>               | <b>0</b>          |
| <b>Bio-Technology Research.....</b>   | <b>5,300</b>      | <b>5,900</b>             | <b>0</b>          |
| <b>Tourette Syndrome.....</b>   | <b>150</b>        | <b>150</b>               | <b>0</b>          |
| <b>Amyotrophic Lateral Sclerosis Support Services.....</b>                  | <b>350</b>        | <b>350</b>               | <b>0</b>          |
| Subtotal - State Funds.....   | \$ 120,441        | \$ 126,294               | \$ 116,724        |
| Subtotal - Federal Funds.....   | 352,622           | 366,712                  | 368,845           |
| Subtotal - Augmentations.....   | 8,418             | 16,991                   | 12,973            |
| Total - Grants and Subsidies.....   | \$ 481,481        | \$ 509,997               | \$ 498,542        |
| STATE FUNDS.....  | \$ 189,699        | \$ 199,945               | \$ 204,221        |
| FEDERAL FUNDS.....  | 509,171           | 617,850                  | 570,597           |
| AUGMENTATIONS.....  | 10,865            | 18,858                   | 16,309            |
| RESTRICTED REVENUES.....  | 5,144             | 7,106                    | 5,188             |
| <b>GENERAL FUND TOTAL.....</b>  | <b>\$ 714,879</b> | <b>\$ 843,759</b>        | <b>\$ 796,315</b> |
| <b>OTHER FUNDS:</b>   |                   |                          |                   |
| <b>TOBACCO SETTLEMENT FUND:</b>   |                   |                          |                   |
| Tobacco Use Prevention and Cessation (EA).....                              | \$ 9,254          | \$ 13,830                | \$ 13,151         |
| Health Research - Health Priorities (EA).....                               | 19,897            | 38,723                   | 36,823            |
| Health Research - National Cancer Institute (EA).....                       | 1,579             | 3,073                    | 2,922             |
| TOBACCO SETTLEMENT FUND TOTAL.....  | \$ 30,730         | \$ 55,626                | \$ 52,896         |
| <b>EMERGENCY MEDICAL SERVICES OPERATING FUND:</b>                           |                   |                          |                   |
| Emergency Medical Services.....   | \$ 10,975         | \$ 10,500                | \$ 9,600          |
| Catastrophic Medical and Rehabilitation.....                                | 5,250             | 5,100                    | 4,800             |
| EMERGENCY MEDICAL SERVICES OPERATING FUND TOTAL.....                        | \$ 16,225         | \$ 15,600                | \$ 14,400         |
| <b>GOV. CASEY ORGAN &amp; TISSUE DONATION AWARENESS FUND:</b>               |                   |                          |                   |
| Implementation Costs (EA).....  | \$ 96             | \$ 99                    | \$ 106            |
| Hospital and Other Medical Costs (EA).....                                  | 115               | 115                      | 115               |
| Grants to Certified Procurement Organizations (EA).....                     | 577               | 577                      | 600               |
| Project Make-A-Choice (EA).....   | 173               | 173                      | 175               |
| GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND TOTAL.....                | \$ 961            | \$ 964                   | \$ 996            |

# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|                              | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|------------------------------|-------------------|----------------------|-------------------|
| DEPARTMENT TOTAL - ALL FUNDS |                   |                      |                   |
| GENERAL FUND.....            | \$ 189,699        | \$ 199,945           | \$ 204,221        |
| SPECIAL FUNDS.....           | 0                 | 0                    | 0                 |
| FEDERAL FUNDS.....           | 509,171           | 617,850              | 570,597           |
| AUGMENTATIONS.....           | 10,865            | 18,858               | 16,309            |
| RESTRICTED.....              | 5,144             | 7,106                | 5,188             |
| OTHER FUNDS.....             | 47,916            | 72,190               | 68,292            |
| <b>TOTAL ALL FUNDS.....</b>  | <b>\$ 762,795</b> | <b>\$ 915,949</b>    | <b>\$ 864,607</b> |

<sup>a</sup> Appropriated as \$1,343,000 for State Innovation Models.

<sup>b</sup> Appropriated as \$60,000,000 for State Innovation Models.

<sup>c</sup> Appropriated as \$7,169,000 for AIDS Programs and \$10,267,000 for AIDS Special Pharmaceutical Services.

<sup>d</sup> Appropriated as \$2,431,000 for AIDS Health Education.

<sup>e</sup> Appropriated as \$10,629,000 for HIV Care and \$34,534,000 for AIDS Ryan White.

<sup>f</sup> Appropriated as \$2,104,000 for Housing Opportunities for People with AIDS.

<sup>g</sup> Includes \$2,418,000 for ADAP Rebate Funding and \$6,000,000 for AIDS - Pharmacy Rebates.

<sup>h</sup> Includes recommended supplemental appropriation of \$500,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

|                                  | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>HEALTH SUPPORT SERVICES</b>   |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                | \$ 42,403                | \$ 44,461                | \$ 50,113                | \$ 51,866                | \$ 53,164                | \$ 54,494                | \$ 55,856                |
| SPECIAL FUNDS.....               | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....               | 124,557                  | 150,431                  | 152,053                  | 152,053                  | 152,053                  | 152,053                  | 152,053                  |
| OTHER FUNDS.....                 | 1,907                    | 1,832                    | 1,851                    | 1,851                    | 1,851                    | 1,851                    | 1,851                    |
| SUBCATEGORY TOTAL.....           | <u>\$ 168,867</u>        | <u>\$ 196,724</u>        | <u>\$ 204,017</u>        | <u>\$ 205,770</u>        | <u>\$ 207,068</u>        | <u>\$ 208,398</u>        | <u>\$ 209,760</u>        |
| <b>HEALTH RESEARCH</b>           |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                | \$ 11,687                | \$ 12,570                | \$ 7,129                 | \$ 7,363                 | \$ 7,536                 | \$ 7,713                 | \$ 7,895                 |
| SPECIAL FUNDS.....               | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....               | 1,819                    | 2,587                    | 2,381                    | 2,381                    | 2,381                    | 2,381                    | 2,381                    |
| OTHER FUNDS.....                 | 27,160                   | 48,937                   | 46,418                   | 45,274                   | 45,345                   | 45,418                   | 45,493                   |
| SUBCATEGORY TOTAL.....           | <u>\$ 40,666</u>         | <u>\$ 64,094</u>         | <u>\$ 55,928</u>         | <u>\$ 55,018</u>         | <u>\$ 55,262</u>         | <u>\$ 55,512</u>         | <u>\$ 55,769</u>         |
| <b>PREVENTIVE HEALTH</b>         |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                | \$ 122,552               | \$ 129,255               | \$ 134,829               | \$ 135,843               | \$ 136,593               | \$ 137,361               | \$ 138,149               |
| SPECIAL FUNDS.....               | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....               | 382,795                  | 464,832                  | 416,163                  | 415,895                  | 415,895                  | 415,895                  | 415,895                  |
| OTHER FUNDS.....                 | 17,672                   | 30,821                   | 26,124                   | 26,124                   | 26,124                   | 26,124                   | 26,124                   |
| SUBCATEGORY TOTAL.....           | <u>\$ 523,019</u>        | <u>\$ 624,908</u>        | <u>\$ 577,116</u>        | <u>\$ 577,862</u>        | <u>\$ 578,612</u>        | <u>\$ 579,380</u>        | <u>\$ 580,168</u>        |
| <b>HEALTH TREATMENT SERVICES</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                | \$ 13,057                | \$ 13,659                | \$ 12,150                | \$ 12,150                | \$ 12,150                | \$ 12,150                | \$ 12,150                |
| SPECIAL FUNDS.....               | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....               | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....                 | 17,186                   | 16,564                   | 15,396                   | 15,400                   | 15,403                   | 15,406                   | 15,409                   |
| SUBCATEGORY TOTAL.....           | <u>\$ 30,243</u>         | <u>\$ 30,223</u>         | <u>\$ 27,546</u>         | <u>\$ 27,550</u>         | <u>\$ 27,553</u>         | <u>\$ 27,556</u>         | <u>\$ 27,559</u>         |
| <b>ALL PROGRAMS:</b>             |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                | \$ 189,699               | \$ 199,945               | \$ 204,221               | \$ 207,222               | \$ 209,443               | \$ 211,718               | \$ 214,050               |
| SPECIAL FUNDS.....               | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....               | 509,171                  | 617,850                  | 570,597                  | 570,329                  | 570,329                  | 570,329                  | 570,329                  |
| OTHER FUNDS.....                 | 63,925                   | 98,154                   | 89,789                   | 88,649                   | 88,723                   | 88,799                   | 88,877                   |
| DEPARTMENT TOTAL.....            | <u><u>\$ 762,795</u></u> | <u><u>\$ 915,949</u></u> | <u><u>\$ 864,607</u></u> | <u><u>\$ 866,200</u></u> | <u><u>\$ 868,495</u></u> | <u><u>\$ 870,846</u></u> | <u><u>\$ 873,256</u></u> |

## Program: Health Support Services

*Goal: To provide effective administration and support systems through which the substantive programs of the health delivery system and the department can be achieved.*

Health Support Services provides administrative and technical systems that support disease prevention and treatment. Also included in this program are quality assurance activities and state laboratory facilities.

The department provides epidemiologic assessment of health problems that include communicable diseases, environmental conditions, occupational hazards and health risk behaviors of the general public or selected populations. The department issues guidelines and recommendations for prevention and control of these diseases and provides professional consultation and technical support for health care providers and institutions, other agencies, county health departments and local municipalities.

The Quality Assurance program conducts surveys and inspections of health care facilities, home care and home health agencies, psychiatric residential treatment facilities, intermediate care facilities and others to determine compliance with state and federal standards and regulations and as a condition of receiving federal Medicare and Medicaid financial support. The surveys determine compliance with various standards including sanitation, fire safety, health and level of care. Facilities unable or unwilling to correct deficiencies according to a plan agreeable to the department are subject to various penalties. The department's website allows the public to access completed surveys.

The frequency of inspections varies by type of facility as required by either state or federal law or regulation. Initial inspections are conducted prior to issuances of licenses. More frequent inspections are made in response to complaints or life-threatening situations.

| Facility Inspection Frequency      |   |
|------------------------------------|---|
| Facility Type                      | Frequency   |
| Abortion facilities                | Inspected annually  |
| Acute care hospitals               | Surveyed and licensed on a three-year cycle                           |
| Ambulatory surgical facilities     | Inspected annually  |
| Birth centers                      | Inspected annually  |
| End-stage renal disease facilities | One-third of facilities are surveyed annually                         |
| Home care agencies                 | On site inspection every three years, written surveys other two years |
| Hospice agencies                   | On site inspection every three years, written surveys other two years |
| Nursing homes                      | Inspected annually  |
| Pediatric extended care centers    | Surveyed annually   |

In addition to inspections of health care facilities for compliance with state licensure and federal certification requirements, the Quality Assurance program conducts formal plan reviews and approval for new construction and remodeling of health care facility projects to assure that the projects will conform to state and federal requirements. Final inspections of the completed construction projects are conducted prior to approval for use and occupancy.

The Healthcare-Associated Infections Prevention program supports hospitals, nursing care facilities and ambulatory surgical facilities in reducing the occurrence of healthcare-associated infections through implementing effective identification and reporting; reviewing and approving individual facility infection control plans; developing best practices for monitoring, surveillance and response; and maintaining a reporting program that will establish benchmarks and monitor performance in hospitals and nursing homes.

The Quality Assurance program is also responsible for drug monitoring systems established by the recent passage of legislation. The National Precursor Log Exchange program and the Achieving Better Care by Monitoring All Prescriptions program monitor the purchase or dispensing of drugs in order to improve patient care and detect and prevent drug abuse.

Act 41 of 2014, known as the Indoor Tanning Regulation Act, is now being implemented by the Quality Assurance program. The first two years of the program require registration by all indoor tanning establishments. After two years, the establishments may be inspected and must comply with required signage and staff training requirements. Funding is provided only through the licensing fees. Quality Assurance also handles registration and testing for hearing aid sales and fitters, as well as drug, device and cosmetics manufacturers and distributors.

The Bureau of Managed Care is responsible for oversight and regulation of managed care plans including health maintenance organizations (HMOs), gatekeeper preferred provider organizations (PPOs) and point of service products. It licenses new plans, ensures availability and accessibility of health services in plan service areas and monitors quality of care through periodic inspections and external quality reviews. The bureau reviews and approves provider contracts and reimbursement methods. It licenses and oversees traditional PPOs, nonprofit medical-surgical, vision, and dental plans (including Pennsylvania Blue Shield). In accordance with Act 68 of 1998, known as the Quality Health Care Accountability and Protection Act, Article XXI of the Insurance Company



## Program: Health Support Services (continued)

Law of 1921, it certifies managed care utilization review organizations and monitors compliance with utilization review standards. The program also reviews complaints under Act 68 and coordinates third level grievance reviews conducted by certified external review entities.

The department operates the state public health laboratory, which investigates disease outbreaks, emerging infectious diseases and other threats to public health. The state laboratory performs approximately 200,000 tests each year for diseases such as HIV, rabies, meningitis, influenza, tuberculosis, botulism, Lyme disease, West Nile Virus, drugs of abuse, alcohol and lead. The state laboratory is also an integral part of preparedness and response throughout the commonwealth. The state laboratory is designated by the Centers for Disease Control and Prevention and the Federal Bureau of Investigation as the primary laboratory for the detection and identification of biological and chemical terrorism agents and is the state's reference laboratory in the national Laboratory Response Network and the Food Emergency Response Network. The state laboratory houses and supports the federal BioWatch program, which operates 365 days a year, to ensure the safety of the citizens of Pennsylvania. It licenses more than 8,500 laboratories, including independent labs and labs located within hospitals and physicians' offices, establishes performance standards and monitors compliance through

on-site inspections. Most of these laboratories are located in Pennsylvania; however, clinical lab permits are also issued to out-of-state labs wishing to perform testing on specimens originating in Pennsylvania. The state laboratory also recommends certification of clinical laboratories under the requirements of the federal Clinical Laboratory Improvement Amendments.

The federal Department of Health and Human Services provides funding to the department to strengthen public health and health care emergency preparedness and response capabilities through increased infrastructure and program capacity, improved scientific and technical capabilities as well as enhanced professional training and public education. The Public Health Preparedness program coordinates preparedness actions that ensure state and local readiness, interagency collaboration and the capability to respond to the public health and medical consequences of all disasters and emergencies. Public health preparedness activities across the commonwealth include upgrading infectious disease surveillance and investigation, expanding public health laboratory capacity, developing medical countermeasure distribution and dispensing plans, enhancing communications systems and facilitating regional health care facility preparedness planning and response efforts.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|        |     |  |          |       |  |
|--------|-----|--|----------|-------|--|
| \$ 603 | 100 | <b>General Government Operations</b><br>—to continue current program.<br>—Initiative—Statewide Natural Gas Fracking Health Registry. To develop a statewide registry to monitor the health of individuals who reside near natural gas fracking operations. | \$ 2,508 | 294   | <b>Quality Assurance</b><br>—to continue current program.<br><br><b>State Laboratory</b><br>—to continue current program.<br><br><b>Achieving Better Care - MAP Administration</b><br>—administrative costs for implementing the Achieving Better Care by Monitoring All Prescriptions (ABC-MAP) program requirements. |
|        |     |  |          |       |  |
| \$     | 703 | <i>Appropriation Increase</i>  | \$       | 2,147 |  |

## Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                             |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....              | \$ 21,400         | \$ 22,395            | \$ 23,098         | \$ 23,906            | \$ 24,504            | \$ 25,117            | \$ 25,745            |
| Quality Assurance.....                           | 18,392            | 18,891               | 21,399            | 22,148               | 22,702               | 23,270               | 23,852               |
| State Laboratory .....                           | 2,611             | 3,175                | 3,469             | 3,590                | 3,680                | 3,772                | 3,866                |
| Achieving Better Care - MAP Administration ..... | 0                 | 0                    | 2,147             | 2,222                | 2,278                | 2,335                | 2,393                |
| <b>TOTAL GENERAL FUND .....</b>                  | <b>\$ 42,403</b>  | <b>\$ 44,461</b>     | <b>\$ 50,113</b>  | <b>\$ 51,866</b>     | <b>\$ 53,164</b>     | <b>\$ 54,494</b>     | <b>\$ 55,856</b>     |



## Program: Health Research

*Goal: To develop better basic scientific knowledge of the nature of disease, illness and the environment, which will improve the use of existing and new health resources.*

The Health Statistics and Research program is the focal point in Pennsylvania for coordinating the collection, analysis and dissemination of health statistics and information. Its function is to collect statistical information on the health status of the population such as infant mortality, birth to teens and leading causes of death. This program responds to requests for services each year and conducts an annual survey of all hospitals, nursing homes and ambulatory surgery centers in Pennsylvania to obtain information on health resources and health services availability, utilization, staffing and patient characteristics. The Health Statistics and Research program oversees several statewide data collection systems and registries, such as the Behavioral Risk Factor Surveillance System, the statewide immunization registry and the Pennsylvania Cancer Registry. All of the program's publications and statistics are available on the department's website, which includes an interactive health statistics tool.

The Health Statistics and Research program also maintains a central repository for more than 33.5 million

records of births, deaths and fetal deaths that occur in the commonwealth. Through automation of this operation, all Pennsylvania birth records from 1921 to the present are available through the department's computer system at the central office and all branch offices. The system processes more than 500,000 requests annually for certified copies of birth and death records for proof of age, citizenship, litigation and genealogy. This system assists in the detection of fraudulent record usage, child support and the reporting of missing children. Birth and death records are stored on microfilm for preservation and are available for retrieval if required.

The Commonwealth Universal Research Enhancement (CURE) program provides health research grants to Pennsylvania-based research institutions for biomedical, clinical and health services research designed to improve the health of all Pennsylvania citizens. Performance reviews are conducted to evaluate the effectiveness of each research project funded by a grant.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 709 **Vital Statistics**  
—to continue current program.

\$ -150 **Regional Cancer Institutes**  
—funding reduction.

\$ -100 **Diabetes Programs**  
—program elimination.

\$ -5,900 **Bio-Technology Research**  
—program elimination.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|----------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>             |                   |                      |                   |                      |                      |                      |                      |
| Vital Statistics .....           | \$ 5,687          | \$ 5,970             | \$ 6,679          | \$ 6,913             | \$ 7,086             | \$ 7,263             | \$ 7,445             |
| Diabetes Programs .....          | 100               | 100                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Regional Cancer Institutes ..... | 600               | 600                  | 450               | 450                  | 450                  | 450                  | 450                  |
| Bio-Technology Research .....    | 5,300             | 5,900                | 0                 | 0                    | 0                    | 0                    | 0                    |
| <b>TOTAL GENERAL FUND .....</b>  | <b>\$ 11,687</b>  | <b>\$ 12,570</b>     | <b>\$ 7,129</b>   | <b>\$ 7,363</b>      | <b>\$ 7,536</b>      | <b>\$ 7,713</b>      | <b>\$ 7,895</b>      |

## Program: Preventive Health

*Goal: To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care.*

A key to the promotion of sound health practices is ensuring that all Pennsylvanians are able to access a range of preventive health and early disease detection services.

The department provides public health services through its network of district offices, state health centers, county and municipal health departments, community-based organizations and other public health clinical providers. These programs include communicable disease tracking and prevention; investigation, intervention and control services; family health and chronic disease prevention, assessment and intervention services; and special environmental health services. The six county and four city health departments also provide a range of individual and environmental public health services within their jurisdictions and are funded through grants and contracts awarded by the department.

To improve the availability of health care in underserved rural and urban areas, the department has grant programs that establish or expand medical and dental clinics (which require matching funds), and support for the stabilization of small rural hospitals.

In addition to these general activities to promote sound health practices, the department provides a variety of programs targeted to specific populations and diseases that represent significant health risks.

### **Program Element: Women and Infant Programs**

The department administers the federally funded Women, Infants and Children (WIC) program. WIC serves pregnant, breast-feeding and postpartum women, infants and children up to five years of age who are at risk due to medical conditions and/or inadequate diet and low income. The program supplies supplemental foods that are rich in nutrients frequently lacking in the diets of the target population. The program ensures that WIC participants receive routine health care and that nutrition and breastfeeding education and counseling are made available on a regular basis. Participants are also referred to other appropriate local medical, health and social services. Program benefits promote optimal pregnancy outcomes, improve participant use of pediatric and obstetrical services and enhance early interventions for potential health problems.

To minimize severe health risks to infants, the department conducts a Newborn Screening and Follow-up program. The department assures appropriate follow-up services for all newborns with abnormal or inconclusive test results. In addition, these newborns and their families are linked with treatment specialists who conduct diagnostic testing and coordinate the required care.

The department facilitates a number of programs designed to help improve the health status of women. The Breast and Cervical Cancer Early Detection program (HealthyWoman Program) provides free mammograms, breast exams, Pap tests, pelvic exams, and treatment to eligible women, ages 40 – 64, who are low income and have limited or no insurance.

The department supports a special smoking cessation program for pregnant women. This includes a promotional campaign advising health care and child care providers of the availability of self-help materials and training opportunities to help women quit smoking.

### **Program Element: Children's Programs**

The department's federally funded immunization program supplies immunizations to infants, children and adolescents to reduce the incidence of vaccine-preventable diseases in the commonwealth. While vaccinations are encouraged for all ages, special emphasis is placed on reaching children younger than two years. The program coordinates the surveillance of vaccine-preventable diseases, provides consultation during disease outbreaks, assesses immunization levels, conducts professional and public education programs and initiates, processes and evaluates the child care and school immunization reporting system. In addition, the program provides guidance to school districts for the provision of hepatitis B, measles/mumps/rubella, varicella, tetanus/diphtheria/ pertussis and meningococcal immunizations for students.

The department's Lead Poisoning Prevention and Control Program is comprised of three programs: the Lead and Healthy Homes Program, the Lead Hazard Control Program (LHCP) and the Lead Surveillance Program. The Lead and Healthy Homes Program seeks to create safe and healthy housing for vulnerable occupants by addressing environmental health and safety hazards in homes. The Lead Hazard Control Program creates lead-safe home environments for low-income families with children under age 6. This program operates in four cities and two counties in Pennsylvania. The LHCP assesses high-risk homes, and then makes them lead-safe. The department's Lead Surveillance Program tracks and monitors childhood lead activity through the Pennsylvania National Electronic Disease Surveillance System (PA-NEDSS). PA-NEDSS receives all lead reports on Pennsylvania's children.

The School Health program supports health services for all children who are attending elementary or secondary school, either public or private. The program reimburses 500 school districts, 160 charter schools and 10 vocational

**Program: Preventive Health (continued)**

technical schools for a portion of the costs associated with providing school nursing and dental services.

**Program Element: Other Health Promotion and Disease and Injury Prevention Programs**

The department promotes appropriate adult immunizations by providing information to community-based and public organizations and makes available vaccines to uninsured and underinsured adults through state health centers, county and municipal health departments and federally qualified and rural health clinics. The department ensures that all residents of the commonwealth are served through an infectious disease epidemiological surveillance, investigation and control system. Reported cases of infectious diseases are investigated to determine the infection source, transmission mode and control measures to prevent additional cases. The department also provides a secure, confidential statewide disease surveillance system. This computerized system compares incidence and prevalence rates and identifies risk factors. Disease trends are determined and corrective action recommended to reduce or to ameliorate public health risks. Diseases investigated range from giardiasis, hepatitis, salmonellosis, shigellosis, rabies and Lyme disease, to tuberculosis, HIV/AIDS and the other prevalent sexually transmitted diseases.

Chronic disease remains one of the leading causes of preventable morbidity and premature death in the commonwealth. The PA Center for Practice Transformation and Innovation continues to work with healthcare providers, commercial and public insurance payers, consumers, and the Centers for Medicare and Medicaid Services (CMS) to transform the way patient care is managed, delivered, documented and advanced in primary care settings, with the goal of improving health outcomes and reducing the cost of care. The department continues its multi-payer, multi-state and regional collaboratives and supports and promotes the patient centered medical home concept.

The department's HIV/AIDS program is a coordinated and integrated strategy to prevent, test, link, treat and engage/retain individuals across the continuum of HIV prevention and care services. Emphasis is placed on the three primary goals aligned with the National HIV/AIDS Strategy: 1) reducing the number of people who become infected with HIV, 2) increasing access to care and optimizing health outcomes for people living with HIV, and 3) reducing HIV-related health disparities. The program includes: prevention activities; capacity-building activities; program planning, monitoring, evaluation, and quality improvement; coordination and delivery of HIV/AIDS medical care and support services; housing assistance; and an AIDS drug assistance program.

The goal of the Sexually Transmitted Diseases (STD) program is to reduce the incidence of syphilis, gonorrhea, chlamydia and other STDs. The STD program supports a

statewide network of clinical service sites that offer testing, treatment and risk-reduction information and conduct contact elicitation interviews and related investigative services. Special attention and follow-up is provided to those 15 years and under whom have an STD, or those who are a sexual partner of a person who has an STD, and in order to prevent medical complications among newborns, to pregnant women who have an STD or who are a sexual partner of a person who has an STD. In addition to traditional clinical STD services, the STD program is expanding STD testing services in non-traditional venues to include high-risk individuals as determined by local disease burdens.

The Tuberculosis program provides outpatient examination, diagnosis and appropriate treatment for persons with tuberculosis disease and infection. Key to preventing the spread of the disease is contact examination and treatment of latent tuberculosis infection in close contacts of infectious cases or other high-risk people.

The department manages the following federally funded programs that also support health promotion and injury prevention activities:

Cancer Prevention and Control programs promote cancer education, awareness and services through policy system and environmental approaches to reduce cancer mortality and provide a better quality of life for Pennsylvanians dealing with the effects of cancer. The programs coordinate cancer prevention, detection, treatment, quality of life services and resources. This is accomplished through statewide partnership development and engaging the cancer and chronic disease community to implement the directives of the statewide Cancer Control Plan. Further, the programs oversee breast, cervical and colorectal population-based screenings and diagnostic services to eligible uninsured and underinsured Pennsylvanians.

The Oral Health program assesses the status of the oral health of Pennsylvanians, and plans and implements strategies and programs to improve oral health. The program provides oral and dental health educational materials designed to promote the prevention of tooth decay, periodontal disease and other oral diseases. The program also promotes the beneficial health effects of fluoridation of public water systems.

The Heart Disease and Stroke Prevention program in conjunction with the Obesity Prevention and Wellness program promotes healthy active lifestyles through systems, policies and environmental changes in four target environments - communities, health care systems, schools and worksites. These changes support the development of positive individual behaviors to reduce and control diabetes and hypertension, and to prevent heart disease, obesity, stroke and related chronic diseases.

## Program: Preventive Health (continued)

The Asthma Control program provides education and information to persons with asthma, caregivers and health professionals that support the identification of triggers and self-management of asthma.

The Violence and Injury Prevention program is designed to reduce the incidence of unintentional injuries, violence and injury-related fatalities through the development of surveillance systems, education programs for at-risk populations and training of health professionals. The department provides funding to organizations to support safer communities by addressing childhood injuries, motor vehicle safety, falls prevention among older adults, prevention of drug overdoses and child maltreatment prevention.

Pennsylvania's arthritis programs substantially expand the access, availability, and use of arthritis-appropriate evidence-based interventions and embed them into multi-site delivery systems and conduct surveillance for informed decision-making. The program is working with sister agencies and statewide partners to increase the number of adults who are first-time arthritis program participants to improve health status and to promote behavioral change, improved self-efficacy, and reduced health care utilization.

The Tobacco Use Prevention and Control program seeks to control the epidemic of disease, disability and death related to tobacco use. The goals of the department

are to change community norms through state-advised, community-driven systems that create environments where it is uncommon to see, use and be negatively impacted by tobacco products and tobacco smoke pollution, and to reduce the consumption of tobacco by youth and adults. The program is also responsible for education regarding and enforcement of the provisions of the Clean Indoor Air Act, Act 27 of 2008, which prohibits smoking in a public place with certain exemptions. The statewide Tobacco Use Prevention and Control program is consistent with best practices as defined by the federal Centers for Disease Control and Prevention's Best Practices for Comprehensive Tobacco Control Programs. State funds are provided through grants to regional primary contractors (lead agencies) to implement the components of tobacco control programs in all 67 counties. Activities include community and school programs, enforcement of Pennsylvania's youth access to tobacco law and counter-marketing to prevent initiation of tobacco use by youth; cessation programs to help youth and adults quit tobacco use; awareness education and community outreach to protect non-smokers from secondhand smoke; chronic disease programs and initiatives to address tobacco-related health disparities; surveillance and evaluation programs; and administration and management.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|                 |  |           |   |
|-----------------|--|-----------|---|
| \$ 1<br>3,000   | <b>Chronic Care Management</b><br>—to continue current program.<br>—Initiative—State Innovation Model. To develop a State Health Care Innovation Plan for a multi payer payment and health delivery system transformation. | \$ -2,878 | <b>Primary Health Care Practitioner</b><br>—reflects transfer of the Loan Repayment program to the Pennsylvania Higher Education Assistance Agency. |
| \$ 3,001        | <i>Appropriation Increase</i>  | \$ 1,450  | <b>Newborn Screening</b><br>—reflects costs associated with additional screening requirements.  |
| \$ 634<br>3,850 | <b>State Health Care Centers</b><br>—to continue current program.<br>—to re-establish state health care centers in counties where facilities were closed.  | \$ 67     | <b>Maternal and Child Health</b><br>—reflects change in federal earnings.   |
| \$ 4,484        | <i>Appropriation Increase</i>  | \$ -550   | <b>Epilepsy Support Services</b><br>—program elimination.   |

All other appropriations are recommended at the current year funding level.

## Program: Preventive Health (continued)

## Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>   |                   |                      |                   |                      |                      |                      |                      |
| Chronic Care Management .....                                | \$ 756            | \$ 973               | \$ 3,974          | \$ 4,113             | \$ 4,216             | \$ 4,321             | \$ 4,429             |
| State Health Care Centers .....                              | 18,683            | 20,518               | 25,002            | 25,877               | 26,524               | 27,187               | 27,867               |
| Sexually Transmitted Disease Screening<br>and Treatment..... | 1,729             | 1,729                | 1,729             | 1,729                | 1,729                | 1,729                | 1,729                |
| Primary Health Care Practitioner.....                        | 3,371             | 4,671                | 1,793             | 1,793                | 1,793                | 1,793                | 1,793                |
| Community-Based Health Care Subsidy...                       | 3,734             | 6,000                | 6,000             | 6,000                | 6,000                | 6,000                | 6,000                |
| Newborn Screening.....                                       | 4,110             | 4,260                | 5,710             | 5,710                | 5,710                | 5,710                | 5,710                |
| Cancer Screening Services.....                               | 2,563             | 2,563                | 2,563             | 2,563                | 2,563                | 2,563                | 2,563                |
| AIDS Programs and Special<br>Pharmaceutical Services .....   | 17,436            | 17,436               | 17,436            | 17,436               | 17,436               | 17,436               | 17,436               |
| School District Health Services .....                        | 35,570            | 36,620               | 36,620            | 36,620               | 36,620               | 36,620               | 36,620               |
| Local Health Departments .....                               | 25,421            | 25,421               | 25,421            | 25,421               | 25,421               | 25,421               | 25,421               |
| Local Health - Environmental .....                           | 6,989             | 6,989                | 6,989             | 6,989                | 6,989                | 6,989                | 6,989                |
| Maternal and Child Health.....                               | 766               | 651                  | 718               | 718                  | 718                  | 718                  | 718                  |
| Tuberculosis Screening and Treatment.....                    | 874               | 874                  | 874               | 874                  | 874                  | 874                  | 874                  |
| Epilepsy Support Services.....                               | 550               | 550                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| <b>TOTAL GENERAL FUND .....</b>                              | <b>\$ 122,552</b> | <b>\$ 129,255</b>    | <b>\$ 134,829</b> | <b>\$ 135,843</b>    | <b>\$ 136,593</b>    | <b>\$ 137,361</b>    | <b>\$ 138,149</b>    |



## Program: Health Treatment Services

*Goal: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.*

The department has responsibility for coordinating a variety of specialized medical services for commonwealth patients.

Clinical services are offered in a variety of settings, including state and community health centers, family planning clinics and participating physicians' offices. Minors may seek and receive care under the treatment of minor's provisions of the Disease Prevention and Control Law.

The Chronic Renal Disease program provides dialysis, kidney transplant, drugs, certain physician fees, medical supplies and transportation services to persons with chronic renal failure. The department's Bureau of Health Promotion and Risk Reduction conducts a public information and education program utilizing The Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund to encourage organ and tissue donation as one means of managing this disease and increasing the quality of life.

The specialty care programs provide children and adults with a variety of services for certain health conditions including adult cystic fibrosis, Cooley's anemia, hemophilia, sickle cell and home ventilator care for children with chronic respiratory failure. Services include diagnosis, direct medical care, case management, comprehensive evaluations and rehabilitative services, including pharmaceuticals and blood products. In a joint effort to improve utilization of state funds, individuals who appear to be eligible for Medical Assistance and the Children's Health Insurance Program are referred to those programs.

Federal funding is also available to facilitate connections to services for children and youth with special health care

needs through the Special Kids Network. The Special Kids Network connects families and health care providers with information, referral services and system of care activities. The Special Kids Network provides community-based and family-focused services for children and youth with special health care needs and their families by participating in and facilitating activities such as in-home service coordination, community engagement, and a toll-free helpline, which is staffed by a trained nurse.

The department is the lead agency for the commonwealth's emergency medical services (EMS) system as defined in Act 37 of 2009, known as the Emergency Medical Services Act. This includes planning, coordinating, developing, implementing and evaluating the statewide EMS system (including emergency preparedness and response) through regional councils and a statewide advisory council. This program is responsible for licensure of ambulance services, assuring availability of training, certification of EMS personnel, medical command facility accreditation, medical command physician recognition, training institute accreditation, integration of the poison information system with the EMS system and distribution of funding. Regulations, naloxone use and programs, and implementation of the pre-hospital "Do Not Resuscitate" program are managed through the department as well.

The Head Injury program provides case management services and post-acute head injury rehabilitation services to individuals with traumatic head injury. Services are provided through contractual agreements with head injury rehabilitation providers in the commonwealth. Funding is made available through the Emergency Medical Services Operating Fund.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|         |  |
|---------|--|
| \$ 621  | <b>Renal Dialysis</b><br>—to continue current program. |
| \$ -300 | <b>Adult Cystic Fibrosis</b><br>—funding reduction.    |
| \$ -10  | <b>Hemophilia</b><br>—funding reduction.               |
| \$ -100 | <b>Lupus</b><br>—program elimination.                  |
| \$ -60  | <b>Sickle Cell</b><br>—funding reduction.              |

|         |  |
|---------|--|
| \$ -700 | <b>Regional Poison Control Centers</b><br>—program elimination.                |
| \$ -460 | <b>Trauma Prevention</b><br>—program elimination.                              |
| \$ -150 | <b>Tourette Syndrome</b><br>—program elimination.                              |
| \$ -350 | <b>Amyotrophic Lateral Sclerosis Support Services</b><br>—program elimination. |

All other appropriations are recommended at the current year funding level.

## Program: Health Treatment Services (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund:</b>                       |                   |                      |                   |                      |                      |                      |                      |
| Renal Dialysis.....                        | \$ 6,779          | \$ 7,279             | \$ 7,900          | \$ 7,900             | \$ 7,900             | \$ 7,900             | \$ 7,900             |
| Services for Children with Special Needs.. | 1,535             | 1,551                | 1,551             | 1,551                | 1,551                | 1,551                | 1,551                |
| Adult Cystic Fibrosis & Other Chronic      |                   |                      |                   |                      |                      |                      |                      |
| Respiratory Illnesses.....                 | 699               | 750                  | 450               | 450                  | 450                  | 450                  | 450                  |
| Cooley's Anemia.....                       | 100               | 100                  | 100               | 100                  | 100                  | 100                  | 100                  |
| Hemophilia.....                            | 959               | 959                  | 949               | 949                  | 949                  | 949                  | 949                  |
| Lupus.....                                 | 100               | 100                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Sickle Cell.....                           | 1,260             | 1,260                | 1,200             | 1,200                | 1,200                | 1,200                | 1,200                |
| Regional Poison Control Centers .....      | 700               | 700                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Trauma Prevention .....                    | 425               | 460                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Tourette Syndrome .....                    | 150               | 150                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Amyotrophic Lateral Sclerosis Support      |                   |                      |                   |                      |                      |                      |                      |
| Services .....                             | 350               | 350                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| <b>TOTAL GENERAL FUND .....</b>            | <b>\$ 13,057</b>  | <b>\$ 13,659</b>     | <b>\$ 12,150</b>  | <b>\$ 12,150</b>     | <b>\$ 12,150</b>     | <b>\$ 12,150</b>     | <b>\$ 12,150</b>     |

## Program Measures

2013-14      2014-15      2015-16      2016-17      2017-18      2018-19      2019-20

### Program: Health Support Services

**Objective: Assure regulatory compliance at Pennsylvania's health care facilities.**

#### Licensure and/or Federal Certification Surveys Completed Prior to Licensure Expiration by Facility Type

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Ambulatory Surgery Center within 12 months                                | 330   | 335   | 340   | 345   | 350   | 355   | 375   |
| Hospitals within 36 months  | 205   | 205   | 205   | 205   | 205   | 205   | 205   |
| Nursing homes within 12 months  | 643   | 739   | 739   | 739   | 739   | 739   | 739   |
| Intellectual Disabilities - Intermediate Care Facilities within 12 months | 177   | 181   | 181   | 181   | 181   | 181   | 181   |
| Home health agencies within 12 months                                     | 500   | 501   | 501   | 501   | 501   | 501   | 501   |
| Hospices within 12 months   | 185   | 194   | 194   | 194   | 194   | 194   | 194   |
| Home Care Agencies/Registries within 12 months                            | 1,270 | 1,275 | 1,295 | 1,300 | 1,305 | 1,310 | 1,315 |
| Birth Centers within 12 months  | 5     | 6     | 6     | 6     | 6     | 6     | 6     |
| Pediatric Extended Care Centers within 12 months                          | 14    | 15    | 15    | 15    | 15    | 15    | 15    |

**Objective: Enhance the readiness of the commonwealth's public health systems to prepare for, protect against, respond to and recover from all large scale, manmade and natural threats to citizens.**

#### Laboratory Services

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Clinical laboratories licensed                             | 8,622  | 9,000  | 9,000  | 9,000  | 9,000  | 9,000  | 9,000  |
| Number of tests performed by the state laboratory per year | 24,569 | 25,500 | 25,500 | 25,500 | 25,500 | 25,500 | 25,500 |
| Rabies tests by the state laboratory per year              | 3,487  | 3,550  | 3,550  | 3,550  | 3,550  | 3,550  | 3,550  |
| West Nile Virus tests by the state laboratory per year     | 2,417  | 3,000  | 3,000  | 3,000  | 3,000  | 3,000  | 3,000  |

#### Public Health Preparedness

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Percentage of eligible hospitals registered to use PA National Electronic Disease Surveillance System (PA-NEDSS)    | 96% | 93% | 93% | 93% | 93% | 93% | 93% |
| Percentage of eligible laboratories registered to use PA National Electronic Disease Surveillance System (PA-NEDSS) | 81% | 81% | 81% | 81% | 81% | 81% | 81% |

#### Emergency Medical Services

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Ambulances licensed annually   | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,000 |
| Quick response services recognized to provide medical command annually | 500   | 500   | 500   | 500   | 500   | 500   | 500   |
| Hospitals recognized to provide medical command annually               | 165   | 165   | 165   | 165   | 165   | 165   | 165   |



## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Health Research

**Objective: Coordinate the collection and analysis of health statistics and information and disseminate health research grants.**

#### Vital Events (births, deaths and fetal deaths)

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Vital events registered (calendar year)   | 271,697 | 269,500 | 269,500 | 268,500 | 268,500 | 268,500 | 268,500 |
| Percentage of vital events registered according to Vital Statistics Law and Title 28 of the PA Code | 95%     | 95%     | 95%     | 95%     | 95%     | 95%     | 95%     |
| Applications for certified copies of birth and death records filled (calendar year)                 | 454,681 | 510,000 | 510,000 | 510,000 | 510,000 | 510,000 | 510,000 |

#### Health Research

|  |        |     |     |     |     |     |     |
|--|--------|-----|-----|-----|-----|-----|-----|
| New formula and non-formula grants awarded   | 0      | 26  | 28  | 28  | 28  | 28  | 28  |
| Percentage of completed state-funded research grants that have received a favorable or outstanding performance evaluation from expert peer reviewers | 100%   | 95% | 95% | 95% | 95% | 95% | 95% |
| Percentage of completed CURE grants exceeding \$100,000 that have leveraged additional outside funding   | 73.08% | 70% | 70% | 70% | 70% | 70% | 70% |
| Percentage of cancer abstracts processed within 24 months of diagnosis   | 99%    | 99% | 99% | 99% | 99% | 99% | 99% |

### Program: Preventive Health

**Objective: Increase access for women and infants to nutritious foods.**

#### Women and Children's Programs

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Average number of persons participating in women, infants, and children (WIC) programs each month     | 249,808 | 247,400 | 247,475 | 247,550 | 257,625 | 247,700 | 247,770 |
| Average actual food cost per WIC participant, per month   | \$45.90 | \$43.83 | \$46.31 | \$48.92 | \$51.69 | \$54.61 | \$57.69 |
| Average Nutrition Services and Administration (NSA) operational costs per WIC participant, per month  | \$19.07 | \$25.43 | \$22.85 | \$25    | \$27.39 | \$30    | \$32.82 |
| Percentage of WIC-enrolled breastfeeding mothers who breastfed their infants for the first six months | 20%     | 20%     | 20%     | 20%     | 20%     | 20%     | 20%     |

**Objective: Ensure that all citizens are able to access a range of preventative health and early detection services.**

#### State Health Care Centers

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Total encounters by State Health Care Centers | 156,342 | 161,030 | 165,865 | 170,840 | 175,965 | 181,245 | 186,680 |
|---|---------|---------|---------|---------|---------|---------|---------|

## Program Measures

|   | 2013-14 | 2014-15   | 2015-16   | 2016-17   | 2017-18   | 2018-19   | 2019-20   |
|---|---------|-----------|-----------|-----------|-----------|-----------|-----------|
| Family health encounters including immunizations, injury prevention, and special health care needs  | 35,364  | 35,365    | 35,365    | 35,365    | 35,365    | 35,365    | 35,365    |
| Communicable disease encounters including adult immunizations, HIV/AIDS, STD, tuberculosis and epidemiology   | 31,297  | 32,235    | 32,235    | 32,235    | 32,235    | 32,235    | 32,235    |
| Chronic disease encounters including cancer, diabetes and tobacco   | 96      | 100       | 100       | 100       | 100       | 100       | 100       |
| <b>Community-Based Health</b>   |         |           |           |           |           |           |           |
| Number of patient visits in underserved areas   | 854,000 | 1,404,840 | 1,404,840 | 1,404,840 | 1,404,840 | 1,404,840 | 1,404,840 |
| <b>Women and Children's Programs</b>  |         |           |           |           |           |           |           |
| Newborns receiving state-mandated screening for genetic conditions  | 139,034 | 138,000   | 138,000   | 138,000   | 138,000   | 138,000   | 138,000   |
| High-risk uninsured women aged 40 to 49 who receive breast and cervical cancer screening as determined by state funding   | 4,022   | 4,000     | 4,000     | 4,000     | 4,000     | 4,000     | 4,000     |
| Privately owned housing units in targeted geographical areas that are remediated for the presence of lead hazards   | 50      | 54        | 40        | 40        | 50        | 50        | 50        |
| <b>School Health</b>  |         |           |           |           |           |           |           |
| Percentage of school districts, charter schools, and comprehensive vocational technical schools in compliance with certified school nurse coverage requirements | 97%     | 97%       | 97%       | 97%       | 97%       | 97%       | 97%       |
| <b>Other Communicable Disease Programs and Incidences Reported</b>  |         |           |           |           |           |           |           |
| HIV tests at publicly-funded sites  | 78,923  | 70,880    | 72,420    | 74,385    | 75,000    | 75,000    | 75,000    |
| Percentage of clients testing positive for HIV at department-supported HIV counseling and testing sites returning for results                                   | 88%     | 87.50%    | 87.50%    | 87.50%    | 87.50%    | 87.50%    | 87.50%    |
| Incidences of Gonorrhea   | 7,707   | 7,900     | 7,200     | 7,200     | 7,200     | 7,200     | 7,200     |
| Incidences of Infectious Syphilis   | 188     | 140       | 120       | 110       | 100       | 100       | 90        |
| Tuberculosis (per 100,000 in population)  | 1.80    | 2         | 2         | 2         | 2         | 2         | 2         |
| <b>Injury Prevention</b>  |         |           |           |           |           |           |           |
| Children and adults receiving injury prevention education and awareness   | 11,545  | 11,545    | 11,545    | 11,545    | 11,545    | 11,545    | 11,545    |

## Program Measures

2013-14      2014-15      2015-16      2016-17      2017-18      2018-19      2019-20

**Objective: Reduce the initiation and use of tobacco products, and eliminate nonsmokers' exposure to tobacco smoke pollution (second hand smoke).**

### Tobacco Program

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Percentage of callers to the FREE Quitline who received counseling and reported that they have stopped the use of tobacco products at the 7-month follow-up | 32% | 32% | 34% | 34% | 34% | 34% | 34% |
| Percentage of adults (age 18+) who are current cigarette smokers  | 19% | 19% | 18% | 18% | 18% | 18% | 18% |
| Percentage of high school students who smoke  | 16% | 15% | 15% | 14% | 14% | 14% | 14% |

The "Privately owned housing units" measure represents projections as shown in three-year federal grant application.

### Program: Health Treatment Services

**Objective: Effectively manage special disease conditions.**

#### Minimum Number of Children and Adults Receiving Outpatient Treatment Through Department-Supported Programs

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Phenylketonuria, Maple Syrup Urine Disease, Galactosemia | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Renal disease  | 5,654 | 5,490 | 5,490 | 5,490 | 5,490 | 5,490 | 5,490 |

#### Specialty Care Programs

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Sickle Cell disease   | 2,631 | 2,631 | 2,630 | 2,630 | 2,630 | 2,630 | 2,630 |
| Hemophilia  | 1,216 | 1,215 | 1,215 | 1,215 | 1,215 | 1,215 | 1,215 |
| Cooley's Anemia   | 56    | 55    | 55    | 55    | 55    | 55    | 55    |
| Spina Bifida  | 567   | 565   | 565   | 565   | 565   | 565   | 565   |
| Services for children with special needs (home ventilators)                   | 266   | 265   | 265   | 265   | 265   | 265   | 265   |
| Services for children with special needs (children's rehabilitation services) | 1,717 | 1,715 | 1,715 | 1,715 | 1,715 | 1,715 | 1,715 |



---

# HEALTH CARE COST CONTAINMENT COUNCIL

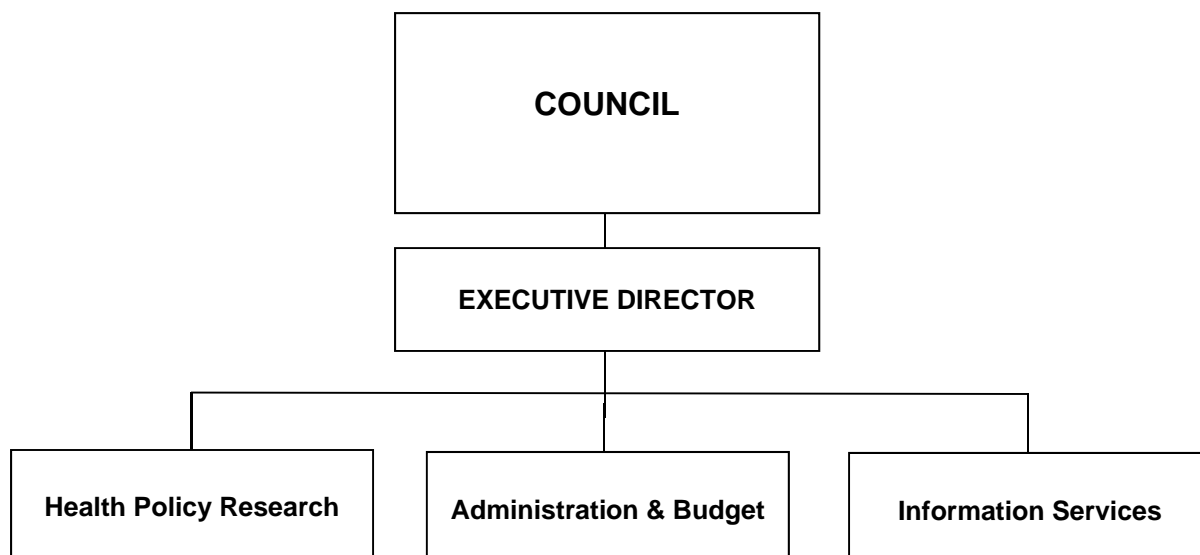
*The mission of the Pennsylvania Health Care Cost Containment Council is to empower purchasers of health care benefits with information that can be used to improve quality and restrain costs.*

The council is charged with collecting, analyzing and reporting information that can be used to improve the quality and restrain the cost of health care in the commonwealth. The council provides purchasers of health care benefits with information they can use to improve quality and restrain costs. The council is governed by a 25-member board of directors, representing business, labor, consumers, health care providers, insurers, and state government.

## **Programs and Goals**

**Health Care Reporting:** *To facilitate the continuing provision of quality, cost effective health services throughout the commonwealth by providing current data and information to the purchasers, providers, insurers, policymakers and consumers of health care services.*

## Organization Overview



- **Health Policy Research** is responsible for conducting studies, analyzing data, and publicly reporting topics of health services and health policy significance, including issues reflecting the cost and quality of care in Pennsylvania, hospital performance, quality improvement, treatment outcomes, and geographic differences in health care utilization.
- **Administration and Budget** is responsible for website content, all agency aspects related to financial oversight and budgeting, including human resource needs and overall functioning of the agency. This department also shares oversight of the data collection and reporting responsibilities specifically related to the public reporting of hospital financial data.
- **Information Services** is responsible for the online collection and verification of data used in health care studies, including hospital discharge data, insurer payment data, and hospital financial data, and also develops and maintains web-based applications and oversight of website functions.

## Reported Complement

(Independent Agency – Complement Not Under the Governor’s Jurisdiction/Control)

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 33                | 33                | 33                | 32                | 32                |

# Health Care Cost Containment Council

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL      | 2014-15<br>AVAILABLE   | 2015-16<br>BUDGET      |
|---|------------------------|------------------------|------------------------|
| <b>GENERAL FUND:</b>                      |                        |                        |                        |
| <i>General Government:</i>                |                        |                        |                        |
| Health Care Cost Containment Council..... | \$ 2,683               | \$ 2,710               | \$ 2,710               |
| (F)CMS Planning Grant (EA).....           | 21                     | 0                      | 0                      |
| Subtotal - State Funds.....               | \$ 2,683               | \$ 2,710               | \$ 2,710               |
| Subtotal - Federal Funds.....             | 21                     | 0                      | 0                      |
| Total - General Government.....           | <u>\$ 2,704</u>        | <u>\$ 2,710</u>        | <u>\$ 2,710</u>        |
| STATE FUNDS.....                          | \$ 2,683               | \$ 2,710               | \$ 2,710               |
| FEDERAL FUNDS.....                        | 21                     | 0                      | 0                      |
| <b>GENERAL FUND TOTAL.....</b>            | <b><u>\$ 2,704</u></b> | <b><u>\$ 2,710</u></b> | <b><u>\$ 2,710</u></b> |

## Program Funding Summary

(Dollar Amounts in Thousands)

|                              | 2013-14<br>Actual      | 2014-15<br>Available   | 2015-16<br>Budget      | 2016-17<br>Estimated   | 2017-18<br>Estimated   | 2018-19<br>Estimated   | 2019-20<br>Estimated   |
|------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>HEALTH CARE REPORTING</b> |                        |                        |                        |                        |                        |                        |                        |
| GENERAL FUND.....            | \$ 2,683               | \$ 2,710               | \$ 2,710               | \$ 2,805               | \$ 2,875               | \$ 2,947               | \$ 3,021               |
| SPECIAL FUNDS.....           | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| FEDERAL FUNDS.....           | 21                     | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| OTHER FUNDS.....             | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| SUBCATEGORY TOTAL.....       | <u>\$ 2,704</u>        | <u>\$ 2,710</u>        | <u>\$ 2,710</u>        | <u>\$ 2,805</u>        | <u>\$ 2,875</u>        | <u>\$ 2,947</u>        | <u>\$ 3,021</u>        |
| <b>ALL PROGRAMS:</b>         |                        |                        |                        |                        |                        |                        |                        |
| GENERAL FUND.....            | \$ 2,683               | \$ 2,710               | \$ 2,710               | \$ 2,805               | \$ 2,875               | \$ 2,947               | \$ 3,021               |
| SPECIAL FUNDS.....           | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| FEDERAL FUNDS.....           | 21                     | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| OTHER FUNDS.....             | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| DEPARTMENT TOTAL.....        | <u><u>\$ 2,704</u></u> | <u><u>\$ 2,710</u></u> | <u><u>\$ 2,710</u></u> | <u><u>\$ 2,805</u></u> | <u><u>\$ 2,875</u></u> | <u><u>\$ 2,947</u></u> | <u><u>\$ 3,021</u></u> |

## Program: Health Care Reporting

*Goal: To facilitate the continuing provision of quality, cost effective health services throughout the commonwealth by providing current data and information to the purchasers, providers, insurers, policymakers and consumers of health care services.*

The Pennsylvania Health Care Cost Containment Council (PHC4) is an independent state agency first established by Act 89 of 1986 and is responsible for collecting, analyzing and issuing public reports and data about the quality and cost of health care in Pennsylvania. It is governed by a 25-member board that represents health care purchasers (business and labor), consumers, health care providers, insurers and state government.

The council uses advanced statistical and research methodologies including the use of risk-adjusted data which accounts for the severity of patient illness and other risk factors to produce reports on common illnesses that affect Pennsylvanians. These reports have included analysis of heart disease, diabetes and asthma and include treatment options and outcomes. Publicly reported medical costs and outcomes not only help improve patient care but also help consumers make informed choices about where to seek medical treatment.

Data from nearly four million inpatient and outpatient records from hospitals and ambulatory surgery centers is collected by the council each year in Pennsylvania. This data, which includes detailed financial information about these hospitals and surgery centers, is verified and shared

with the public through free public reports. The council also collects payment data from Medicare, Medicaid and commercial health insurance plans and is working to incorporate the Medicare payment data on public reports, updating and expanding an interactive consumer friendly online database of Medicare payments for common outpatient services and treatments.

The council produces various customized reports on hospital performance, healthcare associated infections, facility finances and patient safety. These reports provide the public and policymakers information on infections, mortality rates, length of hospitalizations and readmissions; and on payments, performance and profitability of the various health care facilities. The council is working to create a value-based payment system that would pay more for quality care and less for sub-standard care to make health care organizations more accountable and integrate delivery systems and health insurance exchanges. The council seeks to optimize the health system performance for chronic disease management by applying a Triple Aim Approach, which includes improving patient experience of care, reducing cost of care and improving the health of populations.

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

#### GENERAL FUND

##### Health Care Cost Containment Council

The Health Care Cost Containment Council appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                      |                   |                      |                   |                      |                      |                      |                      |
| Health Care Cost Containment Council..... | \$ 2,683          | \$ 2,710             | \$ 2,710          | \$ 2,805             | \$ 2,875             | \$ 2,947             | \$ 3,021             |



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# HISTORICAL AND MUSEUM COMMISSION

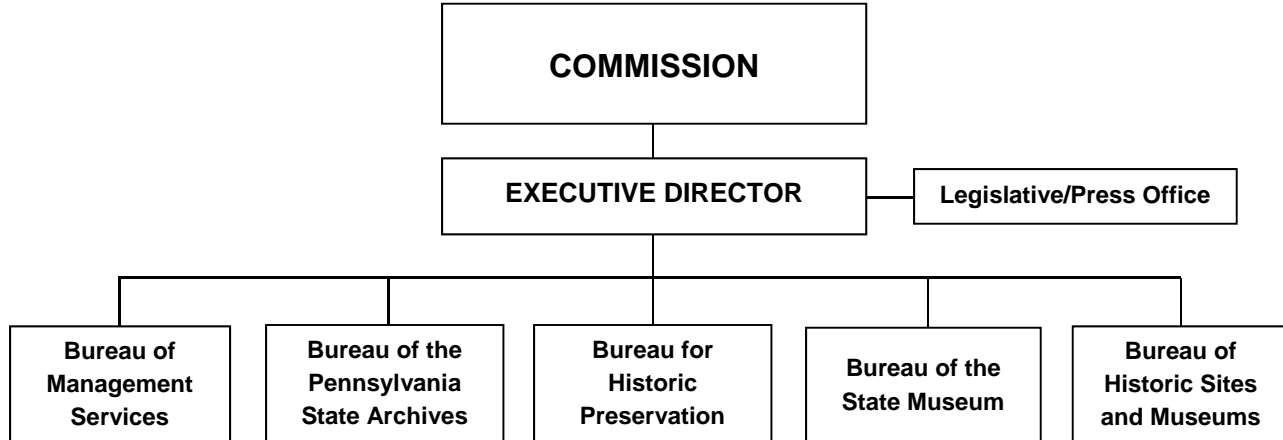
*The mission of the Historical and Museum Commission is to preserve the commonwealth's past through leadership, stewardship and service. The commission believes that future generations will be strengthened and inspired by the ideals and traditions of Pennsylvania's heritage.*

## **Programs and Goals**

**State Historic Preservation:** *To manage and safeguard Pennsylvania's historic resources through a comprehensive history and museum program to educate, interpret, research and preserve all areas of Pennsylvania history.*

**Museum Assistance:** *To assure provision of representative artifacts, specimens of history, art and science for all citizens through the support of museums within the commonwealth.*

## Organization Overview



- **Bureau of Management Services** is comprised of the Marketing and Media Services Division, Fiscal and Office Support Services Division and the Architecture and Preservation Division.
- **Bureau of Pennsylvania State Archives'** primary function is to acquire, preserve and make available for study the permanently-valuable public records of the commonwealth, with particular attention given to the records of state government. In fulfilling its general responsibility for the preservation of historic documents, the State Archives also collects private papers relevant to Pennsylvania history.
- **Bureau for Historic Preservation** includes the Preservation Services Division, Archaeology and Protection Division and the Grant Programs and Planning Division. These divisions are responsible for the identification, protection and enhancement of buildings, structures and districts of historic and architectural significance in the commonwealth.
- **Bureau of the State Museum** oversees multidisciplinary exhibitions and educational programs on the commonwealth's prehistory, history, science, industry, technology, natural history and art at The State Museum of Pennsylvania, adjacent to the State Capitol in Harrisburg.
- **Bureau of Historic Sites and Museums** includes regional divisions that support the operation of historic sites and museums throughout the commonwealth that are open to the public.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 212               | 200               | 218               | 210               | 210               |

# Historical and Museum Commission

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>                                    |                   |                      |                   |
| <i>General Government:</i>                              |                   |                      |                   |
| General Government Operations.....                      | \$ 17,293         | \$ 18,944            | \$ 19,569         |
| (F)Historic Preservation.....                           | 1,181             | 1,231                | 1,231             |
| (F)Surface Mining Review.....                           | 178               | 195                  | 180               |
| (F)Environmental Review.....                            | 353               | 353                  | 353               |
| (F)Institute of Museum Library Services.....            | 150               | 150                  | 150               |
| (F)Lumber Museum.....                                   | 198               | 0                    | 0                 |
| (F)Coastal Zone Management.....                         | 40                | 50                   | 50                |
| (F)Highway Planning and Construction.....               | 130               | 100                  | 25                |
| (F)National Endowment for the Humanities.....           | 150               | 150                  | 150               |
| (F)National Endowment for the Arts.....                 | 150               | 150                  | 150               |
| (F)American Battlefield Protection Program.....         | 0                 | 4,300                | 4,300             |
| (F)Hurricane Sandy Disaster Relief (EA).....            | 1,500             | 1,500                | 1,500             |
| (F)Historic Property Partnerships.....                  | 0                 | 100                  | 30                |
| (F)Maritime Heritage.....                               | 0                 | 0                    | 600               |
| (A)State Records Center.....                            | 585               | 611                  | 660               |
| (A)Keystone Recreation, Park & Conservation Fund.....   | 536               | 484                  | 511               |
| Subtotal.....   | \$ 22,444         | \$ 28,318            | \$ 29,459         |
| Subtotal - State Funds.....                             | \$ 17,293         | \$ 18,944            | \$ 19,569         |
| Subtotal - Federal Funds.....                           | 4,030             | 8,279                | 8,719             |
| Subtotal - Augmentations.....                           | 1,121             | 1,095                | 1,171             |
| Total - General Government.....                         | \$ 22,444         | \$ 28,318            | \$ 29,459         |
| <i>Grants and Subsidies:</i>                            |                   |                      |                   |
| Cultural and Historical Support.....                    | \$ 2,000          | \$ 2,000             | \$ 2,000          |
| STATE FUNDS.....  | \$ 19,293         | \$ 20,944            | \$ 21,569         |
| FEDERAL FUNDS.....                                      | 4,030             | 8,279                | 8,719             |
| AUGMENTATIONS.....                                      | 1,121             | 1,095                | 1,171             |
| GENERAL FUND TOTAL.....                                 | \$ 24,444         | \$ 30,318            | \$ 31,459         |
| <b>OTHER FUNDS:</b>                                     |                   |                      |                   |
| <b>GENERAL FUND:</b>                                    |                   |                      |                   |
| Historical Preservation Act of 1966 (F).....            | \$ 101            | \$ 121               | \$ 121            |
| Rent and Other Income.....                              | 128               | 35                   | 35                |
| GENERAL FUND TOTAL.....                                 | \$ 229            | \$ 156               | \$ 156            |
| <b>HISTORICAL PRESERVATION FUND:</b>                    |                   |                      |                   |
| Historical Preservation Fund.....                       | \$ 1,506          | \$ 1,599             | \$ 1,771          |
| <b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b> |                   |                      |                   |
| Historic Site Development (EA).....                     | \$ 9,815          | \$ 9,684             | \$ 10,218         |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                     |                   |                      |                   |
| GENERAL FUND.....                                       | \$ 19,293         | \$ 20,944            | \$ 21,569         |
| SPECIAL FUNDS.....                                      | 0                 | 0                    | 0                 |
| FEDERAL FUNDS.....                                      | 4,030             | 8,279                | 8,719             |
| AUGMENTATIONS.....                                      | 1,121             | 1,095                | 1,171             |
| OTHER FUNDS.....  | 11,550            | 11,439               | 12,145            |
| TOTAL ALL FUNDS.....                                    | \$ 35,994         | \$ 41,757            | \$ 43,604         |

## Program Funding Summary

(Dollar Amounts in Thousands)

|                                    | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>STATE HISTORIC PRESERVATION</b> |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                  | \$ 17,293         | \$ 18,944            | \$ 19,569         | \$ 20,254            | \$ 20,760            | \$ 21,279            | \$ 21,811            |
| SPECIAL FUNDS.....                 | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                 | 4,030             | 8,279                | 8,719             | 8,719                | 7,219                | 7,219                | 7,219                |
| OTHER FUNDS.....                   | 2,856             | 2,850                | 3,098             | 3,157                | 3,172                | 3,182                | 3,215                |
| SUBCATEGORY TOTAL.....             | <u>\$ 24,179</u>  | <u>\$ 30,073</u>     | <u>\$ 31,386</u>  | <u>\$ 32,130</u>     | <u>\$ 31,151</u>     | <u>\$ 31,680</u>     | <u>\$ 32,245</u>     |
| <b>MUSEUM ASSISTANCE</b>           |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                  | \$ 2,000          | \$ 2,000             | \$ 2,000          | \$ 2,000             | \$ 2,000             | \$ 2,000             | \$ 2,000             |
| SPECIAL FUNDS.....                 | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                 | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                   | 9,815             | 9,684                | 10,218            | 11,395               | 11,703               | 11,904               | 12,565               |
| SUBCATEGORY TOTAL.....             | <u>\$ 11,815</u>  | <u>\$ 11,684</u>     | <u>\$ 12,218</u>  | <u>\$ 13,395</u>     | <u>\$ 13,703</u>     | <u>\$ 13,904</u>     | <u>\$ 14,565</u>     |
| <b>ALL PROGRAMS:</b>               |                   |                      |                   |                      |                      |                      |                      |
| GENERAL FUND.....                  | \$ 19,293         | \$ 20,944            | \$ 21,569         | \$ 22,254            | \$ 22,760            | \$ 23,279            | \$ 23,811            |
| SPECIAL FUNDS.....                 | 0                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                 | 4,030             | 8,279                | 8,719             | 8,719                | 7,219                | 7,219                | 7,219                |
| OTHER FUNDS.....                   | 12,671            | 12,534               | 13,316            | 14,552               | 14,875               | 15,086               | 15,780               |
| DEPARTMENT TOTAL.....              | <u>\$ 35,994</u>  | <u>\$ 41,757</u>     | <u>\$ 43,604</u>  | <u>\$ 45,525</u>     | <u>\$ 44,854</u>     | <u>\$ 45,584</u>     | <u>\$ 46,810</u>     |

## Program: State Historic Preservation

*Goal: To manage and safeguard Pennsylvania's historic resources through a comprehensive history and museum program to educate, interpret, research and preserve all areas of Pennsylvania history.*

---

The State Historic Preservation program administered by the Historical and Museum Commission is comprised of four major elements. These elements include Executive Direction and Administration, Pennsylvania State and Local Records, Historic Site and Museum Operations and Historic Preservation.

### **Program Element: Executive Direction and Administration**

This program provides general policy and direction for administering the commission's operations. It includes legislative, marketing and press relations, human resources management, procurement, information technology and management of the commission's website, financial grant administration, fiscal and revenue management and other support services.

### **Program Element: State and Local Records**

This program supports the operation of the State Archives and the State Records Center. The State Archives is responsible for identifying, acquiring, preserving and providing public access to the permanently valuable and historical records created by government. This responsibility extends to electronic records and to the use of electronic and web technology to facilitate public access. The archives maintains and preserves program files, maps, correspondence, reports, photographs, minutes, case files and various records that document the significant activities of Pennsylvania's proprietary and state governments, including the records of the land office and hundreds of existing and defunct governmental agencies. The State Records Center is the official repository for inactive records that must be maintained by state agencies for administrative, fiscal or legal purposes.

This program also administers state executive branch and local government records management programs and provides other services to state and local government offices. These services include preparation of records retention schedules, processing of records disposal requests, promulgation of standards for retention of records in different storage media and training and technical assistance to records custodians.

### **Program Element: Historic Site and Museum Operations**

This program supports the operation of numerous historic sites and museums throughout the commonwealth that are open to the public, including the State Museum of Pennsylvania. This program provides educational collections and exhibition programs and living history and other types of tours to interpret Pennsylvania history; it also utilizes cooperative initiatives with associate organizations to further provide for educational and public programs. This program includes facility development and architectural and design activities as part of a preservation maintenance program funded through the Keystone Recreation, Park and Conservation Fund Grant program; collections management; and conservation of historical artifacts, papers and paintings.

In addition, this program supports a property management and lease function through cooperative agreements with management groups, for-profit and not-for-profit organizations to operate, maintain and utilize historic sites, buildings and agricultural lands under the custody of the commission.

### **Program Element: Historic Preservation**

This program is responsible for the identification, protection and enhancement of buildings, structures and districts of historic and architectural significance within the commonwealth. It provides for the infusion of federal funds from the Department of the Interior to enhance the economic base of many communities in Pennsylvania; provides a survey and National Register nomination program; maintains an information network providing direction and assistance to local preservation organizations; administers an archaeological program to protect resources and improve policies and procedures and provide direction to the professional and advocate communities; and preserves and protects endangered historic public and private buildings, structures and landmarks through a not-for-profit statewide revolving fund.

# Historical and Museum Commission

## Program: State Historic Preservation (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 625 **General Government Operations**  
—to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                     | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations ..... | \$ 17,293         | \$ 18,944            | \$ 19,569         | \$ 20,254            | \$ 20,760            | \$ 21,279            | \$ 21,811            |

# Historical and Museum Commission

## Program: Museum Assistance

*Goal: To assure provision of representative artifacts, specimens of history, art and science for all citizens through the support of museums within the commonwealth.*

This program is comprised of two major components: the Cultural and Historical Support program and the Keystone Recreation, Park and Conservation Fund program. These programs provide financial assistance designed to enhance the quality of history and museum activities in Pennsylvania.

The Cultural and Historical Support program awards grants to eligible museums and official county historical societies in Pennsylvania. The goal of this program is to strengthen Pennsylvania's museum community by supporting the general operations of eligible museums and official county historical societies that are not supported by other state agency funding programs. Award amounts are determined using an equation based on a percentage of the eligible museum's previous year's operating budget.

The maximum any museum could receive is \$65,000. The maximum for historical societies is \$4,000.

The Keystone Recreation, Park and Conservation Fund program is a competitive grants process created by Act 50 of 1993. Funding is available to Pennsylvania not-for-profit organizations and public agencies that operate a publicly accessible historic property listed in or eligible for the National Register of Historic Places, or to organizations that operate a contributing historic property in a National Register Historic District. Grants are awarded on a 50-50 matching basis and support projects in redevelopment, preservation, rehabilitation, restoration and other related areas. The Keystone Recreation, Park and Conservation fund is shown in the Other Special Funds Appendix.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

The Cultural and Historical Support appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                 |                   |                      |                   |                      |                      |                      |                      |
| Cultural and Historical Support..... | \$ 2,000          | \$ 2,000             | \$ 2,000          | \$ 2,000             | \$ 2,000             | \$ 2,000             | \$ 2,000             |



# Historical and Museum Commission

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: State Historic Preservation

**Objective: Maintain and preserve Pennsylvania's historic sites and artifacts.**

#### Historic Preservation

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Buildings maintained and conserved   | 456   | 456   | 456   | 456   | 456   | 456   | 456   |
| Historic markers   | 2,380 | 2,400 | 2,425 | 2,450 | 2,475 | 2,500 | 2,525 |
| Evaluations for the National Register of Historic Properties   | 457   | 500   | 500   | 500   | 500   | 500   | 500   |
| Program value of private investment projects in Rehabilitation Investment Tax Credit program (in millions) | \$348 | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 |
| Rehabilitation Investment Tax Credit approved projects   | 35    | 50    | 50    | 50    | 50    | 50    | 50    |
| Historic Preservation Projects and Environmental Reviews performed   | 5,500 | 6,900 | 6,900 | 6,900 | 6,900 | 6,900 | 6,900 |

#### Professional History and Museum Support Services

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Historic artifacts maintained and conserved (in thousands) | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
|--|-------|-------|-------|-------|-------|-------|-------|

**Objective: Increase attendance at Pennsylvania's historical sites and museums.**

#### Historic Site and Museum Operations

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Annual ticketed visits to commission historical sites and museums (in thousands)      | 270 | 275 | 280 | 285 | 290 | 300 | 305 |
| Annual nonticketed visitors to commission historical sites and museums (in thousands) | 800 | 800 | 800 | 800 | 800 | 800 | 800 |

**Objective: Increase the efficiency of the State Records Center and reduce state expenditures for records storage.**

#### State and Local Records

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Pages of archives and historical manuscripts (in thousands)              | 231,000 | 233,000 | 235,000 | 237,000 | 237,000 | 237,000 | 237,000 |
| Records maintained by the State Records Center (number of boxes)         | 249,000 | 249,000 | 249,000 | 249,000 | 249,000 | 249,000 | 249,000 |
| Data requests from other State agencies made to the State Records Center | 20,000  | 20,000  | 20,000  | 20,000  | 20,000  | 20,000  | 20,000  |

### Program: Museum Assistance

**Objective: Increase support to enhance the quality of history and museum activities in Pennsylvania.**

|  |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|
| Museum support and Keystone project grants awarded | 159 | 200 | 200 | 200 | 200 | 200 | 200 |
|--|-----|-----|-----|-----|-----|-----|-----|



---

# DEPARTMENT OF HUMAN SERVICES

*The mission of the Department of Human Services is to improve the quality of life for Pennsylvania's individuals and families. The department promotes opportunities for independence through services and supports while demonstrating accountability for taxpayer resources.*

This mission is accomplished through the following programs and objectives.

## **Programs and Goals**

**Human Services Support:** *To provide effective administrative and support systems through which the substantive programs of the department can be operated.*

**Medical Assistance:** *To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations.*

**Long-Term Living:** *To support a long-term living system that empowers persons with disabilities and older Pennsylvanians to live with dignity and independence in settings they prefer, to provide meaningful choice of long-term living services and to ensure that those services are delivered in a high-quality, cost-effective manner.*

**Income Maintenance:** *To promote personal and parental responsibility and encourage economic independence and self-sufficiency through temporary cash assistance, job training and child care for families or individuals.*

**Mental Health:** *To maximize the individual's capacity for independent living through the provision of an array of service and support programs.*

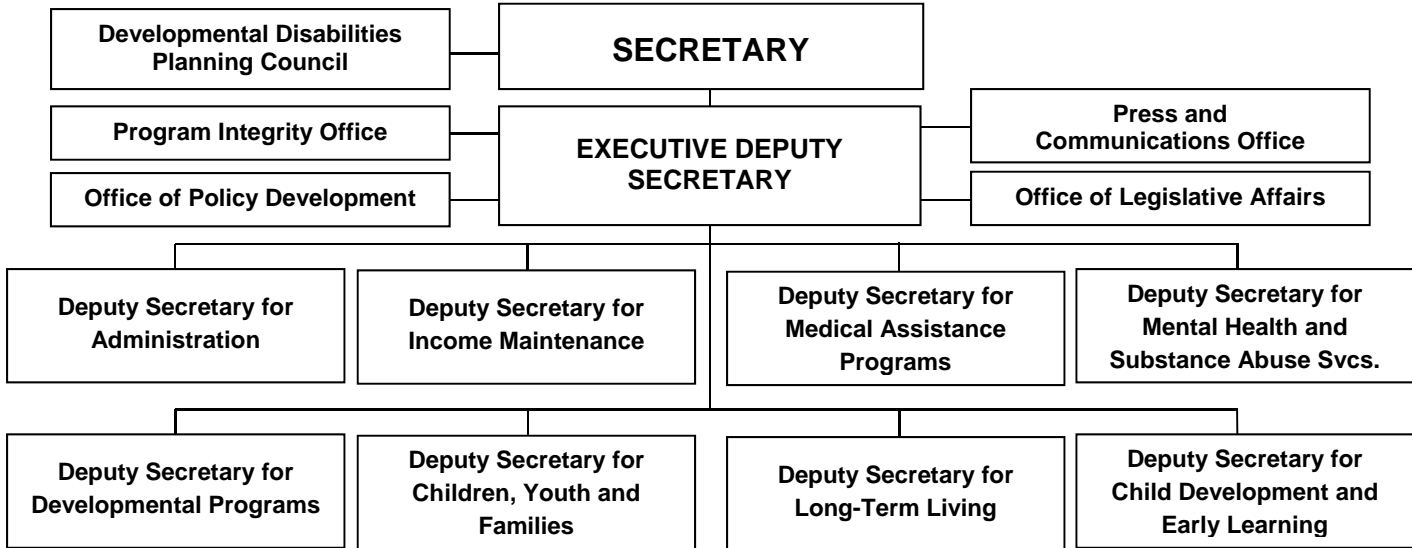
**Intellectual Disabilities:** *To maximize each individual's capacity for more independent living and participation in community life by providing needed training and support services.*

**Human Services:** *To enhance the social and economic well-being of families and individuals through the provision of an array of services and support programs.*

**Child Development:** *To promote opportunities for all Pennsylvania children and families by building systems and providing supports that help ensure access to high-quality child and family services.*

---

## Organization Overview



- **Deputy Secretary for Administration** oversees the bureaus of Human Resources, Financial Operations, Information Systems, Administrative Services, Hearings and Appeals, Equal Opportunity, Program Integrity and Human Services Licensing.
- **Deputy Secretary for Income Maintenance** is responsible for the oversight of the Temporary Assistance for Needy Families program; Medical Assistance; Supplemental Nutrition Assistance Program; home heating assistance; employment and training services; and child support.
- **Deputy Secretary for Medical Assistance Programs** administers the joint state/federal Medical Assistance (also known as Medicaid) program that purchases health care for nearly 2.5 million Pennsylvania residents.
- **Deputy Secretary for Mental Health and Substance Abuse Services** oversees the Office of the Medical Director and the bureaus of Community and Hospital Operations; Policy, Planning and Program Development; Financial Management and Administration; Children's Behavioral Health; and Quality Management and Data Review.
- **Deputy Secretary for Developmental Programs** oversees the bureaus of Financial Management and Budget; Supports for People with Intellectual Disabilities; Policy and Program Support; and Autism Services.
- **Deputy Secretary for Children, Youth and Families** oversees the bureaus of Policy, Programs and Operations; Children and Family Services; Juvenile Justice Services; and Budget and Fiscal Support.
- **Deputy Secretary for Long-Term Living** oversees the bureaus of Participant Operations; Policy and Regulatory Management; Finance; and Quality and Provider Management.
- **Deputy Secretary for Child Development and Early Learning** oversees the bureaus of Subsidized Child Care Services; Certification Services; Early Learning Services; and Early Intervention Services.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 18,197            | 17,858            | 17,048            | 16,898            | 16,721            |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

**GENERAL FUND:****General Government:**

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| <b>General Government Operations.....</b>                          | <b>\$ 67,221</b>  | <b>\$ 76,513</b>     | <b>\$ 85,159</b>  |
| (F)Child Welfare Services - Administration.....                    | 911               | 1,039                | 1,042             |
| (F)Child Welfare - Title IV-E - Administration.....                | 5,263             | 5,567                | 5,427             |
| (F)CCDFBG - Administration.....                                    | 14,141            | 16,723               | 21,070            |
| (F)Medical Assistance - Administration.....                        | 23,507            | 22,781               | 24,650            |
| (F)TANFBG - Administration.....                                    | 7,836             | 8,123                | 8,148             |
| (F)ELCG - Child Care Administration (EA).....                      | 300               | 0                    | 0                 |
| (F)Food Stamps - Administration.....                               | 5,683             | 5,864                | 6,169             |
| (F)Developmental Disabilities - Basic Support.....                 | 4,056             | 4,121                | 4,228             |
| (F)Refugees and Persons Seeking Asylum - Administration.....       | 1,796             | 1,953                | 2,089             |
| (F)Disabled Education - Administration.....                        | 646               | 600                  | 702               |
| (F)MHSBG - Administration.....                                     | 276               | 461                  | 519               |
| (F)SSBG - Administration.....                                      | 250               | 325                  | 325               |
| (F)Community Based Family Resource and Support-Administration..... | 689               | 689                  | 689               |
| (F)MCH - Administration.....                                       | 80                | 80                   | 88                |
| (F)Early Head Start Expansion Program.....                         | 1,400             | 6,962 <sup>a</sup>   | 6,962             |
| (F)Early Learning Challenge Grant - Administration.....            | 300               | 546                  | 541               |
| (A)Training Reimbursement.....                                     | 457               | 457                  | 457               |
| (A)Child Abuse Reviews.....  | 5,830             | 5,500                | 5,500             |
| (A)Miscellaneous Reimbursements.....                               | 13                | 44                   | 44                |
| (A)Adam Walsh Clearance.....                                       | 1,343             | 195                  | 499               |
| Subtotal.....  | <b>\$ 141,998</b> | <b>\$ 158,543</b>    | <b>\$ 174,308</b> |

|  |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
| <b>Information Systems.....</b>                          | <b>56,031</b>     | <b>74,841</b>     | <b>73,105</b>     |
| (F)Medical Assistance - Information Systems.....         | 168,542           | 194,359           | 110,384           |
| (F)Child Welfare - Title IV-E - Information Systems..... | 2,567             | 6,804             | 11,288            |
| (F)TANFBG - Information Systems.....                     | 9,327             | 9,327             | 9,330             |
| (F)Food Stamps - Information Systems.....                | 17,804            | 12,201            | 12,215            |
| (F)Child Support Enforcement - Information Systems.....  | 12,119            | 10,560            | 10,560            |
| (F)ARRA - PELICAN ELN System Support (EA).....           | 423               | 0                 | 0                 |
| (A)Medical Data Exchange.....                            | 48                | 37                | 37                |
| (A)DOI - COMPASS Support - CHIP & Adult Basic.....       | 606               | 597               | 597               |
| (A)PDE - Early Intervention.....                         | 0                 | 650               | 650               |
| Subtotal.....  | <b>\$ 267,467</b> | <b>\$ 309,376</b> | <b>\$ 228,166</b> |

|   |                   |                     |                   |
|---|-------------------|---------------------|-------------------|
| <b>County Administration - Statewide.....</b> | <b>25,758</b>     | <b>33,367</b>       | <b>41,945</b>     |
| (F)TANFBG - Statewide.....                    | 997               | 1,072               | 1,072             |
| (F)Medical Assistance - Statewide.....        | 45,269            | 56,198              | 59,870            |
| (F)Food Stamps - Statewide.....               | 48,975            | 50,462              | 50,820            |
| (F)ARRA - Health Information Technology.....  | 3,442             | 13,900 <sup>b</sup> | 5,861             |
| (F)CHIPRA - Statewide.....                    | 3,812             | 4,264               | 3,179             |
| (A)County Administration - Statewide.....     | 26                | 154                 | 154               |
| (A)Fee for Material from Outside Vendors..... | 1                 | 5                   | 5                 |
| (A)Food Stamps - Retained Collections.....    | 1,933             | 1,780               | 1,780             |
| Subtotal.....                                 | <b>\$ 130,213</b> | <b>\$ 161,202</b>   | <b>\$ 164,686</b> |

|   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
| <b>County Assistance Offices.....</b>                               | <b>271,983</b>    | <b>314,496</b>    | <b>336,794</b>    |
| (F)TANFBG - County Assistance Offices.....                          | 48,534            | 46,490            | 52,596            |
| (F)Medical Assistance - County Assistance Offices.....              | 88,452            | 121,645           | 133,919           |
| (F)Food Stamps - County Assistance Offices.....                     | 100,340           | 114,422           | 118,905           |
| (F)SSBG - County Assistance Offices.....                            | 6,262             | 6,262             | 6,262             |
| (F)LIHEABG - Administration.....                                    | 22,264            | 24,000            | 24,000            |
| (F)Summer 2011 Storm Disaster-Ind & Family Assistance Adm (EA)..... | 50                | 0                 | 0                 |
| Subtotal.....   | <b>\$ 537,885</b> | <b>\$ 627,315</b> | <b>\$ 672,476</b> |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL   | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET   |
|--|---------------------|----------------------|---------------------|
| <b>Child Support Enforcement</b> .....                         | <b>13,200</b>       | <b>13,815</b>        | <b>11,774</b>       |
| (F)Child Support Enforcement - Title IV - D.....               | 153,494             | 153,155              | 154,579             |
| (A)Title IV - D Incentive Collections.....                     | 6,125               | 12,838               | 8,731               |
| (A)State Retained Support Collections.....                     | 1,135               | 1,269                | 1,269               |
| Subtotal.....  | <u>\$ 173,954</u>   | <u>\$ 181,077</u>    | <u>\$ 176,353</u>   |
| <b>New Directions</b> .....                                    | <b>17,159</b>       | <b>22,497</b>        | <b>24,110</b>       |
| (F)TANFBG - New Directions.....                                | 124,091             | 121,893              | 109,480             |
| (F)Medical Assistance - New Directions.....                    | 4,786               | 5,217                | 5,590               |
| (F)Food Stamps - New Directions.....                           | 9,649               | 10,221               | 10,639              |
| Subtotal.....  | <u>\$ 155,685</u>   | <u>\$ 159,828</u>    | <u>\$ 149,819</u>   |
| Subtotal - State Funds.....                                    | \$ 451,352          | \$ 535,529           | \$ 572,887          |
| Subtotal - Federal Funds.....                                  | 938,333             | 1,038,286            | 973,198             |
| Subtotal - Augmentations.....                                  | 17,517              | 23,526               | 19,723              |
| Total - General Government.....                                | <u>\$ 1,407,202</u> | <u>\$ 1,597,341</u>  | <u>\$ 1,565,808</u> |
| <b>Institutional:</b>  |                     |                      |                     |
| <b>Youth Development Institutions and Forestry Camps</b> ..... | <b>\$ 55,217</b>    | <b>\$ 63,299</b>     | <b>\$ 67,389</b>    |
| (F)SSBG - Basic Institutional Programs.....                    | 10,000              | 10,000               | 10,000              |
| (F)Food Nutrition Services.....                                | 800                 | 800                  | 800                 |
| (A)Institutional Reimbursements.....                           | 15                  | 15                   | 15                  |
| Subtotal.....  | <u>\$ 66,032</u>    | <u>\$ 74,114</u>     | <u>\$ 78,204</u>    |
| <b>Mental Health Services</b> .....                            | <b>682,211</b>      | <b>731,584</b>       | <b>787,312</b>      |
| (F)Medical Assistance - Mental Health.....                     | 198,796             | 188,934              | 183,560             |
| (F)Medicare Services - State Mental Hospitals.....             | 24,664              | 13,750               | 12,782              |
| (F)Homeless Mentally Ill.....                                  | 2,496               | 2,496                | 2,496               |
| (F)MHSBG - Community Mental Health Services.....               | 17,958              | 20,400               | 18,000              |
| (F)SSBG - Community Mental Health Services.....                | 10,366              | 10,366               | 10,366              |
| (F)Suicide Prevention.....                                     | 500                 | 500                  | 470                 |
| (F)Mental Health Data Infrastructure.....                      | 145                 | 145                  | 145                 |
| (F)Jail Diversion & Trauma Recovery.....                       | 400                 | 400                  | 0                   |
| (F)Child Mental Health Initiative.....                         | 6,000               | 3,000                | 1,500               |
| (F)Systems of Care Expansion Planning Grant.....               | 250                 | 0                    | 0                   |
| (F)System of Care Expansion Implementation.....                | 1,000               | 2,000                | 2,200               |
| (F)Mental Health - Safe Schools.....                           | 0                   | 4,250                | 4,250               |
| (F)Project LAUNCH.....   | 0                   | 850                  | 800                 |
| (F)Youth Suicide Prevention.....                               | 0                   | 736                  | 736                 |
| (F)Supported Employment Program Grant.....                     | 0                   | 800                  | 800                 |
| (F)Transition Age Youth.....                                   | 0                   | 1,000                | 1,000               |
| (F)Bi terrorism Hospital Preparedness (EA).....                | 235                 | 205                  | 300                 |
| (F)Safe School Partnership (EA).....                           | 1,527               | 0                    | 0                   |
| (A)Institutional Collections.....                              | 8,232               | 8,899                | 8,711               |
| (A)Miscellaneous Institutional Reimbursements.....             | 1,752               | 989                  | 989                 |
| Subtotal.....  | <u>\$ 956,532</u>   | <u>\$ 991,304</u>    | <u>\$ 1,036,417</u> |
| <b>Intellectual Disabilities - State Centers</b> .....         | <b>116,769</b>      | <b>132,984</b>       | <b>141,179</b>      |
| (F)Medical Assistance - State Centers.....                     | 152,260             | 169,559              | 173,344             |
| (F)Medicare Services - State Centers.....                      | 582                 | 555                  | 493                 |
| (A)Institutional Collections - State Centers.....              | 10,386              | 9,939                | 9,689               |
| (A)Institutional Reimbursements.....                           | 69                  | 0                    | 0                   |
| (A)ID Assessment - State Centers.....                          | 18,114              | 18,135               | 18,226              |
| (A)Canteen - VAS.....  | 94                  | 0                    | 0                   |
| Subtotal.....  | <u>\$ 298,274</u>   | <u>\$ 331,172</u>    | <u>\$ 342,931</u>   |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL          | 2014-15<br>AVAILABLE         | 2015-16<br>BUDGET |
|---|----------------------------|------------------------------|-------------------|
| Subtotal - State Funds.....                                       | \$ 854,197                 | \$ 927,867                   | \$ 995,880        |
| Subtotal - Federal Funds.....                                     | 427,979                    | 430,746                      | 424,042           |
| Subtotal - Augmentations.....                                     | 38,662                     | 37,977                       | 37,630            |
| Total - Institutional.....  | \$ 1,320,838               | \$ 1,396,590                 | \$ 1,457,552      |
| <b>Grants and Subsidies:</b>                                      |                            |                              |                   |
| <b>Cash Grants.....</b>   | <b>\$ 52,690</b>           | <b>\$ 45,457</b>             | <b>\$ 45,457</b>  |
| (F)TANFBG - Cash Grants.....                                      | 302,707                    | 319,393                      | 288,975           |
| (F)Other Federal Support - Cash Grants.....                       | 16,542                     | 20,619                       | 17,388            |
| (F)LIHEABG - Low-Income Families and Individuals.....             | 164,501                    | 320,000                      | 320,000           |
| (F)Refugees and Persons Seeking Asylum - Social Services.....     | 9,785                      | 9,785                        | 10,781            |
| Subtotal.....   | \$ 546,225                 | \$ 715,254                   | \$ 682,601        |
| <b>Supplemental Grants - Aged, Blind and Disabled.....</b>        | <b>138,764</b>             | <b>137,656<sup>c</sup></b>   | <b>139,963</b>    |
| <b>Payment to Federal Government - Medicare Drug Program.....</b> | <b>526,460</b>             | <b>535,974<sup>d</sup></b>   | <b>563,996</b>    |
| <b>Medical Assistance - Fee-for-Service.....</b>                  | <b>428,041<sup>e</sup></b> | <b>530,440<sup>f</sup></b>   | <b>361,497</b>    |
| (F)Medical Assistance - Fee-for-Service.....                      | 1,537,476 <sup>g</sup>     | 1,647,034 <sup>h</sup>       | 1,981,904         |
| (F)ARRA - MA - Health Information Technology.....                 | 92,760 <sup>i</sup>        | 92,760 <sup>i</sup>          | 80,000            |
| (F)State Health Care Innovation (EA).....                         | 45 <sup>j</sup>            | 0                            | 0                 |
| (A)Hospital Assessment.....                                       | 101,098 <sup>k</sup>       | 203,312 <sup>l</sup>         | 140,252           |
| (A)Statewide Hospital Assessment.....                             | 437,544 <sup>m</sup>       | 385,816 <sup>n</sup>         | 514,769           |
| Subtotal.....   | \$ 2,596,964               | \$ 2,859,362                 | \$ 3,078,422      |
| <b>Medical Assistance - Capitation.....</b>                       | <b>3,995,113</b>           | <b>3,804,656<sup>o</sup></b> | <b>4,059,754</b>  |
| (F)Medical Assistance - Capitation.....                           | 6,161,035                  | 6,115,288                    | 10,977,236        |
| (F)Healthy PA.....  | 0                          | 2,028,297                    | 0                 |
| (A)Medicaid Managed Care Gross Receipt Tax.....                   | 694,449                    | 798,268                      | 918,233           |
| (A)Statewide Hospital Assessment.....                             | 278,747                    | 270,706                      | 272,948           |
| Subtotal.....   | \$ 11,129,344              | \$ 13,017,215                | \$ 16,228,171     |
| <b>Medical Assistance - Obstetric and Neonatal Services.....</b>  | <b>6,681</b>               | <b>3,681</b>                 | <b>0</b>          |
| (F)Medical Assistance - Obstetric and Neonatal Services.....      | 7,693                      | 7,186                        | 0                 |
| (A)Statewide Hospital Assessment.....                             | 0                          | 3,000                        | 0                 |
| Subtotal.....   | \$ 14,374                  | \$ 13,867                    | \$ 0              |
| <b>Long-Term Care.....</b>  | <b>820,409</b>             | <b>806,577<sup>p</sup></b>   | <b>942,117</b>    |
| (F)Medical Assistance - Long-Term Care.....                       | 2,103,743                  | 2,039,066 <sup>q</sup>       | 2,035,872         |
| (A)Nursing Home Assessment.....                                   | 481,208                    | 480,462                      | 480,462           |
| Subtotal.....   | \$ 3,405,360               | \$ 3,326,105                 | \$ 3,458,451      |
| <b>Home and Community - Based Services.....</b>                   | <b>225,008</b>             | <b>127,974<sup>r</sup></b>   | <b>241,229</b>    |
| (F)Medical Assistance - Home & Community-Based Services.....      | 282,211                    | 345,827 <sup>s</sup>         | 386,142           |
| Subtotal.....   | \$ 507,219                 | \$ 473,801                   | \$ 627,371        |
| <b>Long-Term Care Managed Care.....</b>                           | <b>86,917</b>              | <b>99,252<sup>t</sup></b>    | <b>105,346</b>    |
| (F)Medical Assistance - Long-Term Care Managed Care.....          | 100,162                    | 125,242                      | 116,238           |
| Subtotal.....   | \$ 187,079                 | \$ 224,494                   | \$ 221,584        |
| <b>Hospital-Based Burn Centers.....</b>                           | <b>3,782</b>               | <b>3,782</b>                 | <b>0</b>          |
| (F)Medical Assistance - Hospital-Based Burn Centers.....          | 4,355                      | 4,068                        | 0                 |
| Subtotal.....   | \$ 8,137                   | \$ 7,850                     | \$ 0              |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE          | 2015-16<br>BUDGET |
|--|-------------------|-------------------------------|-------------------|
| <b>Medical Assistance - Critical Access Hospitals.....</b>             | <b>6,776</b>      | <b>3,876</b>                  | <b>0</b>          |
| (F)Medical Assistance - Critical Access Hospitals.....                 | 7,804             | 7,611 <sup>u</sup>            | 0                 |
| (A)Statewide Hospital Assessment.....                                  | 0                 | 3,200                         | 0                 |
| Subtotal.....  | \$ 14,580         | \$ 14,687                     | \$ 0              |
| <b>Trauma Centers.....</b>   | <b>8,656</b>      | <b>8,656</b>                  | <b>8,656</b>      |
| (F)Medical Assistance - Trauma Centers.....                            | 9,967             | 9,310                         | 9,385             |
| Subtotal.....  | \$ 18,623         | \$ 17,966                     | \$ 18,041         |
| <b>Medical Assistance - Academic Medical Centers.....</b>              | <b>16,831</b>     | <b>17,431</b>                 | <b>17,431</b>     |
| (F)Medical Assistance - Academic Medical Centers.....                  | 19,380            | 18,799                        | 18,899            |
| Subtotal.....  | \$ 36,211         | \$ 36,230                     | \$ 36,330         |
| <b>Medical Assistance - Physician Practice Plans.....</b>              | <b>9,071</b>      | <b>9,071</b>                  | <b>6,571</b>      |
| (F)Medical Assistance - Physician Practice Plans.....                  | 10,525            | 11,535                        | 7,110             |
| Subtotal.....  | \$ 19,596         | \$ 20,606                     | \$ 13,681         |
| <b>Medical Assistance - Transportation.....</b>                        | <b>59,573</b>     | <b>58,395 <sup>v</sup></b>    | <b>63,274</b>     |
| (F)Medical Assistance - Transportation.....                            | 72,685            | 67,427                        | 74,189            |
| Subtotal.....  | \$ 132,258        | \$ 125,822                    | \$ 137,463        |
| <b>Expanded Medical Services for Women.....</b>                        | <b>5,544</b>      | <b>5,694</b>                  | <b>5,694</b>      |
| (F)TANFBG - Alternatives to Abortion.....                              | 1,000             | 1,000                         | 1,000             |
| Subtotal.....  | \$ 6,544          | \$ 6,694                      | \$ 6,694          |
| <b>Special Pharmaceutical Services.....</b>                            | <b>1,562</b>      | <b>1,195 <sup>w</sup></b>     | <b>1,377</b>      |
| <b>Behavioral Health Services.....</b>                                 | <b>43,117</b>     | <b>43,117</b>                 | <b>47,214</b>     |
| <b>Intellectual Disabilities - Intermediate Care Facilities.....</b>   | <b>149,576</b>    | <b>152,298</b>                | <b>155,964</b>    |
| (F)Medical Assistance - ID/ICF.....                                    | 198,433           | 190,253                       | 193,005           |
| (A)ID Assessment - ID/ICF.....   | 19,056            | 20,000                        | 19,700            |
| Subtotal.....  | \$ 367,065        | \$ 362,551                    | \$ 368,669        |
| <b>Intellectual Disabilities - Community Base Program.....</b>         | <b>150,918</b>    | <b>149,681</b>                | <b>153,715</b>    |
| (F)Medical Assistance - Community ID Services.....                     | 54,128            | 53,958                        | 52,350            |
| (F)SSBG - Community ID Services.....                                   | 7,451             | 7,451                         | 7,451             |
| Subtotal.....  | \$ 212,497        | \$ 211,090                    | \$ 213,516        |
| <b>Intellectual Disabilities - Community Waiver Program.....</b>       | <b>1,026,790</b>  | <b>1,074,887 <sup>x</sup></b> | <b>1,211,588</b>  |
| (F)Medical Assistance - Community ID Waiver Program.....               | 1,099,115         | 1,214,992                     | 1,279,651         |
| Subtotal.....  | \$ 2,125,905      | \$ 2,289,879                  | \$ 2,491,239      |
| <b>Early Intervention.....</b>   | <b>131,831</b>    | <b>127,974</b>                | <b>127,974</b>    |
| (F)Medical Assistance - Early Intervention.....                        | 53,169            | 59,114                        | 54,272            |
| (F)Education for Children with Disabilities-Early Intervention.....    | 16,263            | 19,953                        | 19,953            |
| Subtotal.....  | \$ 201,263        | \$ 207,041                    | \$ 202,199        |
| <b>Autism Intervention and Services.....</b>                           | <b>16,487</b>     | <b>19,169</b>                 | <b>19,510</b>     |
| (F)Medical Assistance - Autism Intervention Services.....              | 13,457            | 17,467                        | 17,833            |
| Subtotal.....  | \$ 29,944         | \$ 36,636                     | \$ 37,343         |
| <b>Intellectual Disabilities - Lansdowne Residential Services.....</b> | <b>340</b>        | <b>340</b>                    | <b>340</b>        |



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| <b>County Child Welfare.....</b>                             | <b>1,055,029</b>  | <b>1,081,466</b>     | <b>1,121,810</b>  |
| (F)Child Welfare Services.....                               | 13,493            | 13,759               | 13,640            |
| (F)Child Welfare - Title IV-E.....                           | 313,376           | 318,241 <sup>y</sup> | 318,241           |
| (F)Medical Assistance - Child Welfare.....                   | 1,411             | 1,411                | 1,411             |
| (F)TANFBG - Child Welfare.....                               | 58,508            | 58,508               | 58,508            |
| (F)SSBG - Child Welfare.....                                 | 12,021            | 12,021               | 12,021            |
| (F)Child Welfare Training and Certification.....             | 14,150            | 15,688 <sup>z</sup>  | 15,688            |
| (F)Community Based Family Resource and Support.....          | 134               | 134                  | 134               |
| (F)Child Abuse Prevention and Treatment.....                 | 2,100             | 2,100                | 2,100             |
| (F)Title IV B - Caseworker Visits.....                       | 1,365             | 1,365                | 1,365             |
| (F)Children's Justice Act.....                               | 1,150             | 1,150                | 1,150             |
| (A)Casey Family Project (EA).....                            | 35                | 118                  | 118               |
| (A)Birth Certificate – Mandated Reporter Training.....       | 0                 | 3,813                | 953               |
| Subtotal.....  | \$ 1,472,772      | \$ 1,509,774         | \$ 1,547,139      |
| <b>Community Based Family Centers.....</b>                   | <b>3,258</b>      | <b>3,258</b>         | <b>3,258</b>      |
| (F)Family Preservation - Family Centers.....                 | 7,009             | 7,009                | 7,009             |
| (F)Family Resource and Support - Family Centers.....         | 480               | 480                  | 480               |
| (F)Title IV-B - Family Centers.....                          | 1,253             | 1,253                | 1,253             |
| Subtotal.....  | \$ 12,000         | \$ 12,000            | \$ 12,000         |
| <b>Child Care Services.....</b>                              | <b>155,673</b>    | <b>155,691</b>       | <b>155,691</b>    |
| (F)CCDFBG - Child Care Services.....                         | 190,067           | 210,889              | 244,856           |
| (F)CCDFBG - School Age.....                                  | 1,260             | 1,260                | 1,260             |
| (F)SSBG - Child Care Services.....                           | 30,977            | 30,977               | 30,977            |
| (F)Head Start Collaboration Project.....                     | 225               | 225                  | 258               |
| (F)Early Learning Challenge Grant - Child Care Services..... | 6,962             | 15,221               | 16,953            |
| Subtotal.....  | \$ 385,164        | \$ 414,263           | \$ 449,995        |
| <b>Child Care Assistance.....</b>                            | <b>152,609</b>    | <b>152,609</b>       | <b>152,609</b>    |
| (F)TANFBG - Child Care Assistance.....                       | 25,965            | 27,557               | 29,357            |
| (F)CCDFBG - Child Care Assistance.....                       | 142,555           | 143,630              | 130,985           |
| (F)Food Stamps - Child Care Assistance.....                  | 4,033             | 4,627                | 3,576             |
| (F)ELCG - Child Care (EA).....                               | 3,623             | 0                    | 0                 |
| (A)Early Childhood Education Revenue.....                    | 1,646             | 1,646                | 1,646             |
| Subtotal.....  | \$ 330,431        | \$ 330,069           | \$ 318,173        |
| <b>Nurse Family Partnership.....</b>                         | <b>11,978</b>     | <b>11,978</b>        | <b>11,978</b>     |
| (F)Medical Assistance - Nurse Family Partnership.....        | 2,544             | 2,544                | 2,544             |
| (F)MCH - Early Childhood Home Visiting.....                  | 13,731            | 13,731               | 13,731            |
| Subtotal.....  | \$ 28,253         | \$ 28,253            | \$ 28,253         |
| <b>Domestic Violence.....</b>                                | <b>13,926</b>     | <b>15,319</b>        | <b>16,851</b>     |
| (F)Family Violence Prevention Services.....                  | 3,000             | 3,081 <sup>aa</sup>  | 3,081             |
| (F)SSBG - Domestic Violence Programs.....                    | 5,705             | 5,705                | 5,705             |
| (F)PHHSBG - Domestic Violence (EA).....                      | 0                 | 100                  | 100               |
| (A)Marriage Law Fees.....                                    | 833               | 933                  | 833               |
| Subtotal.....  | \$ 23,464         | \$ 25,138            | \$ 26,570         |
| <b>Rape Crisis.....</b>                                      | <b>7,966</b>      | <b>8,763</b>         | <b>9,639</b>      |
| (F)SSBG - Rape Crisis.....                                   | 1,721             | 1,721                | 1,721             |
| Subtotal.....  | \$ 9,687          | \$ 10,484            | \$ 11,360         |
| <b>Breast Cancer Screening.....</b>                          | <b>1,623</b>      | <b>1,623</b>         | <b>1,623</b>      |
| (F)SSBG - Family Planning.....                               | 2,000             | 2,000                | 2,000             |
| Subtotal.....  | \$ 3,623          | \$ 3,623             | \$ 3,623          |



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL    | 2014-15<br>AVAILABLE        | 2015-16<br>BUDGET    |
|--|----------------------|-----------------------------|----------------------|
| <b>Human Services Development Fund.....</b>                        | <b>13,460</b>        | <b>13,460</b>               | <b>13,959</b>        |
| Subtotal.....  | \$ 13,460            | \$ 13,460                   | \$ 13,959            |
| <b>Legal Services.....</b>   | <b>2,461</b>         | <b>2,461</b>                | <b>2,461</b>         |
| (F)SSBG - Legal Services.....                                      | 5,049                | 5,049                       | 5,049                |
| Subtotal.....  | \$ 7,510             | \$ 7,510                    | \$ 7,510             |
| <b>Homeless Assistance.....</b>                                    | <b>18,496</b>        | <b>18,496</b>               | <b>20,181</b>        |
| (F)SSBG - Homeless Services.....                                   | 4,183                | 4,183                       | 4,183                |
| (F)SABG - Homeless Services.....                                   | 1,983                | 1,983                       | 1,983                |
| Subtotal.....  | \$ 24,662            | \$ 24,662                   | \$ 26,347            |
| <b>Services to Persons with Disabilities.....</b>                  | <b>233,104</b>       | <b>267,593<sup>ab</sup></b> | <b>302,979</b>       |
| (F)Medical Assistance - Services to Persons with Disabilities..... | 271,366              | 318,899                     | 340,036              |
| Subtotal.....  | \$ 504,470           | \$ 586,492                  | \$ 643,015           |
| <b>Attendant Care.....</b>   | <b>116,084</b>       | <b>132,897<sup>ac</sup></b> | <b>145,131</b>       |
| (F)Medical Assistance - Attendant Care.....                        | 103,534              | 121,640 <sup>ad</sup>       | 126,089              |
| (A)Attendant Care Parking Fines.....                               | 103                  | 103                         | 103                  |
| (A)Attendant Care Patient Fee.....                                 | 606                  | 600                         | 600                  |
| Subtotal.....  | \$ 220,327           | \$ 255,240                  | \$ 271,923           |
| <b>Medical Assistance - Workers with Disabilities.....</b>         | <b>42,979</b>        | <b>120,825<sup>ae</sup></b> | <b>102,291</b>       |
| (F)Medical Assistance - Workers with Disabilities.....             | 48,323               | 131,366 <sup>af</sup>       | 110,661              |
| Subtotal.....  | \$ 91,302            | \$ 252,191                  | \$ 212,952           |
| Subtotal - State Funds.....  | \$ 9,739,583         | \$ 9,753,672                | \$ 10,339,128        |
| Subtotal - Federal Funds.....                                      | 13,641,648           | 16,232,942                  | 19,457,739           |
| Subtotal - Augmentations.....                                      | 2,015,325            | 2,171,977                   | 2,350,617            |
| Total - Grants and Subsidies.....                                  | \$ 25,396,556        | \$ 28,158,591               | \$ 32,147,484        |
| STATE FUNDS.....   | \$ 11,045,132        | \$ 11,217,068               | \$ 11,907,895        |
| FEDERAL FUNDS.....   | 15,007,960           | 17,701,974                  | 20,854,979           |
| AUGMENTATIONS.....   | 2,071,504            | 2,233,480                   | 2,407,970            |
| <b>GENERAL FUND TOTAL.....</b>                                     | <b>\$ 28,124,596</b> | <b>\$ 31,152,522</b>        | <b>\$ 35,170,844</b> |
| <b>LOTTERY FUND:</b>   |                      |                             |                      |
| <i>Grants and Subsidies:</i>                                       |                      |                             |                      |
| Medical Assistance - Long-Term Care.....                           | \$ 309,081           | \$ 334,081                  | \$ 309,081           |
| Home and Community-Based Services.....                             | 21,000               | 162,577                     | 105,668              |
| Medical Assistance - Transportation Services.....                  | 0                    | 4,900                       | 4,900                |
| Total - Grants and Subsidies.....                                  | \$ 330,081           | \$ 501,558                  | \$ 419,649           |
| <b>LOTTERY FUND TOTAL.....</b>                                     | <b>\$ 330,081</b>    | <b>\$ 501,558</b>           | <b>\$ 419,649</b>    |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL           | 2014-15<br>AVAILABLE        | 2015-16<br>BUDGET           |
|---|-----------------------------|-----------------------------|-----------------------------|
| <b>OTHER FUNDS:</b>   |                             |                             |                             |
| <b>TOBACCO SETTLEMENT FUND:</b>                             |                             |                             |                             |
| Medical Care for Workers with Disabilities (EA).....        | \$ 94,748                   | \$ 46,468                   | \$ 87,675                   |
| (F)Medical Assistance - Workers with Disabilities (EA)..... | 109,936                     | 51,351                      | 94,839                      |
| Subtotal.....   | <u>\$ 204,684</u>           | <u>\$ 97,819</u>            | <u>\$ 182,514</u>           |
| Uncompensated Care (EA).....                                | 12,917                      | 25,140                      | 23,906                      |
| (F)Medical Assistance - Uncompensated Care (EA).....        | 15,722                      | 27,039                      | 25,909                      |
| Subtotal.....   | <u>\$ 28,639</u>            | <u>\$ 52,179</u>            | <u>\$ 49,815</u>            |
| Home and Community-Based Services (EA).....                 | 41,057                      | 39,953                      | 37,993                      |
| (F)Medical Assistance - Community Services (EA).....        | 47,638                      | 47,638                      | 41,176                      |
| Subtotal.....   | <u>\$ 88,695</u>            | <u>\$ 87,591</u>            | <u>\$ 79,169</u>            |
| Medical Assistance - Long-Term Care.....                    | 95,116                      | 238,929                     | 106,609                     |
| <b>TOBACCO SETTLEMENT FUND TOTAL.....</b>                   | <b><u>\$ 417,134</u></b>    | <b><u>\$ 476,518</u></b>    | <b><u>\$ 418,107</u></b>    |
| <b>CHILDREN'S TRUST FUND:</b>                               |                             |                             |                             |
| Children's Trust Fund (EA).....                             | \$ 1,420                    | \$ 1,400                    | \$ 1,400                    |
| <b>ENERGY CONSERVATION AND ASSISTANCE FUND:</b>             |                             |                             |                             |
| Low Income Energy Assistance.....                           | \$ 8                        | \$ 0                        | \$ 0                        |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                         |                             |                             |                             |
| GENERAL FUND.....   | \$ 11,045,132               | \$ 11,217,068               | \$ 11,907,895               |
| SPECIAL FUNDS.....  | 330,081                     | 501,558                     | 419,649                     |
| FEDERAL FUNDS.....  | 15,007,960                  | 17,701,974                  | 20,854,979                  |
| AUGMENTATIONS.....  | 2,071,504                   | 2,233,480                   | 2,407,970                   |
| OTHER FUNDS.....  | 418,562                     | 477,918                     | 419,507                     |
| <b>TOTAL ALL FUNDS.....</b>                                 | <b><u>\$ 28,873,239</u></b> | <b><u>\$ 32,131,998</u></b> | <b><u>\$ 36,010,000</u></b> |

<sup>a</sup> Includes recommended supplemental appropriation of \$5,562,000.

<sup>b</sup> Includes recommended supplemental appropriation of \$9,200,000.

<sup>c</sup> Reflects recommended appropriation reduction of \$6,754,000.

<sup>d</sup> Includes recommended supplemental appropriation of \$4,115,000.

<sup>e</sup> Appropriated as \$264,179,000 for Medical Assistance - Outpatient and \$163,862,000 for Medical Assistance - Inpatient.

<sup>f</sup> Appropriated as \$348,741,000 for Medical Assistance - Outpatient and includes recommended supplemental appropriation of \$25,588,000. Appropriated as \$193,051,000 for Medical Assistance - Inpatient and reflects recommended appropriation reduction of \$36,940,000.

<sup>g</sup> Appropriated as \$840,553,000 for (F) Medical Assistance - Outpatient and \$696,923,000 for (F) Medical Assistance - Inpatient.

<sup>h</sup> Appropriated as \$869,758,000 for (F) Medical Assistance - Outpatient. Appropriated as \$722,090,000 for (F) Medical Assistance - Inpatient and includes recommended supplemental appropriation of \$55,186,000.

<sup>i</sup> Appropriated as \$92,760,000 for ARRA - MA - Health Information Technology.

<sup>j</sup> Appropriated as \$45,000 for State Health Care Innovation Model (EA).

<sup>k</sup> Includes \$101,098,000 for Hospital Assessment - Outpatient.

<sup>l</sup> Includes \$147,614,000 for Hospital Assessment - Outpatient and \$55,698,000 for Hospital Assessment - Inpatient.

<sup>m</sup> Includes \$5,399,000 for Statewide Hospital Assessment - Outpatient and \$432,145,000 for Statewide Hospital Assessment - Inpatient.

<sup>n</sup> Includes \$5,547,000 for Statewide Hospital Assessment - Outpatient and \$380,269,000 for Statewide Hospital Assessment - Inpatient.

## Summary by Fund and Appropriation

- <sup>o</sup> Reflects recommended appropriation reduction of \$198,884,000.
- <sup>p</sup> Includes recommended supplemental appropriation of \$71,662,000.
- <sup>q</sup> Includes recommended supplemental appropriation of \$29,120,000.
- <sup>r</sup> Includes recommended supplemental appropriation of \$24,991,000.
- <sup>s</sup> Includes recommended supplemental appropriation of \$25,612,000.
- <sup>t</sup> Includes recommended supplemental appropriation of \$8,168,000.
- <sup>u</sup> Includes recommended supplemental appropriation of \$269,000.
- <sup>v</sup> Reflects recommended appropriation reduction of \$4,038,000.
- <sup>w</sup> Reflects recommended appropriation reduction of \$329,000.
- <sup>x</sup> Includes recommended supplemental appropriation of \$8,274,000.
- <sup>y</sup> Includes recommended supplemental appropriation of \$2,000,000.
- <sup>z</sup> Includes recommended supplemental appropriation of \$1,200,000.
- <sup>aa</sup> Includes recommended supplemental appropriation of \$81,000.
- <sup>ab</sup> Includes recommended supplemental appropriation of \$12,420,000.
- <sup>ac</sup> Includes recommended supplemental appropriation of \$10,147,000.
- <sup>ad</sup> Includes recommended supplemental appropriation of \$11,742,000.
- <sup>ae</sup> Includes recommended supplemental appropriation of \$90,242,000.
- <sup>af</sup> Includes recommended supplemental appropriation of \$97,005,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

|                                  | 2013-14<br>Actual    | 2014-15<br>Available | 2015-16<br>Budget    | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>HUMAN SERVICES SUPPORT</b>    |                      |                      |                      |                      |                      |                      |                      |
| GENERAL FUND.....                | \$ 123,252           | \$ 151,354           | \$ 158,264           | \$ 163,804           | \$ 167,900           | \$ 172,098           | \$ 176,400           |
| SPECIAL FUNDS.....               | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....               | 277,916              | 309,085              | 236,426              | 242,815              | 246,309              | 249,891              | 253,562              |
| OTHER FUNDS.....                 | 8,297                | 7,480                | 7,784                | 7,784                | 7,784                | 7,784                | 7,784                |
| SUBCATEGORY TOTAL.....           | <u>\$ 409,465</u>    | <u>\$ 467,919</u>    | <u>\$ 402,474</u>    | <u>\$ 414,403</u>    | <u>\$ 421,993</u>    | <u>\$ 429,773</u>    | <u>\$ 437,746</u>    |
| <b>MEDICAL ASSISTANCE</b>        |                      |                      |                      |                      |                      |                      |                      |
| GENERAL FUND.....                | \$ 5,111,069         | \$ 5,103,676         | \$ 5,190,541         | \$ 5,446,811         | \$ 5,924,547         | \$ 6,444,673         | \$ 7,015,214         |
| SPECIAL FUNDS.....               | 0                    | 4,900                | 4,900                | 4,900                | 4,900                | 4,900                | 4,900                |
| FEDERAL FUNDS.....               | 7,973,048            | 10,141,681           | 13,260,384           | 13,592,389           | 13,964,322           | 14,483,728           | 14,931,113           |
| OTHER FUNDS.....                 | 1,745,161            | 1,814,300            | 2,078,531            | 2,320,127            | 2,210,347            | 2,167,573            | 2,167,573            |
| SUBCATEGORY TOTAL.....           | <u>\$ 14,829,278</u> | <u>\$ 17,064,557</u> | <u>\$ 20,534,356</u> | <u>\$ 21,364,227</u> | <u>\$ 22,104,116</u> | <u>\$ 23,100,874</u> | <u>\$ 24,118,800</u> |
| <b>LONG TERM LIVING</b>          |                      |                      |                      |                      |                      |                      |                      |
| GENERAL FUND.....                | \$ 1,481,522         | \$ 1,434,293         | \$ 1,736,802         | \$ 1,795,022         | \$ 1,856,008         | \$ 1,919,916         | \$ 1,986,915         |
| SPECIAL FUNDS.....               | 330,081              | 496,658              | 414,749              | 414,749              | 414,749              | 414,749              | 414,749              |
| FEDERAL FUNDS.....               | 2,861,016            | 2,950,674            | 3,004,377            | 3,087,122            | 3,173,239            | 3,262,904            | 3,356,304            |
| OTHER FUNDS.....                 | 665,728              | 807,685              | 666,943              | 666,943              | 666,943              | 666,943              | 666,943              |
| SUBCATEGORY TOTAL.....           | <u>\$ 5,338,347</u>  | <u>\$ 5,689,310</u>  | <u>\$ 5,822,871</u>  | <u>\$ 5,963,836</u>  | <u>\$ 6,110,939</u>  | <u>\$ 6,264,512</u>  | <u>\$ 6,424,911</u>  |
| <b>INCOME MAINTENANCE</b>        |                      |                      |                      |                      |                      |                      |                      |
| GENERAL FUND.....                | \$ 519,554           | \$ 567,288           | \$ 600,043           | \$ 614,555           | \$ 625,284           | \$ 636,279           | \$ 647,550           |
| SPECIAL FUNDS.....               | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....               | 1,153,952            | 1,398,998            | 1,373,916            | 1,386,676            | 1,396,110            | 1,405,780            | 1,415,692            |
| OTHER FUNDS.....                 | 9,228                | 16,046               | 11,939               | 11,939               | 11,939               | 11,939               | 11,939               |
| SUBCATEGORY TOTAL.....           | <u>\$ 1,682,734</u>  | <u>\$ 1,982,332</u>  | <u>\$ 1,985,898</u>  | <u>\$ 2,013,170</u>  | <u>\$ 2,033,333</u>  | <u>\$ 2,053,998</u>  | <u>\$ 2,075,181</u>  |
| <b>MENTAL HEALTH</b>             |                      |                      |                      |                      |                      |                      |                      |
| GENERAL FUND.....                | \$ 725,328           | \$ 774,701           | \$ 834,526           | \$ 882,005           | \$ 922,758           | \$ 944,567           | \$ 966,921           |
| SPECIAL FUNDS.....               | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....               | 264,337              | 249,832              | 239,405              | 245,830              | 250,580              | 255,448              | 260,438              |
| OTHER FUNDS.....                 | 9,984                | 9,888                | 9,700                | 9,700                | 9,700                | 9,700                | 9,700                |
| SUBCATEGORY TOTAL.....           | <u>\$ 999,649</u>    | <u>\$ 1,034,421</u>  | <u>\$ 1,083,631</u>  | <u>\$ 1,137,535</u>  | <u>\$ 1,183,038</u>  | <u>\$ 1,209,715</u>  | <u>\$ 1,237,059</u>  |
| <b>INTELLECTUAL DISABILITIES</b> |                      |                      |                      |                      |                      |                      |                      |
| GENERAL FUND.....                | \$ 1,460,880         | \$ 1,529,359         | \$ 1,682,296         | \$ 1,765,109         | \$ 1,882,724         | \$ 2,004,874         | \$ 2,137,183         |
| SPECIAL FUNDS.....               | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....               | 1,525,426            | 1,654,235            | 1,724,127            | 1,808,370            | 1,929,128            | 2,058,783            | 2,199,183            |
| OTHER FUNDS.....                 | 47,719               | 48,074               | 47,615               | 47,615               | 47,615               | 47,615               | 47,615               |
| SUBCATEGORY TOTAL.....           | <u>\$ 3,034,025</u>  | <u>\$ 3,231,668</u>  | <u>\$ 3,454,038</u>  | <u>\$ 3,621,094</u>  | <u>\$ 3,859,467</u>  | <u>\$ 4,111,272</u>  | <u>\$ 4,383,981</u>  |

## Program Funding Summary

(Dollar Amounts in Thousands)

|                          | 2013-14<br>Actual    | 2014-15<br>Available | 2015-16<br>Budget    | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>HUMAN SERVICES</b>    |                      |                      |                      |                      |                      |                      |                      |
| GENERAL FUND.....        | \$ 1,168,178         | \$ 1,204,887         | \$ 1,253,913         | \$ 1,258,922         | \$ 1,263,316         | \$ 1,265,103         | \$ 1,266,935         |
| SPECIAL FUNDS.....       | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....       | 452,149              | 458,999              | 458,880              | 458,780              | 458,780              | 458,780              | 458,780              |
| OTHER FUNDS.....         | 883                  | 4,879                | 1,919                | 1,919                | 1,919                | 1,919                | 1,919                |
| SUBCATEGORY TOTAL.....   | <u>\$ 1,621,210</u>  | <u>\$ 1,668,765</u>  | <u>\$ 1,714,712</u>  | <u>\$ 1,719,621</u>  | <u>\$ 1,724,015</u>  | <u>\$ 1,725,802</u>  | <u>\$ 1,727,634</u>  |
| <b>CHILD DEVELOPMENT</b> |                      |                      |                      |                      |                      |                      |                      |
| GENERAL FUND.....        | \$ 455,349           | \$ 451,510           | \$ 451,510           | \$ 451,510           | \$ 451,510           | \$ 451,510           | \$ 451,510           |
| SPECIAL FUNDS.....       | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....       | 500,116              | 538,470              | 557,464              | 559,082              | 559,082              | 559,082              | 559,082              |
| OTHER FUNDS.....         | 3,066                | 3,046                | 3,046                | 3,046                | 3,046                | 3,046                | 3,046                |
| SUBCATEGORY TOTAL.....   | <u>\$ 958,531</u>    | <u>\$ 993,026</u>    | <u>\$ 1,012,020</u>  | <u>\$ 1,013,638</u>  | <u>\$ 1,013,638</u>  | <u>\$ 1,013,638</u>  | <u>\$ 1,013,638</u>  |
| <b>ALL PROGRAMS:</b>     |                      |                      |                      |                      |                      |                      |                      |
| GENERAL FUND.....        | \$ 11,045,132        | \$ 11,217,068        | \$ 11,907,895        | \$ 12,377,738        | \$ 13,094,047        | \$ 13,839,020        | \$ 14,648,628        |
| SPECIAL FUNDS.....       | 330,081              | 501,558              | 419,649              | 419,649              | 419,649              | 419,649              | 419,649              |
| FEDERAL FUNDS.....       | 15,007,960           | 17,701,974           | 20,854,979           | 21,381,064           | 21,977,550           | 22,734,396           | 23,434,154           |
| OTHER FUNDS.....         | 2,490,066            | 2,711,398            | 2,827,477            | 3,069,073            | 2,959,293            | 2,916,519            | 2,916,519            |
| DEPARTMENT TOTAL.....    | <u>\$ 28,873,239</u> | <u>\$ 32,131,998</u> | <u>\$ 36,010,000</u> | <u>\$ 37,247,524</u> | <u>\$ 38,450,539</u> | <u>\$ 39,909,584</u> | <u>\$ 41,418,950</u> |

## Program: Human Services Support

*Goal: To provide effective administrative and support systems through which the substantive programs of the department can be operated.*

The Human Services Support program provides the policy direction, management and administrative systems required to implement, maintain and monitor the substantive programs of the department.

Information systems are critical to the management of human services. The technology challenge is to provide timely and accurate information that enables the integration of numerous client services and tracks individual progress toward self-sufficiency. The continued creation and expansion of web-based applications allows for more online services and efficient maintenance of common client and provider databases, as well as case management systems, for use across programs.

Also provided is the management and oversight of the coordination of benefits and recovery of Medical Assistance overpayments when a third-party liability is

identified. Recoveries consist of casualty cases, the Estate Recovery program, federally mandated “pay and chase” situations and the identification and recovery of insurance payments after claims are paid.

This program also seeks reimbursement from third-party sources for services provided to patients and consumers at the state-operated mental health and intellectual disabilities facilities.

Finally, this program ensures the quality of services for Pennsylvania residents by licensing and regulating child care and selected medical facilities.

The department continues to strive toward system enhancements that will minimize administrative costs in relation to service costs and meet the federally mandated Affordable Care Act information systems requirements.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| General Government Operations |  |
|-------------------------------|--|
| \$ 7,081                      | —to continue current program.  |
| 1,342                         | —costs related to the Department of General Services Annex Complex move. |
| 223                           | —consolidation of personnel functions.                                   |
| <u>\$ 8,646</u>               | <i>Appropriation Increase</i>  |

| Information Systems |  |
|---------------------|--|
| \$ 1,200            | —to continue current program.  |
| 8,162               | —increase in child welfare information system.                               |
| —250                | —nonrecurring administrative costs from federal Balancing Incentive Program. |
| —1,473              | —decrease for data powerhouse and computer services transition.              |
| —9,375              | —nonrecurring prior year initiatives.  |
| <u>\$ -1,736</u>    | <i>Appropriation Decrease</i>  |

This budget recommends the amount of \$3,948,000 in the CCDFBG - Administration to provide additional child care inspections due to the reauthorization requirements of the Child Care and Development Block Grant program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                     | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>GENERAL FUND:</b>                |                          |                          |                          |                          |                          |                          |                          |
| General Government Operations ..... | \$ 67,221                | \$ 76,513                | \$ 85,159                | \$ 88,140                | \$ 90,344                | \$ 92,603                | \$ 94,918                |
| Information Systems .....           | 56,031                   | 74,841                   | 73,105                   | 75,664                   | 77,556                   | 79,495                   | 81,482                   |
| <b>TOTAL GENERAL FUND .....</b>     | <u><b>\$ 123,252</b></u> | <u><b>\$ 151,354</b></u> | <u><b>\$ 158,264</b></u> | <u><b>\$ 163,804</b></u> | <u><b>\$ 167,900</b></u> | <u><b>\$ 172,098</b></u> | <u><b>\$ 176,400</b></u> |

## Program: Medical Assistance

*Goal: To support a health care delivery system that provides comprehensive health care services in appropriate settings for eligible populations.*

The Medical Assistance program currently provides access to comprehensive health care services for eligible low-income individuals and families or those with medical expenses exceeding available income. In addition to financial eligibility criteria, qualified individuals meet categorical requirements including age, blindness, disability, pregnancy, or a child or parent of an eligible child. Other individuals who meet certain federal and state medical and financial criteria may qualify for Medical Assistance benefits. These individuals include persons with medical conditions that preclude work, women diagnosed with and on active treatment for breast or cervical cancer or pre-cancer of breast or cervix and disabled workers with incomes under 250 percent of the federal poverty guidelines who pay a premium equal to 5 percent of their monthly income.

This budget proposes Medicaid Expansion to ensure increased access to quality health care. The Medicaid Expansion plan proposes to increase health care access to more than 600,000 Pennsylvanians. For additional information, please see the Medicaid Expansion theme in the Overview and Summaries section.

### **Program Element: Capitation**

Health care services for most Medical Assistance recipients are provided through Managed Care Organizations (MCOs) utilizing a fixed rate per recipient enrolled. MCOs emphasize outpatient preventive health services and disease management as a means of controlling costs. The coordinated approach allows enhanced continuity of care, improves recipients' access to primary physician care and specialized behavioral health programs, provides strengthened oversight of operational standards, and facilitates an efficient utilization of limited health care resources.

Pennsylvania's mandatory managed care program is known as HealthChoices. The HealthChoices Behavioral Health (BH) program, administered by the Office of Mental Health and Substance Abuse Services, has completed its expansion plan and has operated statewide since July 1, 2007. The HealthChoices program is provided through contracts with the counties who utilize an independent BH-MCO, or through contracts directly with BH-MCOs. Services provided include psychiatric inpatient treatment, partial hospitalization, psychiatric outpatient services, Early Periodic Screening Diagnosis and Treatment services for children, case management, drug and alcohol detoxification and rehabilitation services.

Physical Health (PH) managed care services are administered by the Office of Medical Assistance Programs. The HealthChoices program completed its expansion plan and began operating statewide March 1, 2013. The HealthChoices program is provided through grant agreements with seven risk-based MCOs in five geographic zones. PH-MCO enrollees receive the full array of physical health services, which include inpatient, outpatient, primary care, pharmaceuticals, home health, dental and vision services. Some MA recipients do not participate in the HealthChoices PH program and remain in fee-for-service, including but not limited to: nursing home residents (after 30 days), Living Independence for the Elderly (LIFE), Health Insurance Premium Payment eligible members, residents of state institutions and recipients age 21 and older that are dually eligible for Medicare (including Part D) and Medicaid.

### **Program Element: Medical Assistance – Fee-for-Service**

Health care services for the remaining Medical Assistance recipients are provided through this fee-for-service delivery system. Outpatient services include the majority of preventive services performed outside of acute care facilities, such as hospitals. Outpatient services include medical or dental care furnished by a broad range of practitioners (including physicians, Certified Registered Nurse Practitioners, dentists and other practitioners) in a variety of settings such as practitioner offices, clinics, outpatient surgery, acute care short procedure units, as well as rehabilitation, drug and alcohol treatment, pharmacy benefits, ambulance transportation, home health care, medical supplies and equipment, and prosthetic devices.

In response to the rising cost of prescription drugs, the department has taken steps to cost-effectively manage utilization of pharmacy services without compromising access to quality care, such as use of a clinically-based preferred drug list that provides for supplemental drug rebates and enforces the use of drugs considered best in class. Other efforts include prior authorization of certain medications with high cost or health and safety risks to consumers, quantity limits and special initiatives.

Inpatient hospital services include care for Medical Assistance beneficiaries in acute care general, rehabilitation and private psychiatric hospitals. The Inpatient Medical Assistance Program provides eligible beneficiaries coverage of inpatient hospital services on a 24-hour basis, which includes room, board and professional services.



**Program: Medical Assistance (continued)**

Under the Medical Assistance Program, a beneficiary is admitted to the inpatient service upon written order of a physician, Certified Registered Nurse Practitioner, dentist, or podiatrist who has admitting privileges at the hospital. Medical Assistance does not cover hospital care solely for cosmetic procedures, nor diagnostic or therapeutic procedures solely for experimental, research or educational purposes.

The department uses a Prospective Payment System, known as the All Patient Refined Diagnosis Related Groups (APR-DRG) system, to reimburse acute care general hospitals. The APR-DRG system was designed for use with all patient populations and reflects the complete cross-section of patients seen in an inpatient acute care setting. The department also makes high and low cost outlier payment adjustments for all diagnosis related groups when certain conditions are met. Freestanding psychiatric and rehabilitation hospitals, and distinct part psychiatric and rehabilitation units of acute care general hospitals, are paid on a prospective basis through per diem payments.

The department also makes separate payments to hospital-employed or contracted practitioners (physicians, Certified Registered Nurse Practitioners, dentists, podiatrists or midwives) when these practitioners provide direct professional services to the beneficiary during the inpatient hospital stay. These services are paid in accordance with the fees established under the Medical Assistance Fee Schedule. Act 77 of 2001, the Tobacco Settlement Act, authorized an additional payment to hospitals to partially offset the cost of uncompensated care or extraordinary medical services provided by hospitals to individuals with no, or inadequate, health care insurance.

***Program Element: Medical Assistance Transportation Program***

The purpose of the Medical Assistance Transportation Program (MATP) is to coordinate and provide efficient

and cost-effective non-emergency medical transportation to ensure access to health care services for Medical Assistance recipients who have no other means of transportation available to them.

The program provides funding to 65 county programs, a transit program for Northumberland County and a transportation broker in Philadelphia County to provide this service. Each is responsible for providing transportation to and/or from a medical facility, physician's office, dentist's office, hospital, clinic, pharmacy or purveyor of medical equipment for the purpose of receiving medical treatment, medical evaluation, or purchasing prescription drugs or medical equipment.

The program entails the following: assessing MATP eligibility, verifying if recipients could be transported at no cost to the program or if other options other than Medical Assistance-funded transportation are available, determining the level of transportation services needed, providing funding for recipients to use public transit, reimbursing recipients for private vehicle mileage use, developing and managing a network of on-demand transportation providers, scheduling and dispatching on-demand paratransit trips, and capturing and providing data.

***Program Element: Expanded Medical Services for Women***

The Expanded Medical Services for Women program provides counseling and other services to women. Grants are provided to nonprofit agencies whose primary purpose is to assist pregnant women seeking alternatives to abortions. Services are provided up to 12 months after childbirth and include food, shelter, clothing, health care, counseling, adoption services, parenting classes, assistance for post-delivery stress and other support programs.

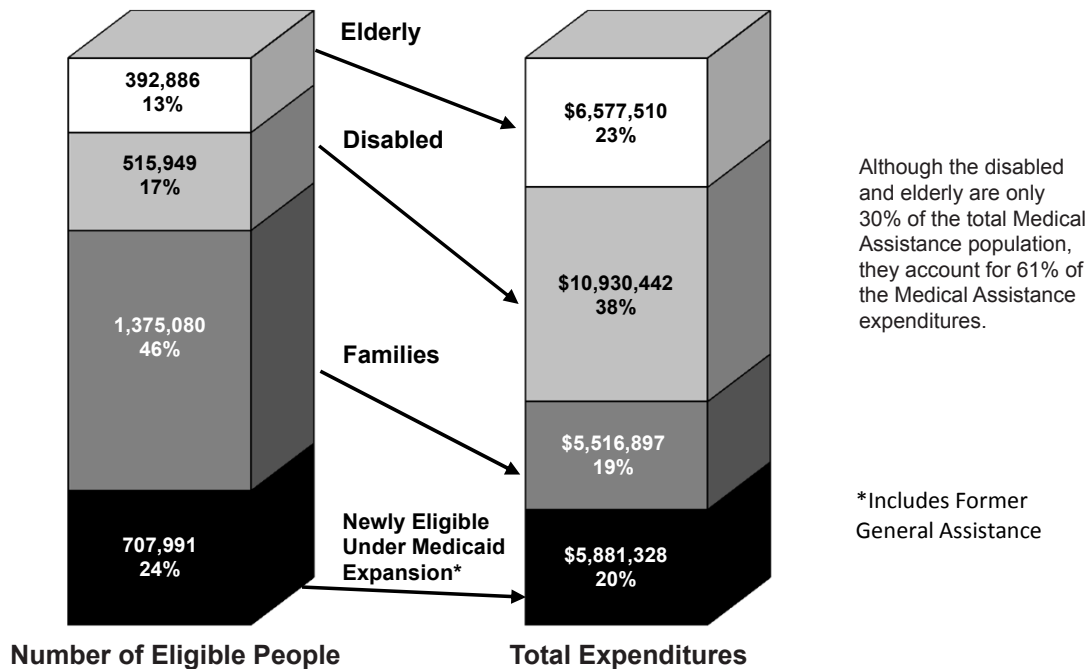


## Program: Medical Assistance (continued)

### Medicaid Expenditures and Enrollees by Category of Assistance

Fiscal Year 2015-16

(Dollar Amounts in Thousands)



Medicaid expenditures also includes intellectual Disabilities-Intermediate Care Facilities, Intellectual Disabilities-Community Waiver Program, Autism Intervention and Services, Services to Persons with Disabilities, Attendant Care and Medical Assistance-Workers with Disabilities.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| GENERAL FUND   |   |             |  |
|--|---|-------------|--|
| <b>Payment to Federal Government - Medicare Drug Program</b> |   | 491         | —Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. |
| \$ 28,022  | —reflects increase in mandated payback for pharmacy services.   |             |  |
| <b>Medical Assistance - Fee-for-Service</b>                  |   |             |  |
| \$ 29,021  | —change in caseload and utilization.  | \$ -168,943 | <i>Appropriation Decrease</i>  |
| -71,992  | —savings as a result of transitioning General Assistance recipients in newly eligible federal categories. |             |  |
| 15,488   | —increase in costs and clients eligible for Medicare Part A and B premiums.                               | \$ 420,377  | <b>Medical Assistance - Capitation</b>   |
| 3,733  | —to provide for increased utilization and cost of prescription drugs.                                     | -411,972    | —change in enrollment and rate increases.  |
| 5,277  | —revision of federal financial participation from 51.82% to 52.01%.                                       | 333,464     | —savings as a result of transitioning General Assistance recipients in newly eligible federal categories.  |
| -4,612   | —to provide for an increase in projected recoveries and refunds.  | 46,004      | —impact of prior year delay of managed care payments.  |
| -5,981   | —net impact of nonrecurring prior year revenue and costs.   | 46,004      | —provides for the loss in federal participation as a result of transitioning General Assistance recipients into newly eligible federal categories.   |
| -10,368  | —annualization of prior year initiatives.   | -4,916      | —savings from administrative and other cash flow adjustments.  |
| -130,000   | —to provide for revenue maximization projects.  | -21,372     | —provides for the transfer of payments related to the Medical Care for Workers with Disabilities programs.   |

## Program: Medical Assistance (continued)

**Program Recommendations: (continued)**

This budget recommends the following changes: (Dollar Amounts in Thousands)

|            |  |    |         |  |  |  |  |
|------------|--|----|---------|--|--|--|--|
| —30,934    | —impact of increase in pharmacy rebates.   |    |         |  |  |  |  |
| 46,653     | —revision of federal financial participation from 51.82% to 52.01%.                        | \$ | 6,071   |  |  |  |  |
|            |  |    | 116     |  |  |  |  |
| —122,206   | —impact of increase in Gross Receipts Tax assessments and Quality Care Assessment Revenue. |    | —1,308  |  |  |  |  |
|            |  | \$ | 4,879   |  |  |  |  |
| \$ 255,098 | <i>Appropriation Increase</i>  |    |         |  |  |  |  |
|            | <b>Medical Assistance - Obstetric and Neonatal Services</b>                                | \$ | 182     |  |  |  |  |
| \$ —3,681  | —program elimination.  |    |         |  |  |  |  |
|            | <b>Hospital-Based Burn Centers</b>   | \$ | 21,611  |  |  |  |  |
| \$ —3,782  | —program elimination.  |    | 1,062   |  |  |  |  |
|            |  |    | —41,207 |  |  |  |  |
|            | <b>Medical Assistance - Critical Access Hospitals</b>                                      | \$ | —18,534 |  |  |  |  |
| \$ —3,876  | —program elimination.  |    |         |  |  |  |  |
|            | <b>Medical Assistance - Physician Practice Plans</b>                                       |    |         |  |  |  |  |
| \$ —2,500  | —program reduction.  |    |         |  |  |  |  |
|            | <b>Medical Assistance - Transportation</b>   |    |         |  |  |  |  |
|            | —change in caseload and utilization.   |    |         |  |  |  |  |
|            | —revision of federal financial participation from 51.82% to 52.01%.                        |    |         |  |  |  |  |
|            | —increase in federal earnings.   |    |         |  |  |  |  |
|            | <i>Appropriation Increase</i>  |    |         |  |  |  |  |
|            | <b>Special Pharmaceutical Services</b>   |    |         |  |  |  |  |
|            | —to continue current program.  |    |         |  |  |  |  |
|            | <b>Medical Assistance - Workers with Disabilities</b>                                      |    |         |  |  |  |  |
|            | —change in caseload and utilization.   |    |         |  |  |  |  |
|            | —revision of federal financial participation from 51.82% to 52.01%.                        |    |         |  |  |  |  |
|            | —reflects impact of increase in available Tobacco Settlement Funds.                        |    |         |  |  |  |  |
|            | <i>Appropriation Decrease</i>  |    |         |  |  |  |  |

All other appropriations are recommended at the current year funding levels.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                                      |                   |                      |                   |                      |                      |                      |                      |
| Payment to Federal Government –                           |                   |                      |                   |                      |                      |                      |                      |
| Medicare Drug Program.....                                | \$ 526,460        | \$ 535,974           | \$ 563,996        | \$ 580,916           | \$ 598,343           | \$ 616,294           | \$ 634,782           |
| Medical Assistance – Fee For Service .....                | 428,041           | 530,440              | 361,497           | 367,530              | 377,952              | 388,082              | 398,594              |
| Medical Assistance – Capitation.....                      | 3,995,113         | 3,804,656            | 4,059,754         | 4,267,720            | 4,694,492            | 5,163,941            | 5,680,335            |
| Medical Assistance – Obstetric and Neonatal Services..... | 6,681             | 3,681                | 0                 | 0                    | 0                    | 0                    | 0                    |
| Hospital-Based Burn Centers .....                         | 3,782             | 3,782                | 0                 | 0                    | 0                    | 0                    | 0                    |
| Medical Assistance – Critical Access Hospitals .....      | 6,776             | 3,876                | 0                 | 0                    | 0                    | 0                    | 0                    |
| Trauma Centers.....                                       | 8,656             | 8,656                | 8,656             | 8,656                | 8,656                | 8,656                | 8,656                |
| Medical Assistance – Academic Medical Centers .....       | 16,831            | 17,431               | 17,431            | 17,431               | 17,431               | 17,431               | 17,431               |
| Medical Assistance – Physician Practice Plans .....       | 9,071             | 9,071                | 6,571             | 6,571                | 6,571                | 6,571                | 6,571                |
| Medical Assistance – Transportation .....                 | 59,573            | 58,395               | 63,274            | 65,988               | 68,701               | 71,415               | 74,128               |
| Expanded Medical Services for Women.....                  | 5,544             | 5,694                | 5,694             | 5,694                | 5,694                | 5,694                | 5,694                |
| Special Pharmaceutical Services .....                     | 1,562             | 1,195                | 1,377             | 1,377                | 1,377                | 1,377                | 1,377                |
| Medical Assistance – Workers with Disabilities.....       | 42,979            | 120,825              | 102,291           | 124,928              | 145,330              | 165,212              | 187,646              |
| TOTAL GENERAL FUND .....                                  | \$ 5,111,069      | \$ 5,103,676         | \$ 5,190,541      | \$ 5,446,811         | \$ 5,924,547         | \$ 6,444,673         | \$ 7,015,214         |
| <b>LOTTERY FUND:</b>                                      |                   |                      |                   |                      |                      |                      |                      |
| Medical Assistance – Transportation Services .....        | \$ 0              | \$ 4,900             | \$ 4,900          | \$ 4,900             | \$ 4,900             | \$ 4,900             | \$ 4,900             |

## Program: Long-Term Living

*Goal: To support a long-term living system that empowers persons with disabilities and older Pennsylvanians to live with dignity and independence in settings they prefer, to provide meaningful choice of long-term living services and to ensure that those services are delivered in a high-quality, cost-effective manner.*

The commonwealth's commitment to supporting people with disabilities and older Pennsylvanians is demonstrated through a continuum of services ranging from independent living with the support of home and community-based services to institutional care.

### **Program Element: Home and Community-Based Services**

For qualifying individuals who want to receive services in the community, the department administers five home and community-based Medicaid waiver programs, the Act 150 Attendant Care program and the Living Independence for the Elderly (LIFE) program that help individuals to live as independently as possible.

The Independent Enrollment Broker and local Area Agencies on Aging provide information on service options and eligibility requirements and assistance to qualifying individuals who wish to apply for applicable programs. For those who qualify, individual service plans are developed and coordination is provided with an extensive network of providers. The department is responsible for ensuring that services are being provided in a consistent and cost-effective manner.

A variety of specialized services are provided to enable people with physical and/or cognitive disabilities, as well as people over 60, to live independently in the community. Personal assistance, service coordination, non-medical transportation, home health aide and nursing services are several of the community-based support services that are provided.

The Attendant Care program provides personal assistance services to individuals who are between the ages of 18 and 59 and have physical disabilities. Personal assistance services, such as bathing, dressing, grooming and other activities of daily living, enable recipients to remain in or return to their own homes, rejoin the workforce and maintain independent and productive lives. Medicaid-eligible individuals who meet all program criteria are served

in the waiver program and individuals who are not Medicaid eligible are served in the Act 150 Attendant Care program.

Other Medicaid home and community-based disability programs support eligible adults who have limitations in performing activities of daily living, understanding and/or use of language, learning, mobility, self-direction and capacity for independent living. These services help individuals to function independently in the community. Similar services are provided to people with traumatic brain injury. These services enable individuals to function in the community as independently as possible after they have progressed beyond initial acute rehabilitation. People with cognitive disabilities may require a special mix of services to address short-term memory issues.

Eligible older Pennsylvanians who are in need of nursing facility level-of-care may qualify to receive services in the community through the federal Medicaid Aging Waiver program and the LIFE program. These programs provide assistance with activities of daily living, as well as in-home nursing services, while encouraging use of informal supports available through family and friends. Additionally, the LIFE program integrates Medicare funding with Medicaid funding to provide a fully coordinated and comprehensive service package to enrollees.

### **Program Element: Nursing Facility Services**

Institutional services are provided to eligible persons by nursing facilities that are certified, in accordance with established standards, to participate in the Medical Assistance program. Nursing facility care is available to Medical Assistance recipients who are determined nursing facility clinically eligible through a level of care assessment. Nursing facility care involves daily medical treatment and rehabilitation services prescribed by a licensed physician. The services are provided by or under the supervision of licensed professional, nursing personnel or other professional health personnel.

### **Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

| <b>GENERAL FUND</b>   |         |   |                               |
|-----------------------|---------|---|-------------------------------|
| <b>Long-Term Care</b> |         |   |                               |
| \$                    | 13,226  | —for increased utilization and costs.                               | —1,879                        |
|                       | 25,000  | —reflects impact of decrease in available Lottery Funds.            | —8,000                        |
|                       | 132,320 | —reflects impact of decrease in available Tobacco Settlement Funds. | —32,940                       |
|                       | 7,813   | —revision of federal financial participation from 51.82% to 52.01%. |                               |
|                       |         |   | <hr/>                         |
|                       |         |   | \$ 135,540                    |
|                       |         |   | <i>Appropriation Increase</i> |

## Program: Long-Term Living (continued)

### Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

|  |  |            |   |
|--|--|------------|---|
| <b>Home and Community-Based Services</b> |  | 8,620      | —nonrecurring prior year federal Balancing Incentive Program initiative.  |
| \$ 32,178                                | —to continue current program, including annualization of prior year expansion.   | 1,590      | —impact of administrative and other cash flow initiatives.  |
| 10,349                                   | —nonrecurring prior year federal Balancing Incentive Program initiative.   | 1,712      | —revision of federal financial participation from 51.82% to 52.01%.   |
| 1,112                                    | —impact of administrative and other cash flow initiatives.   | –1,553     | —nonrecurring prior year costs.   |
| 56,909                                   | —reflects impact of decrease in available Lottery Funds.   | 13,761     | —Initiative—Rebalancing Long-Term Care Options. To provide home and community-based services to 1,140 additional individuals with disabilities. |
| 1,960                                    | —reflects impact of decrease in available Tobacco Settlement Funds.  |            |   |
| 2,204                                    | —revision of federal financial participation from 51.82% to 52.01%.  |            |   |
| –4,671                                   | —nonrecurring prior year costs.  | \$ 35,386  | <b>Appropriation Increase</b>   |
| 13,214                                   | —Initiative—Rebalancing Long-Term Care Options. To provide home and community-based services to 1,764 additional older Pennsylvanians. |            |   |
|  |  | \$ 7,171   | <b>Attendant Care</b>   |
|  |  | 5,279      | —to continue current program, including annualization of prior year expansion.  |
|  |  | 3,314      | —impact of administrative and other cash flow initiatives.  |
| \$ 113,255                               | <b>Appropriation Increase</b>  | 662        | —nonrecurring prior year federal Balancing Incentive Program initiative.  |
|  |  |            | —revision of federal financial participation from 51.82% to 52.01%.   |
|  |  | –6,551     | —nonrecurring prior year costs.   |
|  |  | 2,359      | —Initiative—Rebalancing Long-Term Care Options. To provide home and community-based services to 324 additional individuals with disabilities.   |
|  |  | \$ 12,234  | <b>Appropriation Increase</b>   |
|  |  |            |   |
|  |  |            | <b>LOTTERY FUND</b>   |
|  |  |            | <b>Medical Assistance - Long-Term Care</b>  |
|  |  | \$ –25,000 | —decrease in Lottery Funds available for transfer.  |
|  |  |            |   |
|  |  |            | <b>Home and Community-Based Services</b>  |
|  |  | \$ –56,909 | —decrease in Lottery Funds available for transfer.  |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                       |                   |                      |                   |                      |                      |                      |                      |
| Long-Term Care.....                        | \$ 820,409        | \$ 806,577           | \$ 942,117        | \$ 956,249           | \$ 970,593           | \$ 985,152           | \$ 999,929           |
| Home and Community - Based Services...     | 225,008           | 127,974              | 241,229           | 253,290              | 265,955              | 279,253              | 293,215              |
| Long-Term Care Managed Care.....           | 86,917            | 99,252               | 105,346           | 110,614              | 116,145              | 121,952              | 128,049              |
| Services to Persons with Disabilities..... | 233,104           | 267,593              | 302,979           | 318,128              | 334,034              | 350,736              | 368,273              |
| Attendant Care .....                       | 116,084           | 132,897              | 145,131           | 156,741              | 169,281              | 182,823              | 197,449              |
| TOTAL GENERAL FUND.....                    | \$ 1,481,522      | \$ 1,434,293         | \$ 1,736,802      | \$ 1,795,022         | \$ 1,856,008         | \$ 1,919,916         | \$ 1,986,915         |
| <b>LOTTERY FUND:</b>                       |                   |                      |                   |                      |                      |                      |                      |
| Medical Assistance - Long-Term Care.....   | \$ 309,081        | \$ 334,081           | \$ 309,081        | \$ 309,081           | \$ 309,081           | \$ 309,081           | \$ 309,081           |
| Home and Community-Based Services ....     | 21,000            | 162,577              | 105,668           | 105,668              | 105,668              | 105,668              | 105,668              |
| TOTAL LOTTERY FUND .....                   | \$ 330,081        | \$ 496,658           | \$ 414,749        | \$ 414,749           | \$ 414,749           | \$ 414,749           | \$ 414,749           |

## Program: Income Maintenance

*Goal: To promote personal and parental responsibility and encourage economic independence and self-sufficiency through temporary cash assistance, job training and child care for families or individuals.*

The broad purpose of public assistance is to provide temporary support to families in transition from dependency to economic self-sufficiency. Support may include limited education, job training and placement assistance, child care, transportation, other support services and cash assistance.

### **Program Element: Income Assistance**

Caseworkers in the county assistance offices (CAOs) review financial and non-financial criteria with applicants of Temporary Assistance for Needy Families (TANF), Medical Assistance (MA) and the Supplemental Nutrition Assistance Program (SNAP) to determine eligibility for benefits.

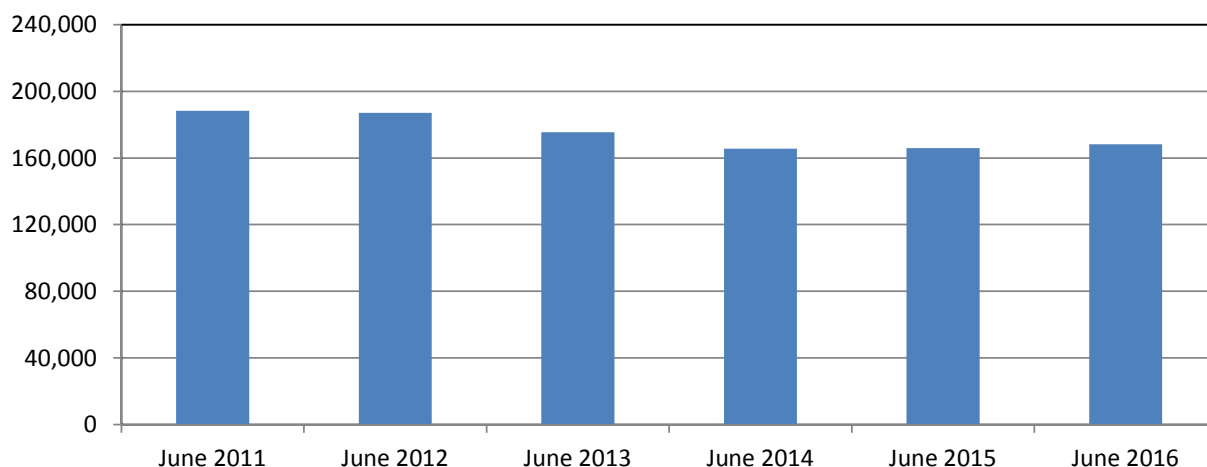
The TANF program provides state and federal funds for temporary cash support for families in transition to self-sufficiency. TANF cash assistance is provided for a limited time to people who meet income and resource guidelines and who comply with work activity requirements or other requirements that are included on their Agreement of Mutual Responsibility (AMR). As a condition of eligibility for TANF cash assistance, adult recipients 18 years of age and older are required to sign and comply with the economic self-sufficiency plan in their AMR. The AMR outlines the steps the individual will take and the services the CAO caseworkers will provide to enable the family to become independent from public assistance. After assessing potential barriers to employment, most adult assistance

recipients are required to take realistic, concrete steps that will lead to increased success in the workplace. Able-bodied adults are required to either work or participate in an approved work-related activity. Adults disabled to the extent that substantial gainful employment is not possible are required to cooperate in applying for federal benefits.

Federal regulations place a five-year lifetime limit on TANF cash assistance for most adult recipients and allow a hardship exemption for up to 20 percent of the TANF caseload. The department has implemented regulations that define the hardship exemption and make provisions for extending the time period for a family with multiple barriers to employment that prevent the ability to reach self-sufficiency within the five-year limit.

The Low-Income Home Energy Assistance Program (LIHEAP) is a 100 percent federally funded program that assists eligible households by providing funds to offset the burden of high energy costs. LIHEAP also provides funds in heating crisis situations, arranges and pays for emergency deliveries, expedites payments to avoid utility shut offs and provides furnace repairs through other agencies. The eligibility standard includes every household member's income and is subject to annual revision based on the availability of funds. Payments are made to energy suppliers on behalf of persons responsible for paying heating costs or directly to those households where home heating is included in the rent.

### **Cash Grants (TANF Caseload)**





**Program: Income Maintenance (continued)**

The Supplemental Security Income (SSI) program provides aged, blind and disabled persons with a monthly payment based on nationally uniform eligibility standards. Presently, the monthly federal benefit rate for individuals is \$733 and \$1,100 for couples. Pennsylvania contributes a supplemental grant of \$22.10 for an individual and \$33.30 for couples to SSI recipients. The department is responsible for directly issuing the state supplemental grants to most SSI recipients. A special monthly state supplement is paid to SSI-eligible persons in domiciliary care facilities and personal care homes. For SSI residents in personal care homes, the minimum personal care allowance is \$85 a month.

The department also administers a disability advocacy program to assist mentally and physically disabled individuals in establishing their eligibility for federal SSI benefits.

**Program Element: Employment, Training and Work Supports**

The employment and training program, known as the Road to Economic Self-Sufficiency through Employment and Training (RESET), assists clients to enter the workforce and achieve economic independence. Pennsylvania's employment and training program emphasizes that the responsibility for self-sufficiency belongs to the client. Pennsylvania adopted a "Work First" approach to helping our clients succeed and end dependency on public support. Job retention and case management services are also offered to help individuals retain employment.

In order to meet the employment needs of Pennsylvania's diverse assistance population, the department operates the Employment, Advancement and Retention Network (EARN) through local employment and training service providers. EARN offers a full array of employment and training services designed to help recipients secure and retain employment and advance in their work career. The focus of all programming is to decrease dependency on public assistance and move towards self-sufficiency. Keystone Education Yields Success (KEYS) is a collaborative program between the department and Pennsylvania's community colleges designed to assist TANF recipients and, as funding permits, SNAP recipients in attending Pennsylvania's community colleges. KEYS is designed for students taking short term programs lasting no more than 12 months. Work Ready provides services to help clients stabilize barriers that hinder them from achieving self-sufficiency.

Supportive services are also provided to facilitate an assistance client's transition to independence. The special allowances are used to support individuals as they pursue their education, job skills training or employment goals through an approved employment and training program. The CAO may approve a special allowance for items such as books, clothing, equipment and tools. Transportation allowances may be provided when required to allow a participant to accept and maintain education, employment or training.

**Program Element: Child Support Enforcement**

Child Support Enforcement program services are provided at the local level through cooperative agreements with the county Courts of Common Pleas and the county commissioners. The services include the establishment of paternity for a child born outside of marriage; the determination, establishment and enforcement of a financial child support obligation paid by the noncustodial parent to meet the ongoing daily needs of the child; and the procurement of medical support, including health insurance and/or the reimbursement of uninsured child's medical expenses.

Child support enforcement services are available to children from birth to age 18 or until the child graduates from high school or becomes emancipated. The court may require child support to be paid for an individual over the age of 18 if extraordinary needs – excluding college tuition – exist. A designated portion of child support paid on behalf of a child receiving TANF benefits is passed through to the custodial parent and any residual amount is assigned to the department to reimburse cash assistance benefits issued to the child's family.

Federal funding of the state's Child Support Enforcement program is based on its performance in establishing paternity and court orders for support, as well as collection of the ordered child support amounts. Pennsylvania's program exceeds federal standards: collection of current support and cases paying on arrears are both 83 percent – the highest percentage of any state in the nation. Pennsylvania is the first state in the nation to meet and exceed the five federal performance standards for establishment of paternity, establishment of court orders for child support, collection of current support, cases paying on arrears and administrative cost effectiveness. In addition, more than 90 percent of children receiving support currently have health insurance or other means of medical support.

## Program: Income Maintenance (continued)

## Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|  |  |  |                                |
|--|--|--|--------------------------------|
| <b>County Administration-Statewide</b> |  | <b>New Directions</b>                              |                                |
| \$ 4,599                               | —to continue current program.  | \$ 1,613   | —to continue current program.  |
| 3,979                                  | —costs related to the Department of General Services Annex Complex move. |  |                                |
| <u>\$ 8,578</u>                        | <i>Appropriation Increase</i>  |  |                                |
| <b>County Assistance Offices</b>       |  | <b>Supplemental Grants - Aged, Blind, Disabled</b> |                                |
| \$ 23,267                              | —to continue current program.  |  | —impact of caseload increases. |
| -969                                   | —to reflect change in federal earnings.                                  | \$ 2,307   |                                |
| <u>\$ 22,298</u>                       | <i>Appropriation Increase</i>  |  |                                |
| <b>Child Support Enforcement</b>       |  |  |                                |
| \$ -1,101                              | —reduction in administrative costs.                                      |  |                                |
| -940                                   | —to reflect change in federal earnings.                                  |  |                                |
| <u>\$ -2,041</u>                       | <i>Appropriation Decrease</i>  |  |                                |

The Cash Grants appropriation is recommended at the current year funding level.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                                    |                   |                      |                   |                      |                      |                      |                      |
| County Administration - Statewide.....                  | \$ 25,758         | \$ 33,367            | \$ 41,945         | \$ 43,413            | \$ 44,498            | \$ 45,610            | \$ 46,750            |
| County Assistance Offices.....                          | 271,983           | 314,496              | 336,794           | 348,582              | 357,297              | 366,229              | 375,385              |
| Child Support Enforcement .....                         | 13,200            | 13,815               | 11,774            | 12,186               | 12,491               | 12,803               | 13,123               |
| New Directions .....                                    | 17,159            | 22,497               | 24,110            | 24,954               | 25,578               | 26,217               | 26,872               |
| Cash Grants .....                                       | 52,690            | 45,457               | 45,457            | 45,457               | 45,457               | 45,457               | 45,457               |
| Supplemental Grants - Aged, Blind<br>and Disabled ..... | 138,764           | 137,656              | 139,963           | 139,963              | 139,963              | 139,963              | 139,963              |
| <b>TOTAL GENERAL FUND .....</b>                         | <b>\$ 519,554</b> | <b>\$ 567,288</b>    | <b>\$ 600,043</b> | <b>\$ 614,555</b>    | <b>\$ 625,284</b>    | <b>\$ 636,279</b>    | <b>\$ 647,550</b>    |

## Program: Mental Health

*Goal: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.*

This program provides for an integrated behavioral health system addressing mental health treatment and support services as well as substance abuse services. The objective of these services is to promote individual movement toward recovery. The department seeks to ensure that there is a combined approach to the delivery and the financing of behavioral health services. The department administers community mental health funds, Behavioral Health Services Initiative (BHSI) funds for both mental health and substance abuse services, Act 152 funds that provide non-hospital residential substance abuse services and federal grant funds. The department oversees the Medicaid HealthChoices Behavioral Health Managed Care program either through county contracts or by direct contract with a behavioral health managed care organization. The department manages the delivery of community mental health services administered by counties under the Pennsylvania Mental Health and Intellectual Disability Act of 1966 (MH/ID Act of 1966), as amended by Act 105 of 2011 and Act 80 of 2012 and the Mental Health Procedures Act of 1976. Direct mental health treatment services are currently provided through six state-operated hospitals and one restoration (long-term care) center.

### **Program Element: Community Mental Health Services**

The MH/ID Act of 1966 requires county governments to provide an array of community-based mental health services, including unified intake, community consultation and education, support for families caring for members with mental disorders and community residential programs. Community services are targeted to adults with serious mental illness and children and adolescents with or at risk of serious emotional disturbance. Key provisions of service include recovery-oriented treatment, community care and support services that enable individuals to live in the community and lead independent and productive lives. Non-residential services include family-based support, outpatient care, partial hospitalization, emergency and crisis intervention, peer to peer support and after care. Community residential services include housing support, residential treatment, inpatient care, crisis services and mobile therapy. Services are administered by single counties, county jointers or through contracts with private, nonprofit organizations or agencies. Services, with some exceptions, are funded with state, federal and/or county matching funds.

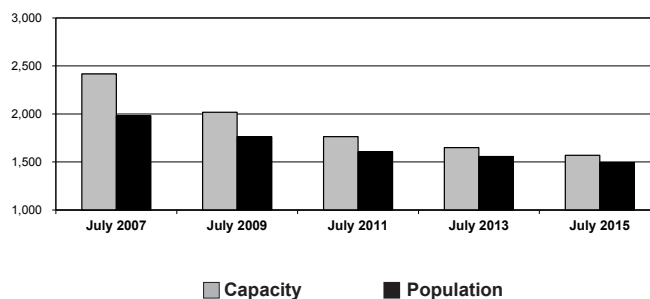
### **Program Element: Substance Abuse Services**

The department is responsible for the oversight and administration of BHSI funding. Substance abuse treatment services are provided to individuals with severe addictive disorders (including co-occurring mental health disorders) who are uninsured, who do not have insurance that covers the service needed or who cannot obtain Medical Assistance benefits. Services available include the full continuum of treatment, as well as case management services, to assist this population with access to and retention in treatment to promote recovery.

### **Program Element: State Mental Hospitals**

State mental hospitals provide long-term inpatient care for individuals who require intensive treatment. Additionally, they provide specialized inpatient care for the adolescent, criminal and elderly (long-term) populations. A unit for the treatment of violent sexual predators, whose commitment in the Youth Development Center system terminates at age 21, was established as mandated in Act 21 of 2003. To move individuals into the most integrated setting, efforts continue to assess and transfer individuals to community mental health programs, where services are provided in a less restrictive setting through the Community/Hospital Integration Projects Program (CHIPPs).

**Mental Hospitals  
Population Compared to Capacity**



*The population at state mental hospitals has declined by 491 individuals (or 25 percent) since July of 2007, as more people receive mental health services in the community. During that same period, capacity at the state mental hospitals has declined by 846 beds (or 35 percent).*



## Program: Mental Health (continued)

## Expenditures by Hospital, Restoration Center and Community Programs

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget |                            | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget |
|--|-------------------|----------------------|-------------------|----------------------------|-------------------|----------------------|-------------------|
| <b>Allentown</b>                               |                   |                      |                   | <b>Warren</b>              |                   |                      |                   |
| State Funds.....                               | \$ 2,438          | \$ 2,130             | \$ 2,340          | State Funds.....           | \$ 24,771         | \$ 25,198            | \$ 27,954         |
| Federal Funds.....                             | 0                 | 0                    | 0                 | Federal Funds.....         | 18,550            | 20,700               | 20,700            |
| Augmentations.....                             | 0                 | 0                    | 0                 | Augmentations.....         | 1,737             | 1,560                | 1,700             |
| TOTAL.....                                     | <u>\$ 2,438</u>   | <u>\$ 2,130</u>      | <u>\$ 2,340</u>   | TOTAL.....                 | <u>\$ 45,058</u>  | <u>\$ 47,458</u>     | <u>\$ 50,354</u>  |
| <b>Clarks Summit</b>                           |                   |                      |                   | <b>Wernersville</b>        |                   |                      |                   |
| State Funds.....                               | \$ 15,880         | \$ 27,822            | \$ 31,123         | State Funds.....           | \$ 30,488         | \$ 35,061            | \$ 39,914         |
| Federal Funds.....                             | 31,100            | 22,700               | 22,700            | Federal Funds.....         | 29,014            | 20,700               | 27,378            |
| Augmentations.....                             | 1,589             | 1,579                | 1,590             | Augmentations.....         | 1,786             | 1,739                | 1,778             |
| TOTAL.....                                     | <u>\$ 48,569</u>  | <u>\$ 52,101</u>     | <u>\$ 55,413</u>  | TOTAL.....                 | <u>\$ 61,288</u>  | <u>\$ 57,500</u>     | <u>\$ 69,070</u>  |
| <b>Danville</b>                                |                   |                      |                   | <b>Administrative Cost</b> |                   |                      |                   |
| State Funds.....                               | \$ 13,786         | \$ 22,281            | \$ 24,578         | State Funds.....           | \$ 4,877          | \$ 5,140             | \$ 5,358          |
| Federal Funds.....                             | 26,500            | 22,200               | 22,200            | Federal Funds.....         | 0                 | 0                    | 0                 |
| Augmentations.....                             | 876               | 1,040                | 863               | Augmentations.....         | 0                 | 0                    | 0                 |
| TOTAL.....                                     | <u>\$ 41,162</u>  | <u>\$ 45,521</u>     | <u>\$ 47,641</u>  | TOTAL.....                 | <u>\$ 4,877</u>   | <u>\$ 5,140</u>      | <u>\$ 5,358</u>   |
| <b>Norristown</b>                              |                   |                      |                   | <b>Community Programs</b>  |                   |                      |                   |
| State Funds.....                               | \$ 37,962         | \$ 35,117            | \$ 42,842         | State Funds.....           | \$ 501,480        | \$ 520,785           | \$ 551,434        |
| Federal Funds.....                             | 35,300            | 35,700               | 35,700            | Federal Funds.....         | 69,387            | 73,232               | 62,127            |
| Augmentations.....                             | 1,086             | 1,310                | 1,010             | Augmentations.....         | 0                 | 0                    | 0                 |
| TOTAL.....                                     | <u>\$ 74,348</u>  | <u>\$ 72,127</u>     | <u>\$ 79,552</u>  | TOTAL.....                 | <u>\$ 570,867</u> | <u>\$ 594,017</u>    | <u>\$ 613,561</u> |
| <b>South Mountain State Restoration Center</b> |                   |                      |                   | <b>Budgetary Reserve</b>   |                   |                      |                   |
| State Funds.....                               | \$ 12,965         | \$ 15,329            | \$ 16,639         | State Funds.....           | \$ 0              | \$ 1,575             | \$ 0              |
| Federal Funds.....                             | 12,550            | 14,400               | 14,400            | Federal Funds.....         | 6,036             | 6,000                | 0                 |
| Augmentations.....                             | 1,942             | 1,450                | 1,789             | Augmentations.....         | 0                 | 0                    | 0                 |
| TOTAL.....                                     | <u>\$ 27,457</u>  | <u>\$ 31,179</u>     | <u>\$ 32,828</u>  | TOTAL.....                 | <u>\$ 6,036</u>   | <u>\$ 7,575</u>      | <u>\$ 0</u>       |
| <b>Torrance</b>                                |                   |                      |                   |                            |                   |                      |                   |
| State Funds.....                               | \$ 37,564         | \$ 41,146            | \$ 45,130         |                            |                   |                      |                   |
| Federal Funds.....                             | 35,900            | 34,200               | 34,200            |                            |                   |                      |                   |
| Augmentations.....                             | 968               | 1,210                | 970               |                            |                   |                      |                   |
| TOTAL.....                                     | <u>\$ 74,432</u>  | <u>\$ 76,556</u>     | <u>\$ 80,300</u>  |                            |                   |                      |                   |

## Program: Mental Health (continued)

### Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year

| State Mental Hospitals | Population<br>July 2013 | Population<br>July 2014 | Projected<br>Population<br>July 2015 | Projected<br>Bed<br>Capacity<br>July 2015 | Projected<br>Percentage<br>of Capacity<br>July 2015 |
|------------------------|-------------------------|-------------------------|--------------------------------------|---|---|
| Clarks Summit.....     | 216                     | 203                     | 203                                  | 208                                       | 97.6%   |
| Danville.....          | 166                     | 168                     | 160                                  | 170                                       | 94.1%   |
| Norristown.....        | 262                     | 252                     | 246                                  | 265                                       | 92.8%   |
| South Mountain.....    | 143                     | 151                     | 151                                  | 159                                       | 95.0%   |
| Torrance.....          | 330                     | 329                     | 328                                  | 340                                       | 96.5%   |
| Warren.....            | 182                     | 168                     | 146                                  | 162                                       | 90.1%   |
| Wernersville.....      | 258                     | 256                     | 256                                  | 266                                       | 96.2%   |
| <b>TOTAL.....</b>      | <b>1,557</b>            | <b>1,527</b>            | <b>1,490</b>                         | <b>1,570</b>                              | <b>94.9%</b>  |

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| Mental Health Services |  | Behavioral Health Services |  |
|------------------------|--|----------------------------|--|
| \$ 24,700              | —to continue current program.  | \$ 2,500                   | —Initiative—Combating the Heroin Epidemic. To provide additional services to address heroin and opioid addiction.  |
| 6,713                  | —to annualize previous program revisions providing expanded community services.  |                            |  |
| 1,000                  | —to reflect change in federal earnings.  | 1,597                      | —Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. |
| 264                    | —Costs related to the Department of General Services Annex Complex move.   |                            |  |
| 4,725                  | —Initiative—Human Services Waiting List Reductions. To provide home and community-based services for 90 individuals currently residing in state hospitals.   |                            |  |
| 18,326                 | —Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. | \$ 4,097                   | <i>Appropriation Increase</i>  |
| <b>\$ 55,728</b>       | <i>Appropriation Increase</i>  |                            |  |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|----------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>             |                   |                      |                   |                      |                      |                      |                      |
| Mental Health Services.....      | \$ 682,211        | \$ 731,584           | \$ 787,312        | \$ 833,194           | \$ 872,350           | \$ 894,159           | \$ 916,513           |
| Behavioral Health Services ..... | 43,117            | 43,117               | 47,214            | 48,811               | 50,408               | 50,408               | 50,408               |
| <b>TOTAL GENERAL FUND .....</b>  | <b>\$ 725,328</b> | <b>\$ 774,701</b>    | <b>\$ 834,526</b> | <b>\$ 882,005</b>    | <b>\$ 922,758</b>    | <b>\$ 944,567</b>    | <b>\$ 966,921</b>    |

## Program: Intellectual Disabilities

*Goal: To maximize each individual's capacity for more independent living and participation in community life by providing needed training and support services.*

The Department of Human Services supports a comprehensive array of services for people with intellectual disabilities including community residential and non-residential programs provided through the home and community-based waiver programs and the base program. Services are also provided in state operated institutions and private intermediate care facilities for the intellectually disabled (ICF/IDs). In addition to state and federal funding, local funding is provided for the community base program as required by the Mental Health and Intellectual Disability Act of 1966, as amended by Act 105 of 2011 (MH/ID Act).

The program for people with intellectual disabilities has evolved from a system of large congregate residential facilities to a flexible and dynamic system of community supports and services tailored to the needs of persons living in the community. The trend toward enhancing the natural supports that exist in the family and the community continues to define services.

The department provides services to enhance the quality of life and promote independence for Pennsylvanians living with autism, a lifelong neurobiological disorder.

### **Program Element: Institutional Services**

The department provides institutional care funding for people with intellectual disabilities. Services are offered through five public state centers whose primary goal is to develop residents' abilities to function more independently in preparation for living in a less restrictive environment. All facilities are currently certified for Medical Assistance (MA) under standards established by the Centers for Medicare & Medicaid Services. Private ICF/IDs provide the same intensive habilitative services to persons with intellectual disabilities. Large facilities are single or multiple buildings on campus-like sites accommodating nine persons or more while small facilities must be located in the community and serve four to eight persons.

### **Program Element: Intellectual Disabilities – Community Services**

The MH/ID Act provides the statutory basis, along with the Medicaid Consolidated and Person Family Directed/Support waivers, for the development of community-based services for persons with intellectual disabilities. Community living arrangements include group homes, apartments with or without a roommate and life-sharing settings with family or others. Day services such as supported employment, pre-vocational programs, adult training and home and community habilitation are provided for people living in the community based on individual need. Other services available include transportation, environmental accessibility modifications, adaptive appliances/equipment, specialized therapies and nursing, and educational support. Respite services are also available for families of people with intellectual disabilities.

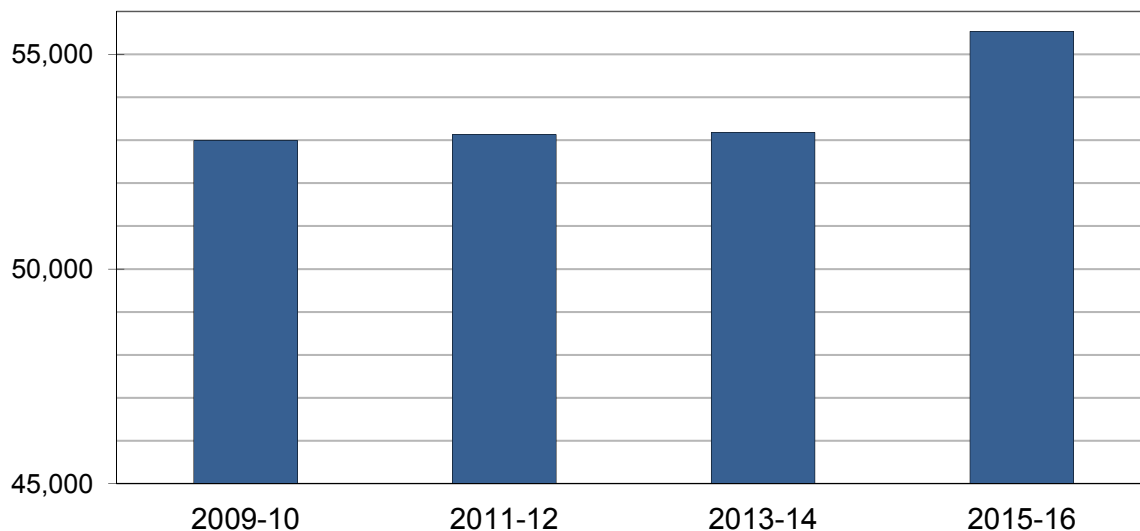
### **Program Element: Services for Individuals with Autism**

The department provides funding for a statewide program to support the needs of Pennsylvanians living with autism spectrum disorders. The department developed and administers two direct services programs for adults with autism - the Adult Community Autism Program and the Adult Autism Waiver program. Both programs are outcome-based and have been designed to assist participants in gaining the greatest level of independence possible, encourage involvement in community life, improve social skills and provide support to caregivers. In addition, the department supports people with autism of all ages through the Autism Service, Education, Research, and Training (ASERT) regional collaboratives, the development of crisis programs to support individuals in need of acute intervention, family support programs, and training programs to increase provider capacity. The three ASERT collaboratives work to improve regional access to quality services and interventions, provide information and support to families, train professionals in best practices and facilitate program development.

## Program: Intellectual Disabilities (continued)

### Intellectual Disabilities - Community Services

People Served



The number of individuals with intellectual disabilities receiving community services has increased over 2,546 since 2009-10.

### State Centers Population for the Prior, Current and Upcoming Years

|                               | Population<br>July 2013 | Population<br>July 2014 | Projected<br>Population<br>July 2015 | Projected<br>Bed<br>Capacity<br>July 2015 | Projected<br>Percent<br>Capacity<br>July 2015 |
|-------------------------------|-------------------------|-------------------------|--------------------------------------|---|---|
| <b>State Centers</b>          |                         |                         |                                      |   |   |
| Ebensburg.....                | 252                     | 246                     | 223                                  | 249                                       | 89.6%   |
| Hamburg.....                  | 104                     | 100                     | 91                                   | 186                                       | 48.9%   |
| Polk.....                     | 267                     | 257                     | 234                                  | 521                                       | 44.9%   |
| Selinsgrove.....              | 277                     | 257                     | 234                                  | 564                                       | 41.5%   |
| White Haven.....              | 145                     | 135                     | 123                                  | 275                                       | 44.7%   |
| <b>TOTAL STATE CENTERS...</b> | <b>1,045</b>            | <b>995</b>              | <b>905</b>                           | <b>1,795</b>                              | <b>50.4%</b>                                  |

## Program: Intellectual Disabilities (continued)

Expenditures by State Center  
(Dollar Amounts in Thousands)

|                    | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget |                          | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget |
|--------------------|-------------------|----------------------|-------------------|--------------------------|-------------------|----------------------|-------------------|
| <b>Ebensburg</b>   |                   |                      |                   | <b>Selinsgrove</b>       |                   |                      |                   |
| State funds.....   | \$ 26,266         | \$ 29,412            | \$ 31,865         | State funds.....         | \$ 29,869         | \$ 33,800            | \$ 36,065         |
| Federal funds..... | 34,699            | 36,598               | 38,650            | Federal funds.....       | 39,754            | 42,476               | 44,297            |
| Augmentations..... | 6,770             | 6,764                | 6,738             | Augmentations.....       | 7,605             | 7,290                | 7,232             |
| TOTAL.....         | <u>\$ 67,735</u>  | <u>\$ 72,774</u>     | <u>\$ 77,253</u>  | TOTAL.....               | <u>\$ 77,228</u>  | <u>\$ 83,566</u>     | <u>\$ 87,594</u>  |
| <b>Embreeville</b> |                   |                      |                   | <b>White Haven</b>       |                   |                      |                   |
| State funds.....   | \$ 0              | \$ 0                 | \$ 0              | State funds.....         | \$ 17,422         | \$ 19,349            | \$ 20,996         |
| Federal funds..... | 0                 | 0                    | 0                 | Federal funds.....       | 22,341            | 23,152               | 24,523            |
| Augmentations..... | 0                 | 0                    | 0                 | Augmentations.....       | 3,984             | 3,943                | 3,913             |
| TOTAL.....         | <u>\$ 0</u>       | <u>\$ 0</u>          | <u>\$ 0</u>       | TOTAL.....               | <u>\$ 43,747</u>  | <u>\$ 46,444</u>     | <u>\$ 49,432</u>  |
| <b>Hamburg</b>     |                   |                      |                   | <b>Non-Facility</b>      |                   |                      |                   |
| State funds.....   | \$ 14,514         | \$ 16,084            | \$ 17,261         | State funds.....         | \$ 793            | \$ 876               | \$ 1,012          |
| Federal funds..... | 18,753            | 18,819               | 19,796            | Federal funds.....       | 0                 | 0                    | 0                 |
| Augmentations..... | 2,874             | 2,998                | 2,957             | Augmentations.....       | 0                 | 0                    | 0                 |
| TOTAL.....         | <u>\$ 36,141</u>  | <u>\$ 37,901</u>     | <u>\$ 40,014</u>  | TOTAL.....               | <u>\$ 793</u>     | <u>\$ 876</u>        | <u>\$ 1,012</u>   |
| <b>Polk</b>        |                   |                      |                   | <b>Budgetary Reserve</b> |                   |                      |                   |
| State funds.....   | \$ 27,905         | \$ 31,493            | \$ 33,980         | State funds.....         | \$ 0              | \$ 1,970             | \$ 0              |
| Federal funds..... | 37,295            | 39,428               | 41,571            | Federal funds.....       | 0                 | 9,641                | 5,000             |
| Augmentations..... | 7,430             | 7,079                | 7,075             | Augmentations.....       | 0                 | 0                    | 0                 |
| TOTAL.....         | <u>\$ 72,630</u>  | <u>\$ 78,000</u>     | <u>\$ 82,626</u>  | TOTAL.....               | <u>\$ 0</u>       | <u>\$ 11,611</u>     | <u>\$ 5,000</u>   |

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|   |   |            |  |
|---|---|------------|--|
| <b>Intellectual Disabilities - State Centers</b>                |   | 4,832      | —Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. |
| \$ 6,826  | —to continue current program.   |            |  |
| 956   | —revision of federal financial participation from 51.82% to 52.01%.   |            |  |
| 447   | —impact of decrease in federal funding and other revenue.   |            |  |
| —34   | —Initiative—Human Services Waiting List Reductions. To provide home and community-based services for 75 individuals with intellectual disabilities currently residing in state centers. |            |  |
|   |   | \$ 4,034   | <i>Appropriation Increase</i>  |
| <b>Intellectual Disabilities - Intermediate Care Facilities</b> |   |            | <b>Intellectual Disabilities - Community Waiver Program</b>  |
| \$ 1,521  | —to continue current program.   | \$ 28,243  | —increase in utilization and costs.  |
| 4,803   | —prior year settlements and appeals.  | 12,880     | —to annualize previous program revisions providing enhanced community services.  |
| 1,033   | —revision of federal financial participation from 51.82% to 52.01%.   | 5,071      | —to reflect individuals transferring from the ICF/ID and Community Base programs.  |
| —3,691  | —to reflect individuals transferring to the community program.  | 31,632     | —nonrecurring prior year federal Balancing Incentive Program initiative.   |
|   |   | 13,512     | —nonrecurring prior year carryover funds.  |
|   |   | 6,834      | —revision of federal financial participation from 51.82% to 52.01%.  |
| \$ 3,666  | <i>Appropriation Increase</i>   | 18,699     | —prior year settlements and appeals.   |
| <b>Intellectual Disabilities - Community Base Program</b>       |   | 952        | —Initiative—Human Services Waiting List Reductions. To provide home and community-based services for 75 individuals with intellectual disabilities currently residing in state centers.  |
| \$ —1,356   | —to reflect individuals transferring to the community program.  |            |  |
| 58  | —revision of federal financial participation from 51.82% to 52.01%.   | 18,878     | —Initiative—Human Services Waiting List Reductions. To provide home and community-based services for 1,000 individuals who are on the waiting list or are students graduating from Special Education.  |
| 500   | —Initiative—Human Services Enhancement. To provide additional supports to promote competitive employment opportunities for individuals with intellectual disabilities.                  |            |  |
|   |   | \$ 136,701 | <i>Appropriation Increase</i>  |

## Program: Intellectual Disabilities (continued)

### Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

|   |   |
|---|---|
| <b>Autism Intervention and Services</b> |   |
| \$ -668                                 | —to continue current program.   |
| 1,349                                   | —to annualize previous program revisions providing enhanced services.   |
| 298                                     | —nonrecurring prior year federal Balancing Incentive Program initiative.  |
| 120                                     | —revision of federal financial participation from 51.82% to 52.01%.   |
| -1,130                                  | —funding reduction.   |
| 372                                     | —Initiative—Human Services Waiting List Reductions. To provide home and community-based services for 50 additional adults with autism spectrum disorders. |
| <u>\$ 341</u>                           | <i>Appropriation Increase</i>   |

The Intellectual Disabilities - Lansdowne Residential Services appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>  |                     |                      |                     |                      |                      |                      |                      |
| Intellectual Disabilities - State Centers .....                     | \$ 116,769          | \$ 132,984           | \$ 141,179          | \$ 146,120           | \$ 149,773           | \$ 153,517           | \$ 157,355           |
| Intellectual Disabilities - Intermediate<br>Care Facilities .....   | 149,576             | 152,298              | 155,964             | 155,964              | 155,964              | 155,964              | 155,964              |
| Intellectual Disabilities - Community<br>Base Program .....         | 150,918             | 149,681              | 153,715             | 158,547              | 163,379              | 163,379              | 163,379              |
| Intellectual Disabilities - Community<br>Waiver Program .....       | 1,026,790           | 1,074,887            | 1,211,588           | 1,283,885            | 1,393,015            | 1,511,421            | 1,639,892            |
| Autism Intervention and Services .....                              | 16,487              | 19,169               | 19,510              | 20,253               | 20,253               | 20,253               | 20,253               |
| Intellectual Disabilities - Lansdowne<br>Residential Services ..... | 340                 | 340                  | 340                 | 340                  | 340                  | 340                  | 340                  |
| <b>TOTAL GENERAL FUND .....</b>                                     | <u>\$ 1,460,880</u> | <u>\$ 1,529,359</u>  | <u>\$ 1,682,296</u> | <u>\$ 1,765,109</u>  | <u>\$ 1,882,724</u>  | <u>\$ 2,004,874</u>  | <u>\$ 2,137,183</u>  |

## Program: Human Services

*Goal: To enhance the social and economic well-being of families and individuals through the provision of an array of services and support programs.*

The department operates a variety of programs designed to provide supportive services to people while they overcome an adverse behavior or circumstance that has affected their lives.

### **Program Element: Family Support Service**

The Department of Human Services and county governments are jointly responsible for providing quality, effective services to children who are in need of care and protection. These services are state supervised and county administered. Each county is responsible for developing and implementing a program of services designed to treat and prevent child abuse, neglect and exploitation, and to provide services that reduce dependency and delinquency. The County Children and Youth program includes services to families and children to enable children to safely remain in their own homes and communities and develop natural supports and resources to gain self-sufficiency. The safety of children is the paramount concern of this program. Policies and procedures have been instituted to protect children from harm and to minimize time in foster homes and institutions. Court oversight for children who have been abused and neglected has been increased and new emphasis has been placed on parental responsibility for children.

Counties provide services such as in-home services, temporary placement for children who cannot live with their own families, assistance to provide a permanent legal family for children who cannot be returned to their own families, adoption assistance, day treatment services, child protective services, emergency shelter, counseling and juvenile detention.

Special programs have been developed to support the delivery of services by county child welfare agencies. One program provides equalized access to adoption or permanency services for all eligible children through a statewide adoption network. This program includes services to children who are in foster placement and cannot be returned to their birth parents.

The courts may order any service or care for children who have been adjudicated dependent or delinquent. This may include youth adjudicated delinquent but remanded to private residential treatment programs. Treatment is reviewed on a periodic basis.

### **Program Element: Youth Development Service**

Pennsylvania's juvenile justice system is designed to minimize institutionalization while recognizing that confinement in a treatment environment is necessary for certain juveniles who pose a threat to themselves

or others. The court may sentence youth to either the Youth Development Center and Youth Forestry Camp (YDC/YFC) system or a private facility. Both systems provide residential programming in secure settings for Pennsylvania's serious juvenile offenders and those with serious at-risk behaviors. The purpose of the system is to bring about positive changes in the juveniles by helping them to develop skills and attitudes that will enable them to become responsible, productive members of society. Included in the YDC/YFC system are specialized treatment

| Administrative Complex       | Population<br>July 2013 | Population<br>July 2014 | Projected<br>Population<br>July 2015 | Projected<br>Capacity<br>July 2015 | Projected<br>Percentage<br>of Capacity<br>July 2015 |
|------------------------------|-------------------------|-------------------------|--------------------------------------|------------------------------------|---|
| YFC-Hickory Run.....         | 23                      | 28                      | 27                                   | 49                                 | 55.1%   |
| YFC-Trough Creek .....       | 30                      | 34                      | 36                                   | 50                                 | 72.0%   |
| Cresson .....                | 20                      | 28                      | 27                                   | 52                                 | 51.9%   |
| Loysville.....               | <u>218</u>              | <u>209</u>              | <u>219</u>                           | <u>271</u>                         | <u>80.8%</u>  |
| <b>Total Current Program</b> | <b><u>291</u></b>       | <b><u>299</u></b>       | <b><u>309</u></b>                    | <b><u>422</u></b>                  | <b><u>73.2%</u></b>                                 |

services for sex offenders, drug and alcohol abusers, emotionally disturbed youth and those with developmental disabilities.

The Master Case Planning System guides treatment of youth within the YDCs/YFCs. This system requires comprehensive diagnosis and assessment of each youth in care, development of an individualized treatment plan, implementation strategies, periodic reviews and revisions of each plan, and identification of aftercare needs. Individual and group counseling forms the core of the treatment process.

The YDCs/YFCs emphasize programs and activities designed to promote youth competency, victim awareness, social and financial restitution, and public safety and protection. Each program provides training and education in daily living skills. Many YDCs/YFCs also provide actual job training and work experience opportunities where youth may be paid. Youth are required to use a portion of their earnings for restitution.

Education is a major component of the YDC/YFC system. Each program includes both academic and vocational curricula. Educational diagnostic testing precedes all academic placements and is used in the development of Individual Education Plans for each youth.

### **Program Element: Family Planning and Breast Cancer Screening**

Family planning clinics provide educational, medical and social services to persons over age 16 to address contraceptive or infertility issues. Grants are provided to approximately 250 clinics across the state.



## Program: Human Services (continued)

Breast cancer screening for low-income women is directed toward those at high risk of developing breast cancer. The target group is new family planning clients, women 35 years and older, and women with a family history of breast cancer.

### **Program Element: Legal Services**

The department provides low-income individuals assistance with family, consumer, employment and other civil legal problems. The emphasis of the service delivery is to provide emergency legal services in situations that threaten the basic needs of individuals. These services do not include political activities or services in criminal matters.

### **Program Element: Domestic Violence and Rape Crisis**

Domestic violence services are provided through a contract with a statewide coalition, which in turn subcontracts for services at the local level. The services to victims of domestic violence include crisis intervention, counseling, victim advocacy, information and referral, and temporary shelter for victims and their dependent children. Prevention and education programs are provided by local groups to lessen the risk of domestic violence in the community.

Rape crisis services also are provided through a contract with a statewide coalition, which in turn subcontracts for services at the local level. Rape crisis programs provide crisis intervention services, counseling, victim advocacy, information and referral, and accompaniment through police, medical and judicial systems. Educational programs are provided to lessen the risk of sexual assault for adults and children in the community.

### **Program Element: Homeless Assistance**

The Homeless Assistance program operates through counties to provide temporary shelter to homeless individuals and rental assistance to those in immediate danger of becoming homeless. Shelter may be provided in large mass shelters or in hotels and motels through a voucher system.

Housing assistance can include a cash payment on behalf of an individual or family to prevent or end homelessness, or intervention to prevent homelessness where an eviction is imminent. In addition to preventing homelessness, housing assistance is available to move people out of temporary shelters into permanent housing.

Case management services are used to assure ongoing coordination with the client and to assist the client with activities needed for self-sufficient living.

Specialized residences for the mentally ill homeless are provided in a small number of counties with concentrations of these individuals. The program provides housing for an indefinite period of time, coupled with supportive services that will enable the client to move to a long-term semi-independent or independent living situation.

### **Program Element: Human Services Block Grant**

A 30 county program was implemented to provide local governments with increased flexibility to address local needs. As part of this program, funding for the following six programs is combined at the local level into a flexible Human Services Block Grant: community mental health services, behavioral health services, intellectual disability community base services, county child welfare special grants, homeless assistance programs and Act 152 drug and alcohol services. Funding continues to be provided from the individual appropriations.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|    |        |  |    |       |  |
|----|--------|--|----|-------|--|
| \$ | 4,090  | <b>Youth Development Institutions and Forestry Camps</b>   | \$ | 1,532 | <b>Domestic Violence</b>   |
|    |        | —to continue current program.  |    |       | —Initiative—Human Services Enhancement. To expand domestic violence programs and services.   |
|    |        |  |    |       |  |
|    |        |  |    |       |  |
| \$ | 23,878 | <b>County Child Welfare</b>  | \$ | 876   | <b>Rape Crisis</b>   |
|    |        | —for county needs-based budgets as mandated by Act 30 of 1991.   |    |       | —Initiative—Human Services Enhancement. To expand rape crisis programs and services.   |
|    |        | 15,000 —nonrecurring prior year federal funds.   |    |       |  |
|    |        | 1,466 —Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. |    |       |  |
| \$ | 40,344 |  | \$ | 499   | <b>Human Services Development Fund</b>   |
|    |        | <i>Appropriation Increase</i>  |    |       | —Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. |



## Program: Human Services (continued)

### Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

|    |       |  |
|----|-------|--|
|    |       | <b>Homeless Assistance</b>   |
| \$ | 1,000 | —Initiative—Human Services Enhancement. To provide additional services and supports to reduce homelessness for veterans.   |
|    | 685   | —Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. |
| \$ | 1,685 | <i>Appropriation Increase</i>  |

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                                    |                     |                      |                     |                      |                      |                      |                      |
| Youth Development Institutions and Forestry Camps ..... | \$ 55,217           | \$ 63,299            | \$ 67,389           | \$ 69,748            | \$ 71,492            | \$ 73,279            | \$ 75,111            |
| County Child Welfare .....                              | 1,055,029           | 1,081,466            | 1,121,810           | 1,123,276            | 1,124,742            | 1,124,742            | 1,124,742            |
| Domestic Violence .....                                 | 13,926              | 15,319               | 16,851              | 16,851               | 16,851               | 16,851               | 16,851               |
| Rape Crisis .....                                       | 7,966               | 8,763                | 9,639               | 9,639                | 9,639                | 9,639                | 9,639                |
| Breast Cancer Screening .....                           | 1,623               | 1,623                | 1,623               | 1,623                | 1,623                | 1,623                | 1,623                |
| Human Services Development Fund .....                   | 13,460              | 13,460               | 13,959              | 14,458               | 14,957               | 14,957               | 14,957               |
| Legal Services .....                                    | 2,461               | 2,461                | 2,461               | 2,461                | 2,461                | 2,461                | 2,461                |
| Homeless Assistance .....                               | 18,496              | 18,496               | 20,181              | 20,866               | 21,551               | 21,551               | 21,551               |
| <b>TOTAL GENERAL FUND .....</b>                         | <b>\$ 1,168,178</b> | <b>\$ 1,204,887</b>  | <b>\$ 1,253,913</b> | <b>\$ 1,258,922</b>  | <b>\$ 1,263,316</b>  | <b>\$ 1,265,103</b>  | <b>\$ 1,266,935</b>  |

## Program: Child Development

*Goal: To promote opportunities for all Pennsylvania children and families by building systems and providing supports that help ensure access to high-quality child and family services.*

The Department of Human Services, in conjunction with the Department of Education, promotes opportunities for all children and families by helping to ensure access to high-quality child and family services. The focus on effective prevention strategies and high-quality early childhood programs will help Pennsylvania mitigate the social and educational disparities of young children that influence their ability to attain economic independence and self-sufficiency as adults. In addition, research consistently shows that the economic and education benefits of quality early learning opportunities extend from participating children to their families and communities.

Keystone STARS remains one of the largest, most comprehensive, quality rating improvement systems in the nation. Keystone STARS expands the reach of high-quality early child care and education in Pennsylvania for at-risk children. This initiative is designed to increase future

graduation rates of at-risk children, decrease involvement in crime and its associated costs, and prepare children for successful lives. Quality early care and education is a bedrock of educational success.

The subsidized child care program allows children of families receiving cash assistance through the Temporary Assistance for Needy Families (TANF) program, families formerly receiving TANF and low-income families to access child care while their parents are attending training or working. The subsidy program uses both state and federal funds to supplement parental co-payments and encourages families to be self-supporting and self-sufficient. Families can select subsidized child care from various facilities including licensed centers, group child care homes, registered family child care homes and relatives or neighbors. Child care information service agencies offer families a choice of child care services and provide information/counseling on how to select quality early childhood services.

The Early Intervention program, for children from birth to age three, provides services and supports to children and their families to maximize the child's development and to decrease the need for special education. These services are provided to the child and family in the child's home, community center or early childhood education setting so that the child is well prepared for school and life success.

The department also provides programs that help parents improve their child-rearing skills. The Nurse Family Partnership program is designed to serve low-income, at-risk pregnant teens and young women expecting their first child. Registered nurses work with expectant mothers through the child's second birthday to encourage healthy pregnancies and promote healthy child development. Additional home visiting services are being provided under the federal Maternal Infant and Early Childhood Home Visiting grant program.

### Child Care Funding (Dollar Amounts in Thousands)

|   | 2015-16           |
|---|-------------------|
| <b>Low-Income Working Families</b>              |                   |
| State Funds <sup>1</sup> .....                  | \$ 155,691        |
| Federal Funds .....                             | 294,304           |
| Total .....                                     | <u>\$ 449,995</u> |
| <b>TANF Recipients / Former TANF Recipients</b> |                   |
| State Funds <sup>2</sup> .....                  | \$ 152,609        |
| Federal Funds .....                             | 163,918           |
| Other Funds .....                               | 1,646             |
| Total .....                                     | <u>\$ 318,173</u> |
| <b>Grand Total</b> .....                        | <u>\$ 768,168</u> |

<sup>1</sup> Child Care Services appropriation.

<sup>2</sup> Child Care Assistance appropriation.

## Program Recommendations:

This budget recommends the following changes:

All appropriations are recommended at the current year funding level.

This budget recommends the amount of \$17,805,000 in the CCDFBG - Child Care Services to provide subsidized child care services for approximately 3,600 additional children of low-income families.

This budget recommends the amount of \$6,156,000 in the CCDFBG - Child Care Services and \$5,244,000 in TANFBG - Child Care Assistance to provide increased tiered reimbursement rates for STAR 3 and STAR 4 programs to incentivize providers to reach higher STARS levels.

This budget recommends the amount of \$1,080,000 in the CCDFBG - Child Care Services and \$920,000 in TANFBG - Child Care Assistance to provide increased add-on rates for high-quality infant/toddler care.

## Program: Child Development (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                 |                   |                      |                   |                      |                      |                      |                      |
| Early Intervention.....              | \$ 131,831        | \$ 127,974           | \$ 127,974        | \$ 127,974           | \$ 127,974           | \$ 127,974           | \$ 127,974           |
| Community Based Family Centers ..... | 3,258             | 3,258                | 3,258             | 3,258                | 3,258                | 3,258                | 3,258                |
| Child Care Services.....             | 155,673           | 155,691              | 155,691           | 155,691              | 155,691              | 155,691              | 155,691              |
| Child Care Assistance .....          | 152,609           | 152,609              | 152,609           | 152,609              | 152,609              | 152,609              | 152,609              |
| Nurse Family Partnership.....        | 11,978            | 11,978               | 11,978            | 11,978               | 11,978               | 11,978               | 11,978               |
| TOTAL GENERAL FUND .....             | <u>\$ 455,349</u> | <u>\$ 451,510</u>    | <u>\$ 451,510</u> | <u>\$ 451,510</u>    | <u>\$ 451,510</u>    | <u>\$ 451,510</u>    | <u>\$ 451,510</u>    |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Program: Human Services Support****Objective: Maintain services and supports that will improve the cost effectiveness of human services programs.**

|   |           |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Third-party liability cases referred for recovery   | 22,422    | 25,900    | 27,200    | 28,600    | 30,000    | 31,500    | 31,500    |
| Total dollars recovered (in thousands)              | \$162,484 | \$176,200 | \$185,000 | \$194,300 | \$204,000 | \$214,000 | \$214,000 |
| Recipient appeals cases receiving final disposition | 122,783   | 150,000   | 175,000   | 200,000   | 225,000   | 225,000   | 225,000   |
| Provider appeals cases receiving final disposition  | 2,386     | 2,500     | 2,300     | 2,300     | 2,300     | 2,300     | 2,300     |
| On-line applications submitted through COMPASS      | 785,378   | 791,230   | 800,145   | 815,145   | 836,150   | 857,700   | 879,800   |

**Program: Medical Assistance****Objective: Maintain services and supports to eligible Pennsylvanians while helping them to improve their health and well-being.**

|  |           |           |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Persons participating in Medical Assistance (monthly average)  | 2,147,889 | 2,223,795 | 2,327,725 | 2,420,835 | 2,517,670 | 2,618,375 | 2,723,110 |
| Affordable Care Act - Newly eligible children formerly eligible for CHIP                                   | 9,561     | 39,280    | 40,850    | 41,260    | 41,670    | 42,090    | 42,510    |
| Medicaid Expansion - Newly eligible adults   | 0         | 302,590   | 623,330   | 642,030   | 661,300   | 681,130   | 681,130   |
| Medical Assistance recipients served (monthly average): Average managed care enrollment - physical health  | 1,590,694 | 1,831,630 | 2,235,475 | 2,324,895 | 2,417,890 | 2,514,605 | 2,615,190 |
| Medical Assistance recipients served (monthly average): Average HealthChoices behavioral health enrollment | 1,871,079 | 2,121,030 | 2,553,875 | 2,656,030 | 2,762,270 | 2,872,760 | 2,987,670 |

**Fee-for-Service (Population Only)**

Outpatient Services/visits per 1,000 enrollees:

|  |          |         |         |         |       |         |         |
|--|----------|---------|---------|---------|-------|---------|---------|
| Physician visits   | 827      | 810     | 820     | 830     | 840   | 850     | 850     |
| Clinic visits  | 441      | 370     | 400     | 430     | 460   | 500     | 500     |
| Emergency room visits                                    | 284      | 300     | 300     | 300     | 300   | 300     | 300     |
| Average prescriptions filled per enrollee per month      | 2.70     | 3       | 3       | 3       | 3     | 3       | 3       |
| Percentage of generic and over the counter prescriptions | 87%      | 90%     | 90%     | 90%     | 90%   | 90%     | 90%     |
| Percentage of brand name prescriptions filled            | 13%      | 10%     | 10%     | 10%     | 10%   | 10%     | 10%     |
| Average cost - generic and over the counter drugs        | \$12.26  | \$11.75 | \$11.50 | \$11.25 | \$11  | \$10.75 | \$10.75 |
| Average prescription cost - brand name                   | \$464.72 | \$520   | \$585   | \$655   | \$730 | \$820   | \$920   |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Inpatient Admissions per 1,000 enrollees:  |         |         |         |         |         |         |         |
| General hospital   | 107     | 100     | 90      | 90      | 80      | 80      | 80      |
| Rehabilitation hospital  | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Private psychiatric hospital   | 4       | 3       | 3       | 3       | 3       | 3       | 3       |
| <b>Capitation</b>  |         |         |         |         |         |         |         |
| Percentage of children from birth to 15 months visiting a physician 6 or more times in the past year | 65%     | 65.50%  | 66%     | 66.50%  | 67%     | 67.50%  | 68%     |
| Percentage of children age 12 to 24 months visiting a doctor or nurse in the past year               | 96.70%  | 97%     | 97.50%  | 98%     | 98.50%  | 99%     | 99.50%  |
| Percentage of children 25 months to 6 years visiting a doctor or nurse in the past year              | 88.20%  | 88.50%  | 89%     | 89.50%  | 90%     | 90.50%  | 91%     |
| Percentage of pregnant women who received over 80% of the recommended prenatal visits                | 72.80%  | 73.50%  | 74%     | 74.50%  | 75%     | 75.50%  | 76%     |
| <b>Transportation Program</b>  |         |         |         |         |         |         |         |
| One-way trips (in thousands)   | 8,943   | 9,250   | 10,150  | 10,150  | 10,150  | 10,150  | 10,150  |
| Cost per trip  | \$13.06 | \$13.70 | \$14    | \$14    | \$14    | \$14    | \$14    |
| <b>Medical Care for Workers with Disabilities</b>  |         |         |         |         |         |         |         |
| Recipients enrolled in program (monthly average)   | 34,933  | 39,190  | 42,475  | 45,290  | 47,270  | 48,755  | 50,075  |

Persons participating in Medical Assistance (monthly average) does not include Newly Eligible Children Formerly Eligible for CHIP nor Medicaid Expansion - Newly Eligible Adults.

**Program: Long Term Living**

**Objective: Maintain supports and services for older Pennsylvanians and persons with physical disabilities and increase the number of these persons that live in their communities, instead of institutions, through the effective delivery of needed community-based supports.**

**Long-Term Care**

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Recipients under age 60 receiving institutional care (monthly average)                      | 4,540   | 4,590   | 4,640   | 4,690   | 4,740   | 4,790   | 4,840   |
| Recipients over age 60 receiving institutional care (monthly average)                       | 45,260  | 45,810  | 46,360  | 46,910  | 47,460  | 48,010  | 48,560  |
| Percentage of long term care recipients receiving institutional care (monthly average)      | 52%     | 49%     | 48%     | 46%     | 44%     | 43%     | 42%     |
| Average monthly cost of nursing home care   | \$5,212 | \$5,210 | \$5,210 | \$5,210 | \$5,210 | \$5,210 | \$5,210 |
| Recipients over age 60 receiving home and community-based waiver services (monthly average) | 23,244  | 26,115  | 28,190  | 30,510  | 32,830  | 35,150  | 37,470  |
| Average monthly cost of home and community-based waiver services (age 60 age over)          | \$2,177 | \$2,285 | \$2,400 | \$2,400 | \$2,400 | \$2,400 | \$2,400 |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Percentage of long term care recipients receiving services in the community (monthly average)    | 48%     | 51%     | 52%     | 54%     | 56%     | 57%     | 58%     |
| Recipients receiving services through the LIFE program (monthly average)                         | 4,048   | 4,665   | 4,835   | 5,335   | 5,835   | 6,335   | 6,835   |
| <b>Other Long-Term Living Services</b>   |         |         |         |         |         |         |         |
| Recipients under age 60 receiving attendant care services (waiver and Act 150) (monthly average) | 8,252   | 8,995   | 9,665   | 10,215  | 10,765  | 11,315  | 11,865  |
| Persons with developmental disabilities served in the community (monthly average)                | 10,400  | 12,045  | 13,165  | 14,605  | 16,045  | 17,485  | 18,925  |

**Program: Income Maintenance**

**Objective: Maintain services and supports to eligible Pennsylvanians while helping them to increase their self-sufficiency and well-being.**

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Persons receiving cash assistance (monthly average)                                 | 165,794 | 166,030 | 168,385 | 168,385 | 168,385 | 168,385 | 168,385 |
| Persons receiving state supplemental grants (monthly average)                       | 387,265 | 385,155 | 391,710 | 395,625 | 399,585 | 403,580 | 407,615 |
| Households receiving energy cash payments   | 397,952 | 390,425 | 378,080 | 378,080 | 378,080 | 378,080 | 378,080 |
| Households receiving energy crisis payments   | 133,756 | 127,060 | 122,355 | 122,355 | 122,355 | 122,355 | 122,355 |
| TANF recipients enrolled in RESET employment and training program (monthly average) | 18,537  | 18,025  | 18,025  | 18,025  | 18,025  | 18,025  | 18,025  |
| TANF recipients obtaining employment  | 50,065  | 60,000  | 60,000  | 60,000  | 60,000  | 60,000  | 60,000  |
| Child support orders established  | 367,837 | 368,000 | 368,000 | 368,000 | 368,000 | 368,000 | 368,000 |
| Child support collected (in millions)   | \$1,319 | \$1,320 | \$1,320 | \$1,320 | \$1,320 | \$1,320 | \$1,320 |

**Program: Mental Health**

**Objective: Maintain services and supports for persons with mental illness to live, work and contribute to their communities with increased health and independence.**

**Community Mental Health Services**

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Persons receiving mental health inpatient and outpatient services from non-Medical Assistance funding (unduplicated)  | 216,820 | 217,420 | 217,450 | 217,510 | 217,510 | 217,510 | 217,510 |
| Persons receiving services through Medical Assistance expenditures (fee-for-service and HealthChoices) (unduplicated) | 480,014 | 544,135 | 655,180 | 681,385 | 708,640 | 736,990 | 766,470 |

## Program Measures

|   | 2013-14   | 2014-15   | 2015-16   | 2016-17   | 2017-18   | 2018-19   | 2019-20   |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Substance Abuse Services</b>   |           |           |           |           |           |           |           |
| Persons receiving services through Medical Assistance expenditures (fee-for-service and HealthChoices) (unduplicated) | 83,167    | 94,275    | 113,515   | 118,060   | 122,780   | 127,690   | 132,800   |
| Non-hospital detoxification and rehabilitation clients  | 28,512    | 28,510    | 28,510    | 28,510    | 28,510    | 28,510    | 28,510    |
| <b>State Mental Hospitals</b>   |           |           |           |           |           |           |           |
| Total persons served in state mental hospitals  | 2,363     | 2,335     | 2,305     | 2,275     | 2,275     | 2,275     | 2,275     |
| Total admissions to state mental hospitals  | 703       | 675       | 645       | 615       | 615       | 615       | 615       |
| Cost per person in state mental hospital population   | \$153,283 | \$166,395 | \$166,395 | \$166,395 | \$166,395 | \$166,395 | \$166,395 |
| Forensic admissions to state mental hospitals   | 297       | 297       | 297       | 297       | 297       | 297       | 297       |
| Percentage of adults readmitted to state mental hospitals within one year of last discharge                           | 9%        | 9%        | 9%        | 9%        | 9%        | 9%        | 9%        |
| Percentage of persons in state mental hospitals with stay longer than two years                                       | 40%       | 40%       | 40%       | 40%       | 40%       | 40%       | 40%       |

**Program: Intellectual Disabilities**

**Objective: Maintain supports and services for individuals with developmental disabilities and their families, including persons with autism, to more fully participate in their communities by effectively providing needed home and community-based services and supports that will increase their independence and ensure their health and well-being.**

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Persons receiving Autism services during fiscal year   | 568    | 670    | 720    | 720    | 720    | 720    | 720    |
| Persons receiving intellectual disability services during fiscal year  | 53,618 | 54,720 | 55,720 | 55,720 | 55,720 | 55,720 | 55,720 |
| Persons receiving residential services (during fiscal year):   |        |        |        |        |        |        |        |
| Private intermediate care facilities for persons with intellectual disabilities  | 2,263  | 2,300  | 2,270  | 2,225  | 2,225  | 2,225  | 2,225  |
| State centers  | 1,046  | 1,000  | 915    | 805    | 770    | 735    | 700    |
| Persons receiving Intellectual Disability services during fiscal year: Home and community services                             | 50,915 | 52,065 | 53,265 | 53,265 | 53,265 | 53,265 | 53,265 |
| Unduplicated persons receiving Consolidated Waiver services during fiscal year: Home and community services                    | 17,251 | 18,075 | 18,585 | 18,585 | 18,585 | 18,585 | 18,585 |
| Unduplicated persons receiving person/family directed supports waiver services during fiscal year: Home and community services | 12,580 | 13,295 | 13,895 | 13,895 | 13,895 | 13,895 | 13,895 |

## Program Measures

|  | 2013-14   | 2014-15   | 2015-16   | 2016-17   | 2017-18   | 2018-19   | 2019-20   |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Average cost of individuals served in the community: |           |           |           |           |           |           |           |
| Consolidated waiver services                         | \$107,083 | \$109,315 | \$113,360 | \$115,245 | \$115,245 | \$115,245 | \$115,245 |
| Person/family directed supports waiver services      | \$16,988  | \$18,485  | \$18,455  | \$18,705  | \$18,705  | \$18,705  | \$18,705  |
| Autism services                                      | \$40,329  | \$44,365  | \$46,720  | \$46,720  | \$46,720  | \$46,720  | \$46,720  |

## Program: Human Services

**Objective: Maintain supports and services that will improve the health, well-being, development and safety of Pennsylvania's families.**

## Youth Development Centers

|                          |     |     |     |     |     |     |     |
|--------------------------|-----|-----|-----|-----|-----|-----|-----|
| Youth served             | 777 | 750 | 750 | 750 | 750 | 750 | 750 |
| Occupancy rates          | 69% | 70% | 70% | 70% | 70% | 70% | 70% |
| Youth in work experience | 378 | 400 | 400 | 400 | 400 | 400 | 400 |

## Family Support Services

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Unduplicated annual number of children receiving child welfare services at home                             | 167,582 | 171,580 | 174,230 | 176,230 | 178,960 | 181,960 | 184,760 |
| Out of home placements in:  |         |         |         |         |         |         |         |
| Community residential programs  | 21,888  | 21,560  | 21,120  | 20,710  | 20,280  | 19,880  | 19,880  |
| Group Homes: Community residential programs   | 3,034   | 3,210   | 3,140   | 3,080   | 3,020   | 2,960   | 2,960   |
| Foster Care: Community residential programs   | 17,043  | 16,590  | 16,260  | 15,940  | 15,610  | 15,300  | 15,300  |
| Other: Community residential programs   | 1,811   | 1,760   | 1,720   | 1,690   | 1,650   | 1,620   | 1,620   |
| In-state institutional care programs (annual unduplicated recipients)                                       | 2,668   | 2,650   | 2,650   | 2,640   | 2,640   | 2,630   | 2,630   |
| Children in out of state programs   | 253     | 245     | 240     | 230     | 230     | 220     | 220     |
| Percentage of children reunited with parents or primary caregiver within twelve months of placement         | 49.90%  | 50.50%  | 50.50%  | 50.50%  | 50.50%  | 50.50%  | 50.50%  |
| Percentage of children not returning to care within 12 months of discharge to parents or primary caregivers | 68.10%  | 71%     | 71.50%  | 71.50%  | 71.50%  | 71.50%  | 71.50%  |
| Finalized adoptions   | 1,746   | 1,500   | 1,400   | 1,400   | 1,400   | 1,400   | 1,400   |
| Children reaching permanency outside of adoption  | 8,006   | 7,050   | 7,000   | 7,000   | 7,000   | 7,000   | 7,000   |
| Investigations of reported child abuse  | 26,414  | 30,740  | 33,240  | 35,730  | 35,730  | 35,730  | 35,730  |
| Percentage of child abuse investigations substantiated  | 12.30%  | 15.50%  | 17.50%  | 17.50%  | 18%     | 18%     | 18.50%  |



## Program Measures

|   | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---------|---------|---------|---------|---------|---------|---------|
| <b>Homeless Assistance</b>  |         |         |         |         |         |         |         |
| Total persons receiving homeless services   | 73,483  | 75,000  | 81,775  | 81,775  | 81,775  | 81,775  | 81,775  |
| <b>Human Services</b>   |         |         |         |         |         |         |         |
| Domestic violence victims served  | 42,822  | 42,822  | 47,104  | 47,104  | 47,104  | 47,104  | 47,104  |
| Rape crisis/sexual assault persons served   | 23,561  | 25,000  | 28,050  | 28,050  | 28,050  | 28,050  | 28,050  |
| Breast cancer screening clients   | 93,723  | 93,750  | 93,750  | 93,750  | 93,750  | 93,750  | 93,750  |
| Legal service clients   | 15,872  | 16,000  | 16,000  | 16,000  | 16,000  | 16,000  | 16,000  |
| <b>Program: Child Development</b>   |         |         |         |         |         |         |         |
| <b>Objective: Maintain supports and services that will improve the health, well-being, development and safety of all Pennsylvania's children.</b> |         |         |         |         |         |         |         |
| <b>Child Development</b>  |         |         |         |         |         |         |         |
| Children enrolled in Keystone STARS facilities  | 165,779 | 167,000 | 168,000 | 169,000 | 170,000 | 170,000 | 170,000 |
| Number of Keystone STARS facilities   | 3,878   | 4,000   | 4,100   | 4,200   | 4,300   | 4,300   | 4,300   |
| Percentage of child care centers participating in Keystone STARS  | 65%     | 67%     | 70%     | 73%     | 76%     | 76%     | 76%     |
| Children participating in subsidized child care (unduplicated)  | 198,742 | 204,555 | 211,360 | 211,360 | 211,360 | 211,360 | 211,360 |
| Children participating in subsidized child care (monthly average):  |         |         |         |         |         |         |         |
| Welfare/TANF families   | 23,539  | 24,500  | 24,500  | 24,500  | 24,500  | 24,500  | 24,500  |
| Former TANF families  | 30,056  | 30,070  | 30,070  | 30,070  | 30,070  | 30,070  | 30,070  |
| Low-income working families   | 61,236  | 63,590  | 68,100  | 68,100  | 68,100  | 68,100  | 68,100  |
| Percentage of children participating in subsidized child care enrolled in a department regulated setting:   |         |         |         |         |         |         |         |
| TANF families   | 87%     | 87%     | 87%     | 87%     | 87%     | 87%     | 87%     |
| Former TANF families  | 83%     | 83%     | 83%     | 83%     | 83%     | 83%     | 83%     |
| Low-income working families   | 89%     | 89%     | 89%     | 89%     | 89%     | 89%     | 89%     |
| <b>Early Intervention</b>   |         |         |         |         |         |         |         |
| Children participating in Early Intervention (EI) services  | 36,586  | 37,800  | 37,800  | 37,800  | 37,800  | 37,800  | 37,800  |
| Children who met their individual goals and no longer needed EI services prior to their third birthday  | 5,397   | 5,200   | 5,200   | 5,200   | 5,200   | 5,200   | 5,200   |
| Children who met their individual goals at their third birthday and no longer needed EI services  | 688     | 800     | 800     | 800     | 800     | 800     | 800     |
| Percentage of EI children served in typical early childhood educational settings (e.g. home, child care, Head Start)                              | 99%     | 99%     | 99%     | 99%     | 99%     | 99%     | 99%     |



---

# INFRASTRUCTURE INVESTMENT AUTHORITY

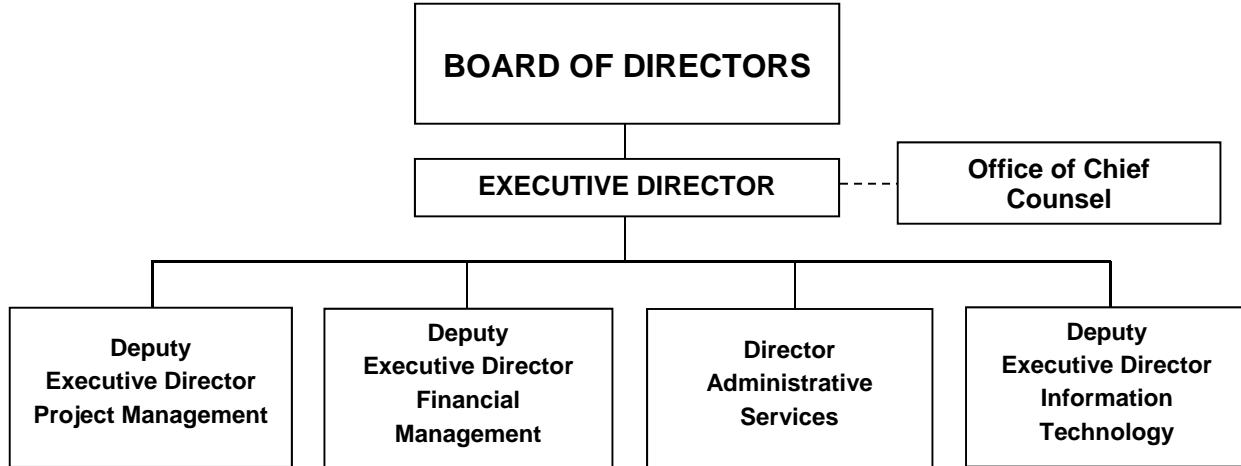
*The mission of the Infrastructure Investment Authority is to serve the communities and citizens of Pennsylvania by funding sewer, storm water, drinking water and various other types of projects that solve water problems not associated with traditional infrastructure systems, such as brownfields, acid mine drainage and homeowner septic problems.*

The authority administers the PENNVEST program authorized by Act 16 of 1988 that provides an investment pool of capital to rebuild and expand community drinking water systems and municipal sewage treatment facilities in the commonwealth.

## **Programs and Goals**

**PENNVEST:** *To promote public health and a clean environment and to further economic development in the commonwealth by providing a financing program, technical assistance and administrative support for community drinking water systems, municipal sewage treatment facilities, storm water control projects and various other non-traditional water-related projects.*

## Organization Overview



- **Deputy Executive Director of Project Management** coordinates the efforts of the four PENNVEST regions in the identification, evaluation and recommendation of PENNVEST funding candidates and the nutrient credit program.
- **Deputy Executive Director of Financial Management** is responsible for the financial operations of the PENNVEST loan portfolio that includes the federal drinking water and clean water programs.
- **Director of Administrative Services** is responsible for a wide range of administrative, logistical and human resource issues that affect agency operations and personnel.
- **Deputy Executive Director of Information Technology** is responsible for day-to-day IT operations and staff, planning, project management and technology implementation.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 30                | 30                | 28                | 28                | 28                |

# Infrastructure Investment Authority

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>  |                   |                      |                   |
| <i>Grants and Subsidies:</i>                                      |                   |                      |                   |
| (F)Sewage Projects Revolving Loan Fund.....                       | \$ 160,050        | \$ 150,050           | \$ 100,000        |
| (F)Drinking Water Projects Revolving Loan Fund.....               | 83,430            | 63,282               | 70,535            |
| (F)ARRA – Sewage Projects Revolving Loan Fund.....                | 5,000             | 0                    | 0                 |
| (F)ARRA – Drinking Water Projects Revolving Loan Fund.....        | 1,750             | 0                    | 0                 |
| Total - Grants and Subsidies.....                                 | \$ 250,230        | \$ 213,332           | \$ 170,535        |
| <b>GENERAL FUND TOTAL.....</b>                                    | <b>\$ 250,230</b> | <b>\$ 213,332</b>    | <b>\$ 170,535</b> |
| <b>OTHER FUNDS:</b>   |                   |                      |                   |
| <b>ENVIRONMENTAL STEWARDSHIP FUND:</b>                            |                   |                      |                   |
| Storm Water, Water and Sewer Grants (EA).....                     | \$ 13,855         | \$ 15,650            | \$ 16,097         |
| <b>MARCELLUS LEGACY FUND:</b>                                     |                   |                      |                   |
| Water and Sewer Projects (EA).....                                | \$ 10,263         | \$ 9,156             | \$ 9,146          |
| <b>PENNVEST FUND:</b>   |                   |                      |                   |
| PENNVEST Operations (EA).....                                     | \$ 3,894          | \$ 4,561             | \$ 5,976          |
| Revenue Bond Loan Pool (EA).....                                  | 10                | 10                   | 10                |
| Grants - Other Revenue Sources (EA).....                          | 2,000             | 1,000                | 2,000             |
| Revolving Loans and Administration (EA).....                      | 150,000           | 150,000 a            | 120,000 a         |
| Growing Greener Grants.....                                       | 5,434             | 15,000               | 15,000            |
| Revolving Loans - Conditional Funds.....                          | 7,476             | 10,000               | 10,000            |
| Marcellus Grants (Marcellus Legacy Fund).....                     | 0 b               | 0 b                  | 0 b               |
| <b>PENNVEST FUND TOTAL.....</b>                                   | <b>\$ 168,814</b> | <b>\$ 180,571</b>    | <b>\$ 152,986</b> |
| <b>PENNVEST DRINKING WATER REVOLVING FUND:</b>                    |                   |                      |                   |
| Additional Drinking Water Projects Revolving Loans (EA).....      | \$ 75,000         | \$ 75,000            | \$ 80,000         |
| Transfer to PENNVEST Water Pollution Control Revolving Fund.....  | 10,000            | 20,000               | 20,000            |
| (F)Drinking Water Projects Revolving Loan Fund (EA).....          | 0 c               | 0 c                  | 0 c               |
| (F)Loan Program Administration (EA).....                          | 0 d               | 0 d                  | 0 d               |
| (F)Technical Assistance to Small Systems (EA).....                | 0 e               | 0 e                  | 0 e               |
| (F)Assistance to State Programs (EA).....                         | 0 f               | 0 f                  | 0 f               |
| (F)Local Assistance and Source Water Pollution (EA).....          | 0 g               | 0 g                  | 0 g               |
| (F)ARRA - Drinking Water Projects Revolving Loan Fund.....        | 0 h               | 0                    | 0                 |
| (F)ARRA - Principal Forgiveness Drinking Water Fund.....          | 0 i               | 0                    | 0                 |
| Revolving Loans - Conditional Funds.....                          | 1,090             | 1,000                | 1,000             |
| <b>PENNVEST DRINKING WATER REVOLVING FUND TOTAL.....</b>          | <b>\$ 86,090</b>  | <b>\$ 96,000</b>     | <b>\$ 101,000</b> |
| <b>PENNVEST WATER POLLUTION CONTROL REVOLVING FUND:</b>           |                   |                      |                   |
| Additional Sewage Projects Revolving Loans (EA).....              | \$ 200,000        | \$ 200,000           | \$ 200,000        |
| Transfer to Drinking Water Revolving Fund (EA).....               | 26,300            | 20,000               | 20,000            |
| (F)Sewage Projects Revolving Loan Fund (EA).....                  | 0 j               | 0 j                  | 0 j               |
| (F)On-lot Sewage Disposal Systems (EA).....                       | 0 k               | 0                    | 0                 |
| (F)ARRA - Sewage Projects Revolving Loan Fund.....                | 0 l               | 0                    | 0                 |
| (F)ARRA - Principal Forgiveness Sewage Projects Fund.....         | 0 m               | 0                    | 0                 |
| Revolving Loans - Conditional Funds.....                          | 11,078            | 10,000               | 12,000            |
| <b>PENNVEST WATER POLLUTION CONTROL REVOLVING FUND TOTAL.....</b> | <b>\$ 237,378</b> | <b>\$ 230,000</b>    | <b>\$ 232,000</b> |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                               |                   |                      |                   |
| GENERAL FUND.....   | \$ 0              | \$ 0                 | \$ 0              |
| SPECIAL FUNDS.....  | 0                 | 0                    | 0                 |
| FEDERAL FUNDS.....  | 250,230           | 213,332              | 170,535           |
| OTHER FUNDS.....  | 516,400           | 531,377              | 511,229           |
| <b>TOTAL ALL FUNDS.....</b>                                       | <b>\$ 766,630</b> | <b>\$ 744,709</b>    | <b>\$ 681,764</b> |

## Summary by Fund and Appropriation

---

<sup>a</sup> Includes \$150,000,000 in 2014-15 Available and \$120,000,000 in 2015-16 Budget for Water Pollution Control Projects.

<sup>b</sup> Project funding included in the Marcellus Legacy Fund – Water and Sewer Projects appropriation.

<sup>c</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$70,000,000, 2014-15 Available is \$50,000,000 and 2015-16 Budget is \$57,000,000.

<sup>d</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$1,930,000, 2014-15 Available is \$1,782,000 and 2015-16 Budget is \$2,035,000.

<sup>e</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$1,000,000, 2014-15 Available is \$1,000,000 and 2015-16 Budget is \$1,000,000.

<sup>f</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$4,500,000, 2014-15 Available is \$4,500,000 and 2015-16 Budget is \$4,500,000.

<sup>g</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$6,000,000, 2014-15 Available is \$6,000,000 and 2015-16 Budget is \$6,000,000.

<sup>h</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$750,000.

<sup>i</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$1,000,000.

<sup>j</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$160,000,000, 2014-15 Available is \$150,050,000 and 2015-16 Budget is \$100,000,000.

<sup>k</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$50,000.

<sup>l</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$2,000,000.

<sup>m</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$3,000,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

|                        | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>PENNVEST</b>        |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....      | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     |
| SPECIAL FUNDS.....     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....     | 250,230                  | 213,332                  | 170,535                  | 170,535                  | 170,535                  | 170,535                  | 170,535                  |
| OTHER FUNDS.....       | 516,400                  | 531,377                  | 511,229                  | 511,229                  | 511,229                  | 511,229                  | 511,229                  |
| SUBCATEGORY TOTAL..... | <u>\$ 766,630</u>        | <u>\$ 744,709</u>        | <u>\$ 681,764</u>        | <u>\$ 681,764</u>        | <u>\$ 681,764</u>        | <u>\$ 681,764</u>        | <u>\$ 681,764</u>        |
| <b>ALL PROGRAMS:</b>   |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....      | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     |
| SPECIAL FUNDS.....     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....     | 250,230                  | 213,332                  | 170,535                  | 170,535                  | 170,535                  | 170,535                  | 170,535                  |
| OTHER FUNDS.....       | 516,400                  | 531,377                  | 511,229                  | 511,229                  | 511,229                  | 511,229                  | 511,229                  |
| DEPARTMENT TOTAL.....  | <u><u>\$ 766,630</u></u> | <u><u>\$ 744,709</u></u> | <u><u>\$ 681,764</u></u> | <u><u>\$ 681,764</u></u> | <u><u>\$ 681,764</u></u> | <u><u>\$ 681,764</u></u> | <u><u>\$ 681,764</u></u> |

## Program: PENNVEST

*Goal: To promote public health and a clean environment and to further economic development in the commonwealth by providing a financing program, technical assistance and administrative support for community drinking water systems, municipal sewage treatment facilities and storm water control projects.*

---

The Pennsylvania Infrastructure Investment Authority (PENNVEST) program authorized by Act 16 of 1988 provides an investment pool of capital to rebuild and expand community drinking water systems and municipal sewage treatment facilities in the commonwealth. These systems and facilities are essential for the protection of public health and the promotion of economic development. Many systems and facilities need to be repaired, upgraded or expanded to meet environmental standards and economic development goals. Act 5 of 1992 established a program to fund storm water control projects. Funding these needed improvements has often proved difficult, especially for small communities. In 2004, the program was expanded to include the funding of brownfield reclamation and remediation projects to revitalize further Pennsylvania's older, established communities. In 2013, legislation was enacted that improves PENNVEST's ability, consistent with the state's Nonpoint Source Management Plan, to implement agricultural and other rural projects designed to control runoff of nutrients and other contaminants into streams in rural areas.

Initial funding for the PENNVEST Fund came from several sources: a \$300 million bond issue approved by voter referendum; the balance of approved Water Facilities Loan Fund bonds; federal seed money for a sewage treatment facilities revolving loan fund and a drinking water project revolving loan fund; and some available Capital Facilities bonds. Act 5 of 1992 authorized a \$350 million bond issue, which was approved by referendum, to provide additional funding for the program. In 1990-91, the PENNVEST Revenue Bond Pool program began providing funding. Act 68 of 1999 provided additional grant funds for storm water, water and sewer projects as part of the Growing Greener initiatives. Act 218 of 2004 established the Water Supply and Wastewater Treatment Fund and authorized an additional \$50 million in funding that the authority used as grants for combined sewer overflow, sanitary sewer overflow and nutrient reduction technology projects. Act 64 of 2008 authorized a \$400 million bond issue, which was approved by referendum, to provide grants and loans to municipalities and public utilities for the acquisition, repair, construction, reconstruction, rehabilitation, extension, expansion and improvement of water supply and sewage treatment systems as well

as the purchase or trading of nutrient credits. Added to this are interest earnings on the fund's cash flow, interest and principal payments made on loans and grant funds received through the Environmental Stewardship Fund, which is primarily funded from tipping fee revenue.

Act 13 of 2012 authorized distributions of the proceeds received from the Marcellus Legacy Fund to the Environmental Stewardship Fund, thus increasing the amount that PENNVEST receives from the Environmental Stewardship Fund. The act further distributes a percentage of the Marcellus Legacy funds to PENNVEST for water and sewer projects. Act 147 of 2012 distributes a percentage of the payments to the Department of General Services from leases on state-owned land to PENNVEST for projects.

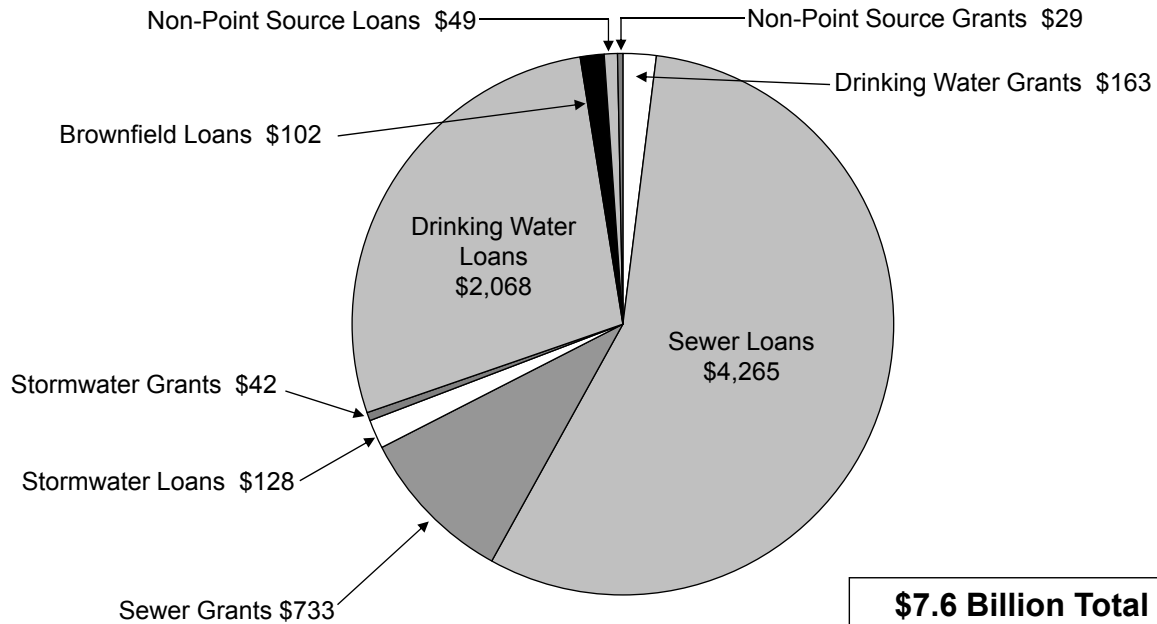
PENNVEST funds are used for loans and grants to municipalities, municipal authorities and private firms to improve water, sewage and storm water systems they own. Loans are available to individual homeowners to upgrade their on-lot septic systems. PENNVEST, supported by the Department of Environmental Protection, helps system owners apply for funding, provides technical assistance in planning and designing projects and, if necessary, reviews applicants' operations to improve efficiency.

To facilitate fund management and accounting, several separate funds have been established. The PENNVEST Fund serves as the repository of interest and investment income and loan repayments. Loans, grants and administrative costs are paid from this fund. The PENNVEST Water Pollution Control Revolving Fund combines federal seed money and the commonwealth's required matching funds to create a revolving loan fund for sewage treatment facilities construction. The PENNVEST Drinking Water Revolving Fund combines federal seed money and the commonwealth's required matching funds to create a revolving loan fund for drinking water projects and technical assistance. The PENNVEST Revolving Fund receives the proceeds from the sale of bonds mentioned above. The PENNVEST revenue bond pool is supported by loan interest and principal repayments from loans and disburses the proceeds from the sale of PENNVEST revenue bonds. The Water and Sewer Systems Assistance Bond Fund serves as the repository of interest and investment income and loan repayments related to Act 64; loans and grants are paid from this fund.

# Infrastructure Investment Authority

Program: PENNVEST (continued)

## Total Loans and Grants Approved 1988 through June 2014 (millions of dollars)



### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**PENNVEST FUND**  
**PENNVEST Operations (EA)**  
 \$ 1,415 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>PENNVEST FUND:</b>          |                   |                      |                   |                      |                      |                      |                      |
| PENNVEST Operations (EA) ..... | \$ 3,894          | \$ 4,561             | \$ 5,976          | \$ 5,976             | \$ 5,976             | \$ 5,976             | \$ 5,976             |



## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: PENNVEST

**Objective: Increase the proportion of PENNVEST subsidies allocated to projects that would not occur in the absence of the subsidies.**

|  |      |      |      |      |      |      |      |
|--|------|------|------|------|------|------|------|
| Grant equivalent subsidy per household served  | \$70 | \$70 | \$70 | \$70 | \$70 | \$70 | \$70 |
| Percentage of total project funding allocated to projects that would otherwise have higher financing rates | 30%  | 30%  | 30%  | 30%  | 30%  | 30%  | 30%  |

**Objective: Increase the number of drinking water and wastewater facilities that comply with safe drinking water requirements, improve system treatment capacity and improve water quality.**

|  |              |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Drinking water projects approved that will maintain or bring customers' water into compliance with commonwealth drinking water standards             | 12           | 20           | 20           | 20           | 20           | 20           | 20           |
| Dollars disbursed to drinking water projects that will maintain or bring customers' water into compliance with commonwealth drinking water standards | \$35,017,926 | \$50,000,000 | \$50,000,000 | \$50,000,000 | \$50,000,000 | \$50,000,000 | \$50,000,000 |

**Objective: Increase the number of sustainable jobs in Pennsylvania.**

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Sustainable jobs created by PENNVEST - funded projects | 3,197 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
|--|-------|-------|-------|-------|-------|-------|-------|



---

# INSURANCE DEPARTMENT

*The mission of the Insurance Department is to provide a premier regulatory environment that promotes a competitive marketplace and serves the best interest of Pennsylvania consumers.*

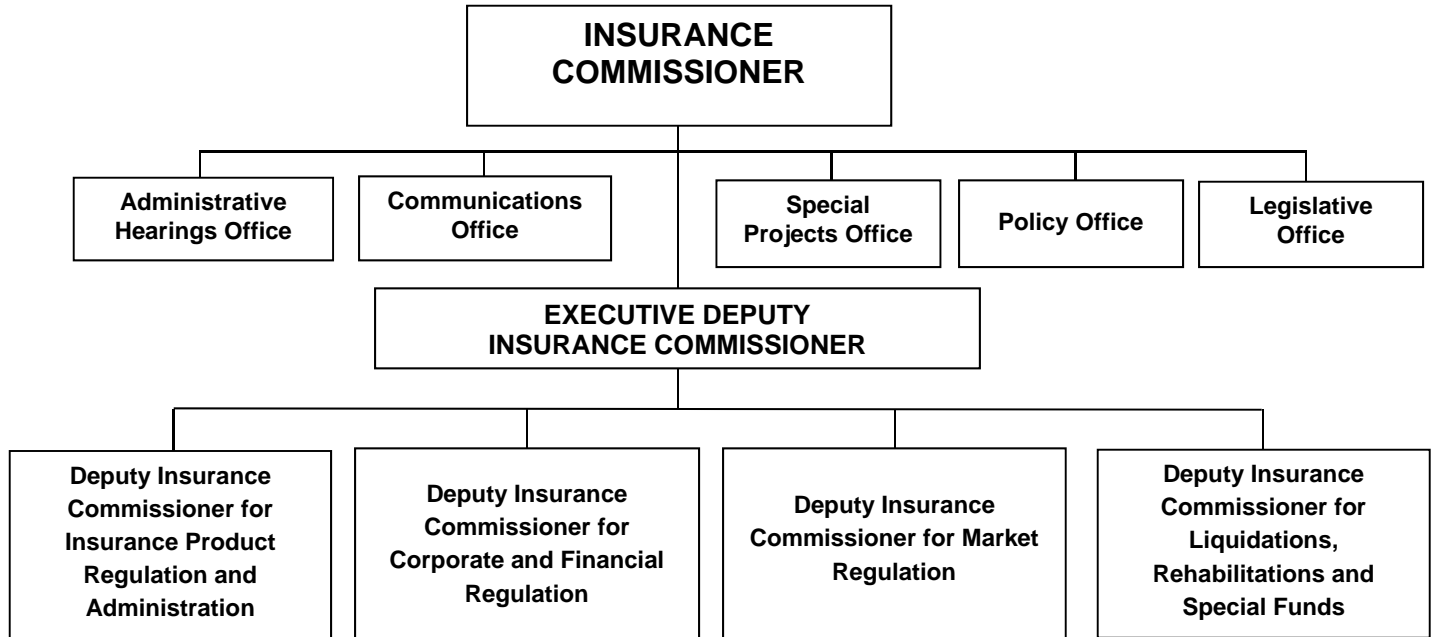
The department enforces the insurance laws of the commonwealth, monitors the financial solvency of insurance companies conducting business in Pennsylvania, regulates insurance rates and policy forms, licenses insurance companies and producers to conduct business in the state and liquidates insolvent insurance companies. The department answers consumer inquiries, responds to consumer complaints and produces and distributes educational information on insurance.

The department manages the Children's Health Insurance Program, the Medical Care Availability and Reduction of Error Fund, the Underground Storage Tank Indemnification Fund, the Catastrophic Loss Benefits Continuation Fund, the Workers' Compensation Security Fund, Insurance Liquidation Fund and the Insurance Regulation and Oversight Fund.

## **Programs and Goals**

**Insurance Industry Regulation:** *To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.*

## Organization Overview



- **Deputy Insurance Commissioner for Insurance Product Regulation and Administration** is responsible for reviewing and regulating insurance rates charged and policy forms sold in Pennsylvania for accident and health, life, and property and casualty insurance. The office is also responsible for budget preparation, fiscal management; revenue and accounts receivable reconciliation; human resources and area Equal Employment administration; procurement and contract management; and office services support. The director oversees the department's General Fund appropriations.
- **Deputy Insurance Commissioner for Corporate and Financial Regulation** is charged with overseeing that all insurance entities doing business in the commonwealth are properly licensed and maintain financial strength and stability.
- **Deputy Insurance Commissioner for Market Regulation** is responsible for researching and resolving consumer complaints; for testing and licensing over 133,000 insurance agents, brokers, public adjusters, solicitors, surplus lines agents, motor vehicle physical damage appraisers and professional bondsman in the commonwealth; and investigates alleged violations and enforces statutes and regulations pertaining to insurance agents, brokers, companies and other related persons.
- **Deputy Insurance Commissioner for Liquidations, Rehabilitations and Special Funds** plans, coordinates and directs a program to rehabilitate or liquidate financially troubled insurance companies. The office also oversees the Medical Care Availability and Reduction of Error program, the Underground Storage Tank Indemnification Fund, the Catastrophic Loss Benefits Continuation Fund, the Workers' Compensation Security Fund.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 334               | 317               | 309               | 289               | 273               |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>   |                   |                      |                   |
| <i>General Government:</i>                                       |                   |                      |                   |
| Children's Health Insurance Administration.....                  | \$ 5,251          | \$ 6,491             | \$ 3,118          |
| (F)Children's Health Insurance Administration.....               | 15,436            | 13,503               | 17,138            |
| Subtotal.....  | \$ 20,687         | \$ 19,994            | \$ 20,256         |
| (F)High Risk Pool Administration.....                            | 6,730             | 100                  | 0                 |
| (F)Consumer Assistance Program.....                              | 1,098             | 1,098                | 250               |
| (F)PA Exchange Grant.....  | 1,950             | 1,900                | 262               |
| Subtotal.....  | \$ 9,778          | \$ 3,098             | \$ 512            |
| Subtotal - State Funds.....                                      | \$ 5,251          | \$ 6,491             | \$ 3,118          |
| Subtotal - Federal Funds.....                                    | 25,214            | 16,601               | 17,650            |
| Total - General Government.....                                  | \$ 30,465         | \$ 23,092            | \$ 20,768         |
| <i>Grants and Subsidies:</i>                                     |                   |                      |                   |
| Children's Health Insurance.....                                 | \$ 109,594        | \$ 111,094           | \$ 27,409         |
| (F)Children's Health Insurance Program.....                      | 304,232           | 307,536              | 303,616           |
| Subtotal.....  | \$ 413,826        | \$ 418,630           | \$ 331,025        |
| USTIF Loan Repayment.....  | 0                 | 0                    | 7,000             |
| (F)High Risk Pool.....   | 41,130            | 3,000                | 0                 |
| (F)Health Insurance Premium Review.....                          | 1,437             | 1,437                | 1,437             |
| Subtotal - State Funds.....                                      | \$ 109,594        | \$ 111,094           | \$ 34,409         |
| Subtotal - Federal Funds.....                                    | 346,799           | 311,973              | 305,053           |
| Total - Grants and Subsidies.....                                | \$ 456,393        | \$ 423,067           | \$ 339,462        |
| STATE FUNDS.....   | \$ 114,845        | \$ 117,585           | \$ 37,527         |
| FEDERAL FUNDS.....   | 372,013           | 328,574              | 322,703           |
| GENERAL FUND TOTAL.....  | \$ 486,858        | \$ 446,159           | \$ 360,230        |
| <b>OTHER FUNDS:</b>  |                   |                      |                   |
| <b>GENERAL FUND:</b>   |                   |                      |                   |
| Anti-Fraud Prevention (R).....                                   | \$ 206            | \$ 297               | \$ 134            |
| Children's Health Insurance Program (R).....                     | 24,591            | 41,368               | 30,730            |
| GENERAL FUND TOTAL.....  | \$ 24,797         | \$ 41,665            | \$ 30,864         |
| <b>CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:</b>             |                   |                      |                   |
| CAT Administration (EA).....                                     | \$ 776            | \$ 776               | \$ 776            |
| CAT Claims (EA).....   | 5,789             | 5,500                | 5,500             |
| CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL.....          | \$ 6,565          | \$ 6,276             | \$ 6,276          |
| <b>INSURANCE REGULATION AND OVERSIGHT FUND:</b>                  |                   |                      |                   |
| General Government Operations.....                               | \$ 21,523         | \$ 22,757            | \$ 24,269         |
| <b>MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND:</b>    |                   |                      |                   |
| General Operations (EA).....                                     | \$ 14,613         | \$ 14,866            | \$ 16,944         |
| Payment of Claims (EA).....                                      | 195,742           | 195,742              | 180,020           |
| Assessment Relief Payment.....                                   | 0                 | 0                    | 139,013           |
| MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND TOTAL..... | \$ 210,355        | \$ 210,608           | \$ 335,977        |

## Summary by Fund and Appropriation

| (Dollar Amounts in Thousands)                                   |                   |                      |                   |
|---|-------------------|----------------------|-------------------|
|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
| <b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:</b>           |                   |                      |                   |
| Administration (EA).....  | \$ 11,641         | \$ 11,647            | \$ 12,041         |
| Claims (EA).....  | 57,353            | 50,000               | 50,000            |
| <b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....</b> | <b>\$ 68,994</b>  | <b>\$ 61,647</b>     | <b>\$ 62,041</b>  |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                             |                   |                      |                   |
| GENERAL FUND.....   | \$ 114,845        | \$ 117,585           | \$ 37,527         |
| SPECIAL FUNDS.....  | 0                 | 0                    | 0                 |
| FEDERAL FUNDS.....  | 372,013           | 328,574              | 322,703           |
| OTHER FUNDS.....  | 332,234           | 342,953              | 459,427           |
| <b>TOTAL ALL FUNDS.....</b>                                     | <b>\$ 819,092</b> | <b>\$ 789,112</b>    | <b>\$ 819,657</b> |

## Program Funding Summary

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>INSURANCE INDUSTRY REGULATION</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                    | \$ 114,845               | \$ 117,585               | \$ 37,527                | \$ 23,450                | \$ 28,604                | \$ 34,401                | \$ 40,934                |
| SPECIAL FUNDS.....                   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                   | 372,013                  | 328,574                  | 322,703                  | 388,454                  | 431,726                  | 480,428                  | 535,335                  |
| OTHER FUNDS.....                     | 332,234                  | 342,953                  | 459,427                  | 322,304                  | 323,702                  | 325,135                  | 326,604                  |
| SUBCATEGORY TOTAL.....               | <u>\$ 819,092</u>        | <u>\$ 789,112</u>        | <u>\$ 819,657</u>        | <u>\$ 734,208</u>        | <u>\$ 784,032</u>        | <u>\$ 839,964</u>        | <u>\$ 902,873</u>        |
| <b>ALL PROGRAMS:</b>                 |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                    | \$ 114,845               | \$ 117,585               | \$ 37,527                | \$ 23,450                | \$ 28,604                | \$ 34,401                | \$ 40,934                |
| SPECIAL FUNDS.....                   | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                   | 372,013                  | 328,574                  | 322,703                  | 388,454                  | 431,726                  | 480,428                  | 535,335                  |
| OTHER FUNDS.....                     | 332,234                  | 342,953                  | 459,427                  | 322,304                  | 323,702                  | 325,135                  | 326,604                  |
| DEPARTMENT TOTAL.....                | <u><u>\$ 819,092</u></u> | <u><u>\$ 789,112</u></u> | <u><u>\$ 819,657</u></u> | <u><u>\$ 734,208</u></u> | <u><u>\$ 784,032</u></u> | <u><u>\$ 839,964</u></u> | <u><u>\$ 902,873</u></u> |

## Program: Insurance Industry Regulation

*Goal: To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.*

The Insurance Department's core mission is the regulation of the insurance industry and the protection of insurance consumers. To meet its mission, the department:

- provides adequate safeguards related to the solicitation and sale of insurance products and services;
- closely monitors the financial stability of insurance companies to minimize insurance insolvencies;
- ensures that suitable products are available and rated appropriately; and
- provides a fair regulatory environment that will encourage insurance companies to conduct business in the commonwealth.

In conjunction with its core mission, the department also shares responsibility to implement aspects of, the federal Affordable Care Act and administers special funds, including the Children's Health Insurance Program, the Medical Care Availability and Reduction of Error Fund, the Catastrophic Loss Benefits Continuation Fund, and the Underground Storage Tank Indemnification Fund.

This budget continues the implementation of the department's dedicated funding source, created in 2013-14. The Insurance Regulation and Oversight Fund is designated for the administration of the Insurance Department in order to provide increased flexibility in the regulation, management, development and oversight of the commonwealth's insurance industry.

The Insurance Department is responsible for regulating the fifth largest insurance market in the country and the 14th largest in the world. The department is the lead regulator for many significant national and regional insurers, as well as some of the largest international insurance conglomerates, and operates in an increasingly complex, global and inter-connected regulatory landscape. Following the failure of AIG and the passage of the Dodd-Frank Act, insurance regulators have adapted just as the industry itself evolved in this new regulatory environment. As each state has its own insurance needs and unique marketplace, the department works to enhance the state-based regulation of insurance while staying abreast of the national and global marketplaces.

### **Program Element: Regulation and Protection**

The Insurance Department regulates all aspects of the insurance industry in Pennsylvania. The financial condition of insurers licensed to transact business in Pennsylvania is monitored and regulated through the department's examination and financial analysis functions. The department prioritizes solvency regulation in response to concerns of the quality of state regulation and insurer solvency. Resources continue to be focused on improving

the effectiveness of regulatory actions taken to correct problems before they lead to insolvency. In the event of an insurer insolvency, the insurance commissioner serves as statutory liquidator/receiver for Pennsylvania domestic insurers found to be insolvent by the Commonwealth Court.

The department oversees the operation of approximately 1,700 insurance companies; authorizes the admission of new insurers to the state; tests and licenses insurance agents, brokers and bondsmen; and reviews and approves approximately 12,000 rate and policy form filings each year. The department analyzes annual and quarterly financial statements and other corporate transactions filed by regulated entities; conducts on-site financial examinations of domestic insurance companies annually; conducts adjudicatory hearings; and handles more than 250,000 consumer and producer interventions and inquiries annually.

The Insurance Department provides the public with insurance information, education and complaint resolution services. The department also conducts investigations of insurance law violations and undertakes on-site market conduct examinations of insurance company records, files and operations.

The Department has a significant role ensuring Pennsylvania's compliance with private insurance provisions of the Patient Protection and Affordable Care Act of 2010 (ACA). The Department monitors private insurance rates to protect consumers against unreasonable rate increases, and provides consumers information about public and private insurance options. It administers grants provided by the ACA to the state to expand assistance to consumers and small businesses, identify rate increases defined as excessive under federal law, and improve its consumer information portal.

Pennsylvania currently participates in the Federally-Facilitated Marketplace (FFM) and works to ensure compliance with Marketplace requirements.

### **Program Element: Special Programs**

**Children's Health Insurance Program.** The Children's Health Insurance Program (CHIP), established by Act 113 of 1992, provides free or low-cost health insurance coverage to uninsured children whose families earn too much to qualify for Medical Assistance. CHIP offers a comprehensive package of benefits, including well child visits, immunizations, prescription coverage, emergency care, inpatient services, mental health services, hearing, vision and dental services. Act 136 of 2006 enhanced the program by creating Cover All Kids, which provides access to health insurance coverage for all uninsured children. The income eligibility limit for subsidized coverage, with

**Program: Insurance Industry Regulation (continued)**

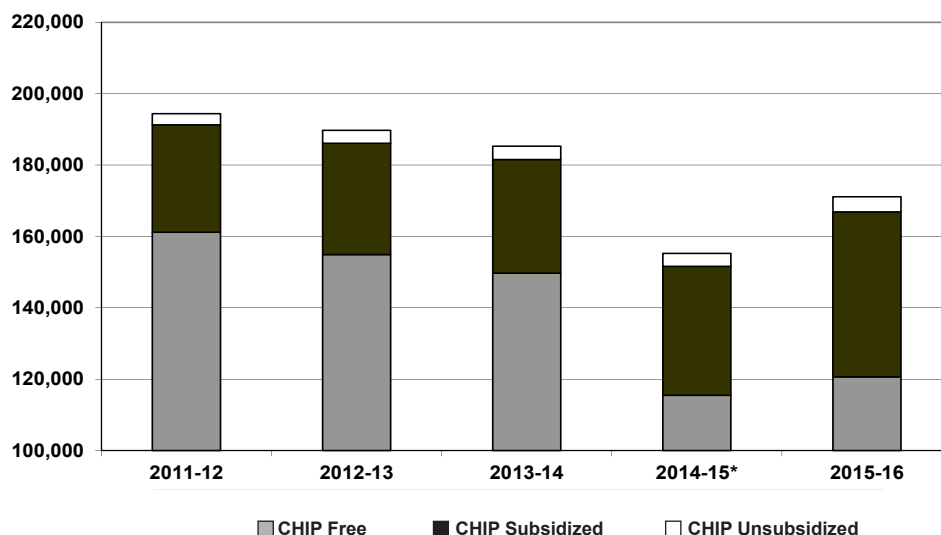
cost-sharing on a sliding scale, is 300 percent of the federal poverty level with higher-income families able to purchase health care coverage at the commonwealth's cost. The coverage is funded from a portion of cigarette tax receipts, a state appropriation, the federal matching funds under Title XXI of the Social Security Act and payments by participating working families. The federal Children's Health Insurance Program Reauthorization Act of 2009 extends federal funding for CHIP through September 30, 2015. The Pennsylvania General Assembly passed Act 74 of 2013 to reauthorize and extend the life of the CHIP program through December 31, 2015 and eliminate the six-month waiting period for enrollment.

**Medical Care Availability and Reduction of Error Fund.** The Medical Care Availability and Reduction of Error Fund, established pursuant to Act 13 of 2002, established requirements for basic medical professional liability insurance coverage for health care providers. The MCARE program is responsible for payment of losses or damages awarded in medical professional liability actions against participating health care providers, in excess of basic insurance coverage. Revenue for the fund is derived by levying an annual surcharge on health care providers.

**Catastrophic Loss Benefits Continuation Fund.** The

Catastrophic Loss Benefits Continuation Fund, funded through investment income, provides up to \$1 million in benefits to Pennsylvanians catastrophically injured in motor vehicle accidents between October 1, 1984 and December 31, 1989 after exceeding a threshold of \$100,000 in medical payments. Payments from the fund are projected until 2089.

**Underground Storage Tank Indemnification Fund.** The Underground Storage Tank Indemnification Fund provides reimbursement of remediation to eligible owners and operators of underground storage tanks. The program is funded through a fee schedule based on the type of product stored in the underground storage tank or the tank's capacity. In addition to reimbursing eligible tank owners or operators for damages caused by releases from their tanks, the fund also provides similar benefits to tank installers under the Tank Installation Indemnification program. Additionally, the fund makes annual allocations to the Department of Environmental Protection under four separate categories. Since inception, allocations under all categories have totaled in excess of \$60 million.

**Children's Health Insurance Children Served**

Pennsylvania's Children's Health Insurance Program (CHIP) has been a national leader in ensuring that access to free or subsidized health care is available for children of low-income families. It is projected that an average of 171,100 uninsured children will be served by the program in 2015-16.

\*Reflects transition of CHIP children to the Medical Assistance Program.



## Program: Insurance Industry Regulation (continued)

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|   |   |                             |  |
|---|---|-----------------------------|--|
| <b>Children's Health Insurance Administration</b> |   | <b>USTIF Loan Repayment</b> |  |
| \$ -68  | —nonrecurring prior year funding.             | \$ 7,000                    | —annual repayment of a transfer from the |
| -3,305  | —revision of federal financial participation  |                             | Underground Storage Tank Indemnification |
|   | from 66.27% to 89.41%.                        |                             | Fund.                                    |
| <u>\$ -3,373</u>                                  | <i>Appropriation Decrease</i>                 |                             |  |
| <b>Children's Health Insurance</b>                |   |                             |  |
| \$ -10,638  | —nonrecurring prior year restricted cigarette |                             |  |
|   | tax revenue.                                  |                             |  |
| -35,000   | —nonrecurring 2014-15 budgetary freeze.       |                             |  |
| -63,090   | —revision of federal financial participation  |                             |  |
|   | from 66.27% to 89.41%.                        |                             |  |
| 25,043  | —Initiative—Closing the Coverage Gap. To      |                             |  |
|   | provide health insurance coverage for an      |                             |  |
|   | additional 15,881 children.                   |                             |  |
| <u>\$ -83,685</u>                                 | <i>Appropriation Decrease</i>                 |                             |  |

This budget includes \$24,269,000 for General Government Operations in the Insurance Regulation and Oversight Fund.

In addition, this budget recommends \$30,730,000 in restricted cigarette tax revenue for the Children's Health Insurance program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                       |                   |                      |                   |                      |                      |                      |                      |
| Children's Health Insurance Administration | \$ 5,251          | \$ 6,491             | \$ 3,118          | \$ 3,227             | \$ 3,308             | \$ 3,391             | \$ 3,476             |
| Children's Health Insurance .....          | 109,594           | 111,094              | 27,409            | 13,223               | 18,296               | 24,010               | 30,458               |
| USTIF Loan Repayment.....                  | 0                 | 0                    | 7,000             | 7,000                | 7,000                | 7,000                | 7,000                |
| <b>TOTAL GENERAL FUND .....</b>            | <b>\$ 114,845</b> | <b>\$ 117,585</b>    | <b>\$ 37,527</b>  | <b>\$ 23,450</b>     | <b>\$ 28,604</b>     | <b>\$ 34,401</b>     | <b>\$ 40,934</b>     |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Program: Insurance Industry Regulation**
**Objective: Reduce the number of insurance companies that become insolvent.**

|                           |    |    |    |    |    |    |    |
|---------------------------|----|----|----|----|----|----|----|
| Companies on a watch list | 35 | 35 | 35 | 35 | 35 | 35 | 35 |
|---------------------------|----|----|----|----|----|----|----|

**Objective: Enable eligible Pennsylvanians to secure access to quality, affordable health insurance coverage.**

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Children's Health Insurance Program (CHIP) enrollment (monthly average) | 185,256 | 155,220 | 171,100 | 191,235 | 205,660 | 221,495 | 238,915 |
|---|---------|---------|---------|---------|---------|---------|---------|

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Percentage of CHIP enrolled children two years of age who are immunized | 78.71% | 78.71% | 78.71% | 78.71% | 78.71% | 78.71% | 78.71% |
|---|--------|--------|--------|--------|--------|--------|--------|

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Percentage of CHIP enrolled children ages 3 to 6 years who receive a well child visit with a primary care physician | 81.17% | 81.17% | 81.17% | 81.17% | 81.17% | 81.17% | 81.17% |
|---|--------|--------|--------|--------|--------|--------|--------|

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# DEPARTMENT OF LABOR AND INDUSTRY

*The mission of the Department of Labor and Industry is to improve the quality of life and the economic security of Pennsylvania's workers and businesses, encourage labor-management cooperation and prepare the commonwealth's workforce for the jobs of the future.*

The mission is accomplished through programs that protect the health, welfare and safety of workers, provide meaningful job training and placement services, stabilize the incomes of injured, disabled or unemployed workers and facilitate labor-management cooperation.

## **Programs and Goals**

**Community and Occupational Safety and Stability:** *To further economic development in the commonwealth by promoting the health, welfare and safety of employees and acting to maintain continuous production and employment through mediation.*

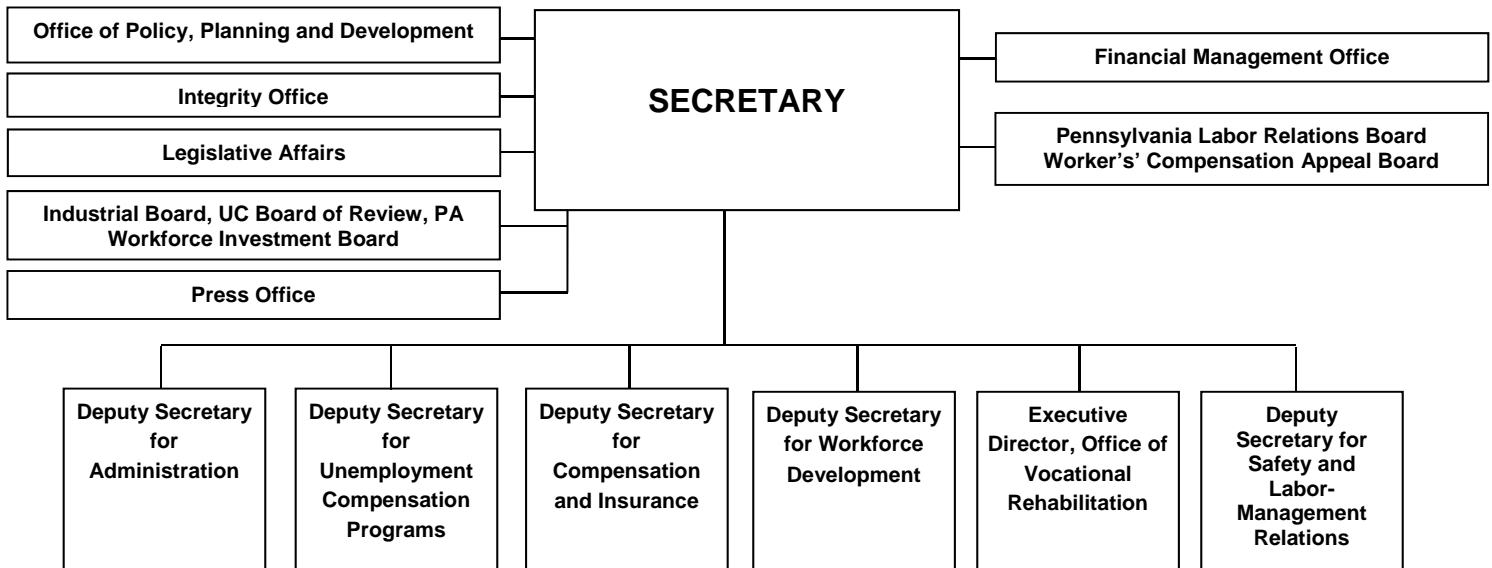
**Workers' Compensation and Assistance:** *To further economic development in the commonwealth by stabilizing the incomes of employees who become unemployed.*

**Workforce Investment:** *To provide meaningful job training and placement services in a coordinated role with other commonwealth agencies, the private sector and the federal government in order to secure unsubsidized employment for unemployed Pennsylvanians.*

**Vocational Rehabilitation:** *To enable eligible persons with disabilities to obtain competitive employment.*

---

## Organization Overview



- **Deputy Secretary for Administration** is responsible for the department's Office of Information Technology, Bureau of Human Resources, Office of Equal Opportunity, Bureau of Administrative Services, and PENNSERVE.
- **Deputy Secretary for Unemployment Compensation Programs** is responsible for the offices of Unemployment Compensation Tax Services, Unemployment Compensation Benefits Policy and Unemployment Compensation Service Centers.
- **Deputy Secretary for Compensation and Insurance** oversees the State Workers' Insurance Fund, Bureau of Workers' Compensation and the Workers Compensation Office of Adjudication.
- **Deputy Secretary for Workforce Development** oversees the Center for Workforce Information and Analysis, Bureau of Workforce Partnership and Operations, and the Bureau of Workforce Development Administration.
- **Executive Director, Office of Vocational Rehabilitation** oversees the Hiram G. Andrews Center, the Bureau of Central Operations, the Bureau of Vocational Rehabilitation Services, the Bureau of Blind and Visual Services, and the Office for the Deaf and Hard of Hearing.
- **Deputy Secretary for Safety and Labor-Management Relations** provides leadership and direction for the Bureau of Mediation, Bureau of Labor Law Compliance, Bureau of Occupational and Industrial Safety, and the Bureau of Disability Determination.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 5,790             | 5,764             | 5,948             | 5,916             | 5,898             |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL        | 2014-15<br>AVAILABLE     | 2015-16<br>BUDGET        |
|---|--------------------------|--------------------------|--------------------------|
| <b>GENERAL FUND:</b>  |                          |                          |                          |
| <i>General Government:</i>                                  |                          |                          |                          |
| <b>General Government Operations.....</b>                   | <b>\$ 12,335</b>         | <b>\$ 12,547</b>         | <b>\$ 12,572</b>         |
| (F)Workforce Investment Act - Administration.....           | 11,000                   | 11,000                   | 11,000                   |
| (F)Community Service and Corps.....                         | 11,608                   | 11,608                   | 11,608                   |
| (F)Disability Determination.....                            | 134,474                  | 133,474                  | 133,450                  |
| (F)New Hires.....   | 1,581                    | 1,581                    | 1,581                    |
| (A)Interpreter Registry.....                                | 11                       | 3                        | 20                       |
| (A)Pa One Call Fees.....                                    | 44                       | 50                       | 50                       |
| Subtotal.....   | <u>\$ 171,053</u>        | <u>\$ 170,263</u>        | <u>\$ 170,281</u>        |
| <b>Occupational and Industrial Safety.....</b>              | <b>10,446</b>            | <b>11,350</b>            | <b>11,384</b>            |
| (R)Asbestos and Lead Certification (EA).....                | 1,968                    | 2,025                    | 2,025                    |
| (R)Asbestos Abatement.....                                  | 100                      | 0                        | 0                        |
| Subtotal - State Funds.....                                 | \$ 22,781                | \$ 23,897                | \$ 23,956                |
| Subtotal - Federal Funds.....                               | 158,663                  | 157,663                  | 157,639                  |
| Subtotal - Augmentations.....                               | 55                       | 53                       | 70                       |
| Subtotal - Restricted Revenues.....                         | 2,068                    | 2,025                    | 2,025                    |
| Total - General Government.....                             | <u>\$ 183,567</u>        | <u>\$ 183,638</u>        | <u>\$ 183,690</u>        |
| <i>Grants and Subsidies:</i>                                |                          |                          |                          |
| <b>Occupational Disease Payments.....</b>                   | <b>\$ 805</b>            | <b>\$ 678</b>            | <b>\$ 624</b>            |
| <b>Transfer to Vocational Rehabilitation Fund.....</b>      | <b>40,473</b>            | <b>40,473</b>            | <b>45,473</b>            |
| <b>Supported Employment.....</b>                            | <b>397</b>               | <b>397</b>               | <b>397</b>               |
| <b>Centers for Independent Living.....</b>                  | <b>1,912</b>             | <b>1,912</b>             | <b>2,318</b>             |
| <b>Workers' Compensation Payments.....</b>                  | <b>960</b>               | <b>799</b>               | <b>692</b>               |
| <b>Keystone Works.....</b>                                  | <b>500</b>               | <b>100</b>               | <b>0</b>                 |
| <b>New Choices / New Options.....</b>                       | <b>500</b>               | <b>500</b>               | <b>0</b>                 |
| <b>Assistive Technology Devices.....</b>                    | <b>400</b>               | <b>400</b>               | <b>400</b>               |
| <b>Assistive Technology Demonstration and Training.....</b> | <b>399</b>               | <b>399</b>               | <b>399</b>               |
| (F)Reed Act - Unemployment Insurance.....                   | 6,000                    | 6,000                    | 6,000                    |
| (F)Reed Act - Employment Services.....                      | 22,000                   | 22,000                   | 22,000                   |
| (F)WIA - Adult Employment and Training.....                 | 50,000                   | 50,000                   | 50,000                   |
| (F)WIA - Youth Employment and Training.....                 | 52,000                   | 52,000                   | 52,000                   |
| (F)WIA - Statewide Activities.....                          | 18,000                   | 18,000                   | 18,000                   |
| (F)WIA - Dislocated Workers.....                            | 109,000                  | 109,000                  | 109,000                  |
| (F)WIA - Veterans Employment and Training.....              | 900                      | 900                      | 0                        |
| (F)TANFBG - Youth Employment and Training.....              | 15,000                   | 15,000                   | 15,000                   |
| (F)Comprehensive Workforce Development (EA).....            | 1,665                    | 1,824                    | 1,897                    |
| Subtotal.....   | <u>\$ 274,565</u>        | <u>\$ 274,724</u>        | <u>\$ 273,897</u>        |
| <b>Industry Partnerships.....</b>                           | <b>1,813</b>             | <b>1,813</b>             | <b>11,613</b>            |
| Subtotal - State Funds.....                                 | \$ 48,159                | \$ 47,471                | \$ 61,916                |
| Subtotal - Federal Funds.....                               | 274,565                  | 274,724                  | 273,897                  |
| Total - Grants and Subsidies.....                           | <u>\$ 322,724</u>        | <u>\$ 322,195</u>        | <u>\$ 335,813</u>        |
| STATE FUNDS.....  | \$ 70,940                | \$ 71,368                | \$ 85,872                |
| FEDERAL FUNDS.....  | 433,228                  | 432,387                  | 431,536                  |
| AUGMENTATIONS.....  | 55                       | 53                       | 70                       |
| RESTRICTED REVENUES.....                                    | 2,068                    | 2,025                    | 2,025                    |
| <b>GENERAL FUND TOTAL.....</b>                              | <b><u>\$ 506,291</u></b> | <b><u>\$ 505,833</u></b> | <b><u>\$ 519,503</u></b> |

## Summary by Fund and Appropriation

| (Dollar Amounts in Thousands)                         |                    |                      |                     |
|---|--------------------|----------------------|---------------------|
|   | 2013-14<br>ACTUAL  | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET   |
| <b>OTHER FUNDS:</b>                                   |                    |                      |                     |
| <b>GENERAL FUND:</b>                                  |                    |                      |                     |
| Vending Machine Proceeds.....                         | \$ 73              | \$ 466               | \$ 466              |
| <b>ADMINISTRATION FUND:</b>                           |                    |                      |                     |
| Administration of Unemployment.....                   | \$ 202,473         | \$ 277,620           | \$ 277,620          |
| <b>EMPLOYMENT FUND FOR THE BLIND:</b>                 |                    |                      |                     |
| General Operations.....                               | \$ 531             | \$ 800               | \$ 800              |
| <b>HAZARDOUS MATERIAL RESPONSE FUND:</b>              |                    |                      |                     |
| Hazardous Material Response Administration.....       | \$ 36              | \$ 120               | \$ 120              |
| <b>JOB TRAINING FUND:</b>                             |                    |                      |                     |
| Job Training (EA).....                                | \$ 5,000           | \$ 5,000             | \$ 5,000            |
| <b>REHABILITATION CENTER FUND:</b>                    |                    |                      |                     |
| General Operations.....                               | \$ 20,394          | \$ 23,566            | \$ 23,566           |
| <b>UNEMPLOYMENT COMPENSATION CONTRIBUTION:</b>        |                    |                      |                     |
| (R)Reemployment Services.....                         | \$ 10,000          | \$ 10,000            | \$ 10,000           |
| (R)Service and Infrastructure Improvement.....        | 40,000             | 70,000               | 50,000              |
| UNEMPLOYMENT COMPENSATION CONTRIBUTION TOTAL.....     | <b>\$ 50,000</b>   | <b>\$ 80,000</b>     | <b>\$ 60,000</b>    |
| <b>VOCATIONAL REHABILITATION FUND:</b>                |                    |                      |                     |
| General Operations (EA).....                          | \$ 42 <sup>a</sup> | \$ 20 <sup>a</sup>   | \$ 20 <sup>a</sup>  |
| Vocational Rehabilitation Services (EA).....          | 137,299            | 137,299              | 155,299             |
| VOCATIONAL REHABILITATION FUND TOTAL.....             | <b>\$ 137,341</b>  | <b>\$ 137,319</b>    | <b>\$ 155,319</b>   |
| <b>WORKMEN'S COMPENSATION ADMINISTRATION FUND:</b>    |                    |                      |                     |
| Administration of Workers' Compensation.....          | \$ 76,028          | \$ 70,666            | \$ 71,513           |
| (A) Conference Fees.....                              | 241                | 400                  | 400                 |
| WORKMEN'S COMPENSATION ADMINISTRATION FUND TOTAL..... | <b>\$ 76,269</b>   | <b>\$ 71,066</b>     | <b>\$ 71,913</b>    |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                   |                    |                      |                     |
| GENERAL FUND.....                                     | \$ 70,940          | \$ 71,368            | \$ 85,872           |
| SPECIAL FUNDS.....                                    | 0                  | 0                    | 0                   |
| FEDERAL FUNDS.....                                    | 433,228            | 432,387              | 431,536             |
| AUGMENTATIONS.....                                    | 55                 | 53                   | 70                  |
| RESTRICTED.....                                       | 2,068              | 2,025                | 2,025               |
| OTHER FUNDS.....                                      | 492,117            | 595,957              | 594,804             |
| <b>TOTAL ALL FUNDS.....</b>                           | <b>\$ 998,408</b>  | <b>\$ 1,101,790</b>  | <b>\$ 1,114,307</b> |

<sup>a</sup> Transfer to Vocational Rehabilitation Fund is not added to the total to avoid double counting: 2013-14 Actual is \$40,515,000, 2014-15 Available is \$40,493,000, and 2015-16 Budget is \$45,493,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY</b> |                   |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                                      | \$ 22,781         | \$ 23,897            | \$ 23,956           | \$ 24,794            | \$ 25,414            | \$ 26,048            | \$ 26,700            |
| SPECIAL FUNDS.....                                     | 0                 | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                                     | 0                 | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                                       | 2,159             | 2,198                | 2,215               | 2,215                | 2,215                | 2,215                | 2,215                |
| SUBCATEGORY TOTAL.....                                 | <u>\$ 24,940</u>  | <u>\$ 26,095</u>     | <u>\$ 26,171</u>    | <u>\$ 27,009</u>     | <u>\$ 27,629</u>     | <u>\$ 28,263</u>     | <u>\$ 28,915</u>     |
| <b>WORKERS COMPENSATION AND ASSISTANCE</b>             |                   |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                                      | \$ 1,765          | \$ 1,477             | \$ 1,316            | \$ 1,316             | \$ 1,316             | \$ 1,316             | \$ 1,316             |
| SPECIAL FUNDS.....                                     | 0                 | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                                     | 136,055           | 135,055              | 135,031             | 135,031              | 135,031              | 135,031              | 135,031              |
| OTHER FUNDS.....                                       | 283,742           | 353,686              | 354,533             | 354,533              | 354,533              | 354,533              | 354,533              |
| SUBCATEGORY TOTAL.....                                 | <u>\$ 421,562</u> | <u>\$ 490,218</u>    | <u>\$ 490,880</u>   | <u>\$ 490,880</u>    | <u>\$ 490,880</u>    | <u>\$ 490,880</u>    | <u>\$ 490,880</u>    |
| <b>WORKFORCE INVESTMENT</b>                            |                   |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                                      | \$ 2,813          | \$ 2,413             | \$ 11,613           | \$ 11,613            | \$ 11,613            | \$ 11,613            | \$ 11,613            |
| SPECIAL FUNDS.....                                     | 0                 | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                                     | 297,173           | 297,332              | 296,505             | 296,505              | 296,505              | 296,505              | 296,505              |
| OTHER FUNDS.....                                       | 40,000            | 70,000               | 50,000              | 50,000               | 50,000               | 50,000               | 50,000               |
| SUBCATEGORY TOTAL.....                                 | <u>\$ 339,986</u> | <u>\$ 369,745</u>    | <u>\$ 358,118</u>   | <u>\$ 358,118</u>    | <u>\$ 358,118</u>    | <u>\$ 358,118</u>    | <u>\$ 358,118</u>    |
| <b>VOCATIONAL REHABILITATION</b>                       |                   |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                                      | \$ 43,581         | \$ 43,581            | \$ 48,987           | \$ 48,987            | \$ 48,987            | \$ 48,987            | \$ 48,987            |
| SPECIAL FUNDS.....                                     | 0                 | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                                     | 0                 | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                                       | 168,339           | 172,151              | 190,151             | 190,151              | 190,151              | 190,151              | 190,151              |
| SUBCATEGORY TOTAL.....                                 | <u>\$ 211,920</u> | <u>\$ 215,732</u>    | <u>\$ 239,138</u>   | <u>\$ 239,138</u>    | <u>\$ 239,138</u>    | <u>\$ 239,138</u>    | <u>\$ 239,138</u>    |
| <b>ALL PROGRAMS:</b>                                   |                   |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                                      | \$ 70,940         | \$ 71,368            | \$ 85,872           | \$ 86,710            | \$ 87,330            | \$ 87,964            | \$ 88,616            |
| SPECIAL FUNDS.....                                     | 0                 | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                                     | 433,228           | 432,387              | 431,536             | 431,536              | 431,536              | 431,536              | 431,536              |
| OTHER FUNDS.....                                       | 494,240           | 598,035              | 596,899             | 596,899              | 596,899              | 596,899              | 596,899              |
| DEPARTMENT TOTAL.....                                  | <u>\$ 998,408</u> | <u>\$ 1,101,790</u>  | <u>\$ 1,114,307</u> | <u>\$ 1,115,145</u>  | <u>\$ 1,115,765</u>  | <u>\$ 1,116,399</u>  | <u>\$ 1,117,051</u>  |



## Program: Community and Occupational Safety and Stability

*Goal: To further economic development in the commonwealth by promoting the health, welfare and safety of employees and acting to maintain continuous production and employment through mediation.*

The department administers and enforces a wide range of laws designed to enhance income security, safeguard the health of workers and the general public, protect workers' rights and promote stable labor relations and labor-management cooperation.

### **Program Element: Income Security and Workers' Rights**

The Bureau of Labor Law Compliance monitors and enforces Pennsylvania's laws relating to minimum wage, wage payment and collection and prevailing wage. The department also enforces several laws which protect workers' rights, those regulating child labor, seasonal farm labor, industrial homework, equal pay, medical pay, apprenticeship and training, misclassification of construction employees as independent contractors and mandatory overtime in health care. The bureau executes these responsibilities by providing employees and employers with information about the laws, conducting investigations and resolving disputes.

### **Program Element: Labor Relations**

The Bureau of Mediation promotes stable labor relations by mediating public and private disputes. It provides mandatory mediation services pursuant to the Public Employee Relations Act, which requires parties to a public sector contract to notify the department when contract negotiations fail to yield an agreement. It also provides optional mediation services in the private sector pursuant to the National Labor Relations Act, which requires parties to file dispute notices with the department in the event of unsuccessful contract negotiations. In total, the department mediates more than 800 cases per year. Additionally, the bureau provides grievance mediation services, assists public and private sector employers and unions in forming and operating labor-management committees and offers labor-management communications training. The bureau also maintains and administers the grievance arbitration roster for Pennsylvania's public employers.

The Pennsylvania Labor Relations Board enforces and implements Pennsylvania laws which relate to collective bargaining in both the public and private sectors. Such laws include the Pennsylvania Labor Relations Act, the Public Employee Relations Act, and Act 111 of 1968 (police and firefighter collective bargaining). The board also selects collective bargaining representatives, prevents unfair practices in the public sector and helps to resolve collective bargaining disputes by creating arbitration panels and appointing fact finders.

### **Program Element: Public Health and Safety**

The Bureau of Occupational and Industrial Safety enforces and administers a variety of statutes and regulations which relate to public safety issues, including the Uniform Construction Code, which regulates building construction, accessibility, and elevators. The bureau also enforces Pennsylvania laws regulating boilers and unfired pressure vessels, liquefied petroleum gas, flammable and combustible liquids, bedding and upholstery, stuffed toys, employee safety with regard to hazardous chemicals, and accreditation and certification in lead-based paint and asbestos occupations.

These laws are enforced by establishing necessary regulations and by conducting plan reviews, specialized field inspections, licensing and certification reviews and renewals, as well as complaint and accident investigations and audits. The bureau also monitors all inspectors' reporting activities in order to ensure that both the inspectors are discharging their duties properly and that regulated devices, equipment and construction continue to operate safely.

Additionally, the bureau maintains various training, continuing education, testing and certification programs for all persons charged with enforcement of the Uniform Construction Code and laws regulating boilers and unfired pressure vessels, elevators and passenger ropeways, and lead-based paint and asbestos abatement occupations. Such programs enable the bureau to fulfill its duties under the Pennsylvania Construction Code Act, which mandates adoption of the International Construction Codes. The programs relate to all seven areas in which a building must comply with the codes in order to be approved for occupancy: building; electrical; mechanical; plumbing; energy; accessibility; and fire protection. The bureau also administers and enforces code requirements for elevators and other lifting devices. Inspectors certified by the department ensure compliance with approved plans before issuing occupancy permits.

In Pennsylvania's 2,563 municipalities, 2,408 have opted to enforce the Uniform Construction Code locally. The bureau enforces the code as it applies to all commercial buildings within the 155 municipalities which have not opted for local enforcement. The bureau also enforces accessibility laws in municipalities that do not have officials properly certified to provide such enforcement. Additionally, the bureau has sole enforcement jurisdiction over all state-owned buildings.

## Program: Community and Occupational Safety and Stability (continued)

The bureau administers the Hazardous Material Emergency Planning & Response Act. Under this law, every employer doing business in Pennsylvania is required to provide information about hazardous chemicals located in its workplace or released into the environment and also to ensure the availability of information regarding chemicals on-site to emergency response organizations. The bureau collects tier II hazardous chemical inventory report data, material safety data sheets and site plans that it manages through a secure online reporting program. In the event of an emergency incident at a reporting facility, the state

Emergency Operations Center can access the online system and retrieve needed information. Data sharing agreements also enable county and local emergency response agencies to access such data for local facilities. The bureau provides training and education on hazardous chemical reporting requirements to both facilities and county and local emergency planning committees. The bureau also processes and deposits hazardous chemical reporting fees into the Hazardous Materials Response Fund.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 25 **General Government Operations**  
—to continue current program.

\$ 34 **Occupational and Industrial Safety**  
—to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                     |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....      | \$ 12,335         | \$ 12,547            | \$ 12,572         | \$ 13,012            | \$ 13,337            | \$ 13,670            | \$ 14,012            |
| Occupational and Industrial Safety ..... | 10,446            | 11,350               | 11,384            | 11,782               | 12,077               | 12,378               | 12,688               |
| <b>TOTAL GENERAL FUND .....</b>          | <b>\$ 22,781</b>  | <b>\$ 23,897</b>     | <b>\$ 23,956</b>  | <b>\$ 24,794</b>     | <b>\$ 25,414</b>     | <b>\$ 26,048</b>     | <b>\$ 26,700</b>     |

## Program: Workers' Compensation and Assistance

*Goal: To further economic development in the commonwealth by stabilizing the incomes of employees who become unemployed.*

This program provides income and medical services security to qualifying individuals. This program includes workers' compensation, unemployment compensation, occupational disease payments and Social Security disability payments.

Through private insurance companies, the State Workers' Insurance Fund and self-insured employers, workers' compensation insurance provides wage loss benefits and payments for medical services to employees for injuries or diseases sustained during the course of their employment. The commonwealth's administrative expenses are funded from assessments through the insurance industry and self-insurers.

Act 147 of 2006 amended the Workers' Compensation Act to create an Uninsured Employers Guaranty Fund to provide benefits to injured workers whose employers do not have workers' compensation insurance and are not approved by the commonwealth to self-insure. The benefits and claims management costs of this fund come from an annual assessment through the insurance industry and self-insurers. This act also made changes to the workers'

compensation litigation process by requiring a worker's compensation judge to impose specific scheduling orders at the first hearing, mandating mediation unless it would be futile and requiring a resolution hearing procedure to expedite consideration of settlements.

Occupational disease payments are made under the Workers' Compensation Act and the Occupational Disease Act, primarily to workers with silicosis and related diseases, commonly referred to as "black lung." Workers with these diseases are generally covered based on their date of last exposure and disability. Injured workers proceeding under the Workers' Compensation Act where exposure occurred after July 1, 1973 and which resulted in disability or death occurring between July 1, 1973 and June 30, 1976 are paid a proportional amount by the commonwealth. Those exposed on or after June 30, 1976 receive benefits paid entirely by their employer. Those who do not meet the eligibility requirements under the Workers' Compensation Act may file claims pursuant to the Occupational Disease Act.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|                                       |   |
|---------------------------------------|---|
| <b>GENERAL FUND</b>                   |   |
| <b>Occupational Disease Payments</b>  |   |
| \$ -54                                | —to continue current program based on payment requirements. |
| <b>Workers' Compensation Payments</b> |   |
| \$ -107                               | —to continue current program based on payment requirements. |

In addition, this budget recommends the following change to the Workers' Compensation Program through the Workmen's Compensation Administration Fund.

|  |                               |
|--|-------------------------------|
| <b>WORKMEN'S COMPENSATION ADMINISTRATION FUND:</b> |                               |
| <b>Administration of Workers' Compensation</b>     |                               |
| \$ 847   | —to continue current program. |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>   |                   |                      |                   |                      |                      |                      |                      |
| Occupational Disease Payments.....                           | \$ 805            | \$ 678               | \$ 624            | \$ 624               | \$ 624               | \$ 624               | \$ 624               |
| Workers' Compensation Payments .....                         | 960               | 799                  | 692               | 692                  | 692                  | 692                  | 692                  |
| <b>TOTAL GENERAL FUND .....</b>                              | <b>\$ 1,765</b>   | <b>\$ 1,477</b>      | <b>\$ 1,316</b>   | <b>\$ 1,316</b>      | <b>\$ 1,316</b>      | <b>\$ 1,316</b>      | <b>\$ 1,316</b>      |
| <b>WORKMEN'S COMPENSATION ADMINISTRATION FUND:</b>           |                   |                      |                   |                      |                      |                      |                      |
| Administration of Workers' Compensation .....                | \$ 76,028         | \$ 70,666            | \$ 71,513         | \$ 71,513            | \$ 71,513            | \$ 71,513            | \$ 71,513            |
| (A) Conference Fees .....                                    | 241               | 400                  | 400               | 400                  | 400                  | 400                  | 400                  |
| <b>TOTAL WORKMEN'S COMPENSATION ADMINISTRATION FUND.....</b> | <b>\$ 76,269</b>  | <b>\$ 71,066</b>     | <b>\$ 71,913</b>  | <b>\$ 71,913</b>     | <b>\$ 71,913</b>     | <b>\$ 71,913</b>     | <b>\$ 71,913</b>     |

## Program: Workforce Investment

*Goal: To provide meaningful job training and placement services in a coordinated role with other commonwealth agencies, the private sector and the federal government in order to secure unsubsidized employment for unemployed Pennsylvanians.*

The Workforce Development System provides a range of employment, training and labor market information services statewide. The Department of Labor & Industry is the lead agency in administering interagency employment and training programs for Pennsylvania's adult, dislocated worker and youth labor force. Programs assist people who are looking for work, including Temporary Assistance for Needy Families clients and unemployed individuals, in skill development and in finding suitable employment, as well as assisting working Pennsylvanians with career advancements into family sustaining jobs. It is administered by the Bureau of Workforce Development Administration, the Bureau of Workforce Partnership and Operations, the Center for Workforce Information and Analysis and the State Workforce Investment Board.

In addition to training programs, the Center for Workforce Information and Analysis provides labor market information to students, job seekers, employers, economic developers and the public at large. This includes career exploration tools for job seekers and students. The Pennsylvania Fast Facts publication provides a snapshot of labor market data from across the state including employment data, hiring trends and other economic indicators. The center also develops, in consultation with education and economic development partners, the High Priority Occupation (HPO) list. HPOs are occupations that are in demand by employers, have higher skill needs and are likely to provide family-sustaining wages. Statewide and local HPO lists are published annually. The HPO list and corresponding training programs drive Pennsylvania's investments in workforce education and training.

The Federal Workforce Investment Act (WIA) of 1998 was enacted to improve the delivery of job training and employment services. Funding for numerous programs was consolidated under the act into three basic grants under Title I-B: Adult Employment and Training, Dislocated Worker Employment and Training, and Youth Employment and Training. Ninety-five percent of the federal funds appropriated for adult and youth services are allotted to local workforce investment areas. The remainder is reserved for statewide activities. Local Workforce Investment Boards plan and oversee the local delivery of workforce development activities and services in line with the governor's vision and strategy as outlined in the strategic plan. The boards, in partnership with local elected officials, identify eligible providers of training services,

monitor system performance and help develop the regional labor market information system.

On July 22, 2014, President Obama signed the Workforce Innovation and Opportunity Act (WIOA), the first legislative reform of the public workforce system in more than 15 years. The WIOA supersedes the Workforce Investment Act of 1998 and retains and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. In general, the act takes effect on July 1, 2015, the first full program year after enactment. However, state and local plan provisions and current performance accountability systems may continue for the first program year. State unified plans, common performance accountability provisions, and one-stop infrastructure cost requirements take effect on July 1, 2016. The WIOA provides the administrative structure to deliver workforce development services from all federal agencies. The new law will bring together and enhance several key employment, education, and training programs. The WIOA will help job seekers and workers access employment, education, training, and support services to succeed in the labor market and match employers with skilled workers they need to compete in the global economy.

Through formula grants to states, the WIOA will bring together the core programs in skill development. Grants will be awarded for employment and training services for youth, adults, and dislocated workers, and Wagner-Peyser employment services. The WIOA also authorizes programs for specific vulnerable populations including participants in Job Corps, YouthBuild, and Native Americans and migrant and seasonal farm workers.

Pennsylvania was chosen as one of only eight states to be eligible for a \$1.4 million WIA Incentive grant award. Pennsylvania meets performance based eligibility requirements under the Adult Education and Family Literacy Act. The grant is written in collaboration with the Pennsylvania Department of Education and aligns with the state's integrated workforce plan. The commonwealth will use the funds for the following initiatives: a competitive program that will allow local adult basic and family literacy education providers to acquire technology to support foundation skills instruction, a program that will provide vouchers to eligible students who wish to take the GED Ready™ practice test, and a program to fund career counselors in school districts that are part of the Opening Doors dropout prevention program.



## Program: Workforce Investment (continued)

### **Program Element: PA CareerLink®**

PA CareerLink® is a one-stop workforce development system that has improved service for businesses, job seekers and other customers by integrating systems and coordinating services. Services available at the PA CareerLink® for individuals include job search and placement assistance, labor market information, initial assessment of skills and needs and information about available services and follow-up services to help customers keep their jobs after placement. Services available to businesses include assistance in matching qualified job-seekers with job openings, identifying tax incentives that the business may be eligible for by employing certain target groups, assessment for occupational and training needs and provision of labor market information. In addition to physical locations, the PA CareerLink® also offers an Internet-based system that both employer and job seeker customers can access.

Congress reaffirmed the role of the American Job Center System (formerly described as the One-Stop System), a cornerstone of the public workforce investment system. PA CareerLink® is the brand name for Pennsylvania's service delivery system.

The PA CareerLink® system is a cooperative effort involving the Departments of Education, Labor & Industry, Public Welfare and Local Workforce Investment Boards in partnership with training providers, employers and various system users.

### **Program Element: Dislocated Workers**

The department provides assistance to dislocated workers through training programs, rapid response efforts, support services and needs-based payments. Twenty percent of federal funds appropriated for dislocated workers are retained at the federal level to provide national emergency grants, dislocated worker demonstration projects and technical assistance. The remaining 80 percent of the funds for dislocated workers are allotted to states. Of this allotment, 70 percent is allocated to local areas and 30 percent is retained at the state level (5 percent for statewide activities and 25 percent for rapid response efforts). Local areas offer job search assistance and training services to dislocated workers.

Rapid Response is an early intervention service that assists workers, employers and communities affected by layoffs, plant closures or natural disasters. The primary objective of the Rapid Response program is to provide workers with information on the services they need to allow them to find new jobs or get the training and education needed for new careers so that they can get back to work quickly. Through Rapid Response, workers are provided information about the following: unemployment insurance; training opportunities; job search assistance; Trade Act programs; health insurance and pension benefits; social services; and emergency assistance. The Rapid Response program also offers referrals to state and local economic

development services designed to help businesses that are at risk of closing remain in operation.

Rapid Response program activities are triggered when the department learns of a planned closure or layoff either by receiving a notice under the Federal Worker Adjustment and Retraining Notification Act, through the media or by information provided by community and business leaders. Services may also be offered when Pennsylvania experiences significant employment displacement as a result of a disaster. There is no charge to the employer or employee for these services and they are provided regardless of the reason for the layoff.

In July 2012, the department developed and launched a comprehensive job-matching system: JobGatewaySM. Through the modernization and improvement of the existing system, cutting-edge technologies have been introduced in phases to benefit both job seekers and employers alike. Through this initiative, job-seekers are matched with employment opportunities enabling employers to identify candidates who fit their needs.

### **Program Element: Industry Partnerships**

The Industry Partnership program was created to support employer led consortiums within industry sectors in meeting their training and workforce development needs. Industry Partnerships are employer/worker consortiums that bring together companies with similar products, markets and human resource needs. They are organized by industry sector based on an analysis of where Pennsylvania and/or multi-county regions appear to have a competitive advantage. The intent is to make intelligent and prudent investments to develop the human capital that will lead to greater productivity, enlightened human resource practices and innovation, thereby helping these industries to survive and grow. Most importantly, by bringing together employers committed to the development of their workforce, these partnerships develop a deep and thorough understanding of their industry. Management and employees gain insight by researching the future of the industry. Government also uses this industry intelligence to help its education and training partners better understand the future needs of industry.

Industry Partnerships uncover common challenges within industries and, using economies of scale, apply private and public resources across numerous employers to develop incumbent workers' skills. Tax dollars and matching employer investments support the entire industry, not just one company's needs. Through these partnerships, industry-recognized credentials can be developed that enable workers to advance with their current employers or seek better opportunities with those who reward their educational investment. Training needs are communicated to educational partners who develop curricula for new college courses, high school and career and technical education programs and other training programs.

## Program: Workforce Investment (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|    |                |  |    |      |   |
|----|----------------|--|----|------|---|
| \$ | -200<br>10,000 | <b>Industry Partnerships</b><br>—non-recurring projects.<br>—Initiative—Jobs That Pay. To support workforce development for industry groups linked by common product markets, similar technologies and workforce strategies. | \$ | -100 | <b>Keystone Works</b><br>—program elimination.          |
|    |                |  |    |      |   |
| \$ | 9,800          | <i>Appropriation Increase</i>  | \$ | -500 | <b>New Choices/New Options</b><br>—program elimination. |
|    |                |  |    |      |   |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                 | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>            |                   |                      |                   |                      |                      |                      |                      |
| Keystone Works .....            | \$ 500            | \$ 100               | \$ 0              | \$ 0                 | \$ 0                 | \$ 0                 | \$ 0                 |
| New Choices / New Options ..... | 500               | 500                  | 0                 | 0                    | 0                    | 0                    | 0                    |
| Industry Partnerships .....     | 1,813             | 1,813                | 11,613            | 11,613               | 11,613               | 11,613               | 11,613               |
| <b>TOTAL GENERAL FUND .....</b> | <b>\$ 2,813</b>   | <b>\$ 2,413</b>      | <b>\$ 11,613</b>  | <b>\$ 11,613</b>     | <b>\$ 11,613</b>     | <b>\$ 11,613</b>     | <b>\$ 11,613</b>     |

## Program: Vocational Rehabilitation

*Goal: To enable eligible persons with disabilities to obtain competitive employment.*

The mission of the Office of Vocational Rehabilitation (OVR) is to assist Pennsylvanians with disabilities, and secure and maintain employment and independence. There are an estimated 540,000 Pennsylvania citizens whose disabilities present a substantial impediment to their employment and independent living.

The Office of Vocational Rehabilitation (OVR) helps these citizens find appropriate work, remain independent, and enables them to contribute more to their communities and the commonwealth. As a key component of this mission, OVR also serves the needs of Pennsylvania businesses through access to OVR's talent base of qualified applicants. During 2014, approximately 75,000 customers with disabilities were referred to and/or were served by OVR programs.

In accordance with the federal Rehabilitation Act of 1973 and its re-authorization in Title IV of the Workforce Innovation and Opportunity Act (WIOA) of 2014, OVR administers funds and staffs multiple programs and initiatives that focus on helping people with disabilities find and keep jobs. The federal act provides funding and establishes eligibility criteria for vocational rehabilitation services. Services are provided to individuals with disabilities who can benefit from services to prepare for, enter, or retain employment. Primary emphasis is placed on serving individuals with the most significant disabilities. These individuals generally require extensive and varied services over an extended period of time. State and federal funds are expended through the Vocational Rehabilitation Fund.

Supported employment services are also provided and improve employment opportunities for individuals previously considered to have disabilities so significant that they could not benefit from the traditional vocational rehabilitation program. Supported employment combines job placement in the community with job training at the job site. A significant portion of OVR's funding is dedicated to purchasing services for its customers to meet their vocational rehabilitation needs through a variety of community entities such as hospitals, doctors, therapists,

local businesses, community rehabilitation service providers, and other non-profits. OVR also partners with the business community to develop placements for customers and offers businesses no cost consultative services on reasonable accommodation, federal contract compliance, and the Americans with Disabilities Act. OVR also offers on-the-job training contracts to employers when hiring OVR customers.

Through its Bureau of Blind and Visual Services, OVR provides services to persons who are blind or visually impaired. In addition to vocational rehabilitation services, qualified applicants may receive specialized services through programs that are fully state-funded or through the Independent Living for Older Blind program within the federal Rehabilitation Act. Services may coincide with vocational rehabilitation services or be provided separately, depending on the needs of the individual.

The Hiram G. Andrews Center (HGAC) in Johnstown is administered through OVR. HGAC offers adults with disabilities a wide array of job training and vocational rehabilitation services in a campus-like environment. HGAC draws funds from the federal/state vocational rehabilitation program, as well as, from numerous grants and special projects.

OVR provides oversight and technical support for independent living services to nine, community-based, non-profit Centers for Independent Living, known commonly as CILs. The CILs, created by Act 139 of 1994, furnish information and referral services, peer counseling, transition services, independent living skills training and other services to Pennsylvanians with disabilities.

Advances in existing and new assistive technology are creating opportunities for people with disabilities, as well as the businesses that benefit from employing them. OVR supports and administers initiatives that increase the availability and affordability of assistive technology through two third-party programs that make financing available to people with disabilities and enable them to try new technology before making what can be a major, irreversible purchase.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| Transfer to the Vocational Rehabilitation Fund  |       | Centers for Independent Living  |     |
|---|-------|---|-----|
| \$  | 5,000 | \$  | 406 |
| —Initiative—Jobs That Pay. To maximize the use of available federal funds to help people with disabilities. |       | —Initiative—Assisting Pennsylvanians With Disabilities. To increase the level of support to the nine state-funded Centers for Independent Living. |     |

All other appropriations in this program are recommended at the current year funding levels.

## Program: Vocational Rehabilitation (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                                     |                   |                      |                   |                      |                      |                      |                      |
| Transfer to Vocational Rehabilitation Fund               | \$ 40,473         | \$ 40,473            | \$ 45,473         | \$ 45,473            | \$ 45,473            | \$ 45,473            | \$ 45,473            |
| Supported Employment.....                                | 397               | 397                  | 397               | 397                  | 397                  | 397                  | 397                  |
| Centers for Independent Living .....                     | 1,912             | 1,912                | 2,318             | 2,318                | 2,318                | 2,318                | 2,318                |
| Assistive Technology Devices .....                       | 400               | 400                  | 400               | 400                  | 400                  | 400                  | 400                  |
| Assistive Technology Demonstration<br>and Training ..... | 399               | 399                  | 399               | 399                  | 399                  | 399                  | 399                  |
| TOTAL GENERAL FUND .....                                 | <u>\$ 43,581</u>  | <u>\$ 43,581</u>     | <u>\$ 48,987</u>  | <u>\$ 48,987</u>     | <u>\$ 48,987</u>     | <u>\$ 48,987</u>     | <u>\$ 48,987</u>     |



## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Program: Community and Occupational Safety and Stability****Objective: Increase compliance with labor laws.****Income Security - Workers' Rights**

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Minimum wage violations cited                                      | 450   | 450   | 450   | 450   | 450   | 450   | 450   |
| Child Labor Law violations   | 200   | 200   | 200   | 200   | 200   | 200   | 200   |
| Nonpayment of wage violations                                      | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| Prevailing Wage Law violations                                     | 500   | 500   | 500   | 500   | 500   | 500   | 500   |
| Prevailing Wage Law violations cases closed                        | 300   | 300   | 300   | 300   | 300   | 300   | 300   |
| Prevailing Wage Law violations cases closed-average number of days | 180   | 180   | 180   | 180   | 180   | 180   | 180   |

**Public Health and Safety Inspections**

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Building inspections performed   | 37,300 | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 |
| Elevator inspections performed   | 12,000 | 12,500 | 13,800 | 14,600 | 14,600 | 14,600 | 14,600 |
| Boiler inspections performed   | 28,500 | 34,000 | 34,000 | 34,000 | 34,000 | 34,000 | 34,000 |
| Other inspections performed  | 5,000  | 5,000  | 5,000  | 5,000  | 5,000  | 5,000  | 5,000  |
| Building approvals issued  | 3,200  | 3,200  | 3,200  | 3,200  | 3,200  | 3,200  | 3,200  |
| New buildings certified and renovations of existing buildings certified  | 2,100  | 2,100  | 2,100  | 2,100  | 2,100  | 2,100  | 2,100  |
| Municipalities choosing to provide their own enforcement under the Uniform Construction Code Act                         | 2,407  | 2,408  | 2,408  | 2,408  | 2,408  | 2,408  | 2,408  |
| Certifications, accreditations & licensing (Asbestos/Lead/Private Employment Agency Licensing/Uniform Construction Code) | 3,500  | 3,500  | 6,000  | 3,500  | 3,500  | 6,000  | 3,500  |

**Objective: Maintain and improve cooperative labor-management relations.****Labor Relations**

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Mediated cases for public sector bargaining units involving work stoppages  | 2%  | 2%  | 2%  | 2%  | 2%  | 2%  | 2%  |
| Mediated cases for private sector bargaining units involving work stoppages | 10% | 10% | 10% | 10% | 10% | 10% | 10% |
| Unfair labor practice cases opened  | 375 | 375 | 375 | 375 | 375 | 375 | 375 |
| Unfair labor practice cases concluded                                       | 325 | 325 | 325 | 325 | 325 | 325 | 325 |
| Union representation cases opened   | 150 | 150 | 150 | 150 | 150 | 150 | 150 |
| Union representation cases concluded  | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

**Public Health and Safety Inspections**

|                           |     |     |     |     |     |     |     |
|---------------------------|-----|-----|-----|-----|-----|-----|-----|
| Incident reports received | 650 | 650 | 650 | 600 | 600 | 600 | 600 |
|---------------------------|-----|-----|-----|-----|-----|-----|-----|

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Program: Workers' Compensation and Assistance****Objective: Reduce the cost of doing business while making workplaces safer.**

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Reportable injuries arising in the course of employment under the Workers' Compensation Act | 91,000 | 91,000 | 91,000 | 91,000 | 91,000 | 91,000 | 91,000 |
| Number of final decisions in litigated workers' compensation claims                         | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 |
| Claimants qualifying for occupational disease payments from commonwealth funds              | 304    | 274    | 244    | 214    | 184    | 154    | 154    |

**Objective: Reduce the cost of paying unemployment compensation claims and collecting UC taxes while improving services for claimants and employers.**

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| New claims for unemployment compensation | 728,000 | 722,000 | 716,000 | 710,000 | 705,000 | 705,000 | 700,000 |
|--|---------|---------|---------|---------|---------|---------|---------|

**Program: Workforce Investment****Objective: Increase the number of Pennsylvanians able to obtain, retain and advance in 21st-century careers, as well as improve the global competitiveness of Pennsylvania's employers.****Work Investment Act Title I**

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Workforce Investment Act Adult Entered Employment Rate   | 73%   | 75%   | 77%   | 77%   | 77%   | 77%   | 77%   |
| Dislocated Worker Entered Employment Rate  | 77%   | 79%   | 80%   | 82%   | 82%   | 82%   | 82%   |
| Youth Placement Rate   | 64%   | 66%   | 67%   | 67%   | 67%   | 67%   | 67%   |
| Workforce Investment Act Adult Employment Retention  | 86%   | 87%   | 88%   | 88%   | 88%   | 88%   | 88%   |
| Dislocated Worker Employment Retention   | 89%   | 90%   | 90%   | 90%   | 90%   | 90%   | 90%   |
| Youth Attainment (Individuals attaining a high school diploma, GED, postsecondary degree, or certification while enrolled in training) | 86%   | 88%   | 88%   | 88%   | 88%   | 88%   | 88%   |
| Number of Rapid Response Activities  | 250   | 200   | 200   | 150   | 150   | 150   | 150   |
| Number of Individuals Trained by Individual Training Accounts  | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |

**Wagner Peyser**

|                                       |     |     |     |     |     |     |     |
|---------------------------------------|-----|-----|-----|-----|-----|-----|-----|
| Wagner-Peyser Entered Employment Rate | 55% | 57% | 58% | 60% | 60% | 60% | 60% |
| Wagner-Peyser Employment Retention    | 83% | 84% | 84% | 84% | 84% | 84% | 84% |

**Incumbent Workers**

|  |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|
| Incumbent Worker Employment Retention Rate (Industry Partnership Participants) | 82% | 83% | 85% | 85% | 85% | 85% | 85% |
|--|-----|-----|-----|-----|-----|-----|-----|

## Program Measures

|   | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Incumbent Worker Wage Change (Industry Partnership Participants)        | 5%      | 5%      | 7%      | 7%      | 7%      | 7%      | 7%      |
| Number of Incumbent Workers Trained (Industry Partnership Participants) | 4,000   | 4,000   | 7,000   | 7,000   | 7,000   | 7,000   | 7,000   |
| Apprentice completions-graduations                                      | 2,500   | 2,500   | 2,500   | 2,500   | 2,500   | 2,500   | 2,500   |
| Registered Apprentices  | 14,500  | 15,000  | 15,000  | 15,000  | 15,000  | 15,000  | 15,000  |
| Minorities Registered for Apprenticeship                                | 1,500   | 1,500   | 1,500   | 1,500   | 1,500   | 1,500   | 1,500   |

**Program: Vocational Rehabilitation****Objective: Increase the employment potential and personal independence of persons with disabilities.**

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Number of eligible participants with active plans  | 52,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Number of participants closed as employed  | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Number of persons successfully completing independent living/specialized services  | 1,500  | 1,500  | 1,500  | 1,500  | 1,500  | 1,500  | 1,500  |
| Number of persons moving into employment who received postsecondary education and who were referred to OVR while in secondary education      | 1,200  | 1,200  | 1,200  | 1,200  | 1,200  | 1,200  | 1,200  |
| Number of persons moving into employment without receiving postsecondary education and who were referred to OVR while in secondary education | 1,255  | 1,255  | 1,255  | 1,255  | 1,255  | 1,255  | 1,255  |



---

# LIQUOR CONTROL BOARD

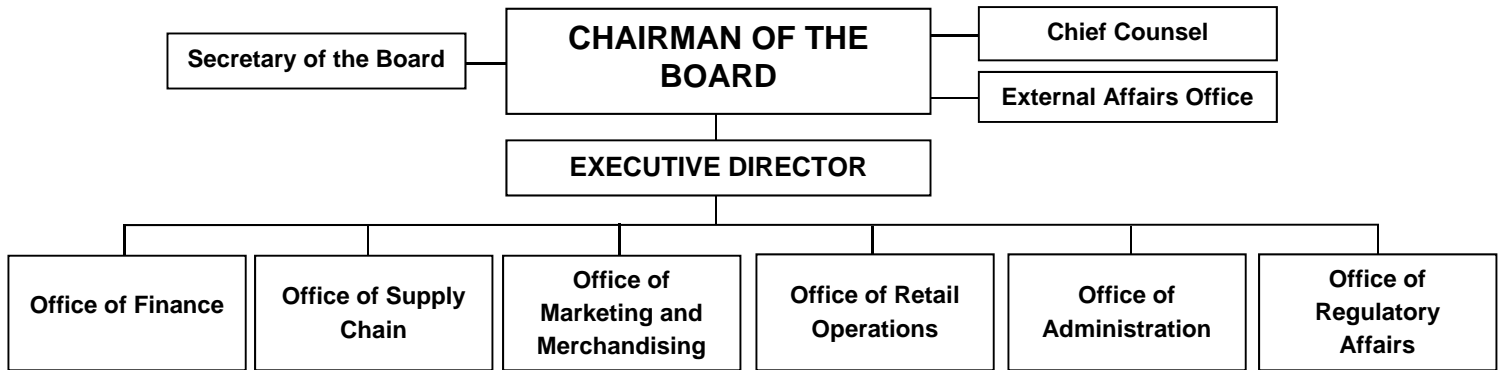
*The mission of the Liquor Control Board is to regulate the alcohol beverage industry in a fair and consistent manner; to provide the best service to its customers through modern, convenient outlets, superior product selection and competitive prices in a controlled environment; and to provide factual information on alcohol and its effects through a comprehensive alcohol education program.*

The board controls the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in the commonwealth.

## **Programs and Goals**

**Liquor Control:** *To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.*

## Organization Overview



- **Office of Finance** is responsible for budgeting, planning, forecasting, managing banking relationships, cash control, financial analyses, and coordinating monthly accounting and reporting. Beyond the fiscal role, other functions of the Office of Finance include the procurement of all services, equipment and non-stock items. The office is also responsible for implementation of technology to support administrative, retail, merchandising and supply chain systems throughout the business.
- **Office of Supply Chain** purchases approximately 3,500 regular wine and spirits products from domestic and foreign suppliers, which includes controlling the flow of merchandise to meet customer demands. The office handles the importation, excise taxes, customs duties, warehousing and transportation of products to the retail stores.
- **Office of Marketing and Merchandising** selects and presents the best wine and spirits at Fine Wine & Good Spirits stores at competitive prices while striving to build relationships with consumers through communications, advertising and social media outlets. Marketing directs the overall planning, organization, coordination and strategic direction of marketing programs, initiatives and projects.
- **Office of Retail Operations** is responsible for overseeing the daily operations of more than 600 Fine Wine & Good Spirits stores throughout the Commonwealth. This includes store staffing, training, inventory control, various marketing/sales promotions, equipment enhancements, software upgrades and the implementation of new incentives.
- **Office of Administration** develops and implements policies, procedures and regulations regarding the day-to-day operations. It also directs new strategic initiatives of the agency, and manages all internal operations.
- **Office of Regulatory Affairs** oversees more than 17,000 licensees throughout the commonwealth ensuring the licensed beverage industry complies with statutory requirements and regulatory mandates. In addition, this office handles all consumer feedback and issues through consumer relations and provides leadership and resources to reduce alcohol misuse through alcohol education, training, and guidance to owners and managers.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 3,276             | 3,276             | 3,276             | 3,276             | 3,270             |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL   | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET   |
|---|---------------------|----------------------|---------------------|
| <b><u>OTHER FUNDS:</u></b>                    |                     |                      |                     |
| <b>STATE STORES FUND:</b>                     |                     |                      |                     |
| General Operations (EA).....                  | \$ 452,970          | \$ 484,958           | \$ 513,961          |
| (A)Sale of Automobiles.....                   | 9                   | 23                   | 20                  |
| Purchase of Liquor (EA).....                  | 1,243,000           | 1,281,000            | 1,332,250           |
| Comptroller Operations (EA).....              | 4,200               | 5,000                | 5,000               |
| Transfer of Profits to General Fund (EA)..... | 80,000              | 80,000               | 80,000              |
| STATE STORES FUND TOTAL.....                  | <b>\$ 1,780,179</b> | <b>\$ 1,850,981</b>  | <b>\$ 1,931,231</b> |

# Program Funding Summary

(Dollar Amounts in Thousands)

|                        | 2013-14<br>Actual          | 2014-15<br>Available       | 2015-16<br>Budget          | 2016-17<br>Estimated       | 2017-18<br>Estimated       | 2018-19<br>Estimated       | 2019-20<br>Estimated       |
|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>LIQUOR CONTROL</b>  |                            |                            |                            |                            |                            |                            |                            |
| GENERAL FUND.....      | \$ 0                       | \$ 0                       | \$ 0                       | \$ 0                       | \$ 0                       | \$ 0                       | \$ 0                       |
| SPECIAL FUNDS.....     | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| FEDERAL FUNDS.....     | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| OTHER FUNDS.....       | 1,780,179                  | 1,850,981                  | 1,931,231                  | 2,010,661                  | 2,086,125                  | 2,164,690                  | 2,246,405                  |
| SUBCATEGORY TOTAL..... | <u>\$ 1,780,179</u>        | <u>\$ 1,850,981</u>        | <u>\$ 1,931,231</u>        | <u>\$ 2,010,661</u>        | <u>\$ 2,086,125</u>        | <u>\$ 2,164,690</u>        | <u>\$ 2,246,405</u>        |
| <b>ALL PROGRAMS:</b>   |                            |                            |                            |                            |                            |                            |                            |
| GENERAL FUND.....      | \$ 0                       | \$ 0                       | \$ 0                       | \$ 0                       | \$ 0                       | \$ 0                       | \$ 0                       |
| SPECIAL FUNDS.....     | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| FEDERAL FUNDS.....     | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| OTHER FUNDS.....       | 1,780,179                  | 1,850,981                  | 1,931,231                  | 2,010,661                  | 2,086,125                  | 2,164,690                  | 2,246,405                  |
| DEPARTMENT TOTAL.....  | <u><u>\$ 1,780,179</u></u> | <u><u>\$ 1,850,981</u></u> | <u><u>\$ 1,931,231</u></u> | <u><u>\$ 2,010,661</u></u> | <u><u>\$ 2,086,125</u></u> | <u><u>\$ 2,164,690</u></u> | <u><u>\$ 2,246,405</u></u> |

## Program: Liquor Control

*Goal: To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.*

Under existing law, all bottle sales of wines and spirits in Pennsylvania, with the exception of sales by licensed Pennsylvania wineries and distilleries are made through more than 600 state liquor stores operated by the Pennsylvania Liquor Control Board (PLCB). This includes both retail sales to individual consumers and wholesale sales to those private establishments that make retail sales of alcoholic beverages by the drink. The state liquor stores currently include six outlet stores, 19 one-stop shops located in grocery stores, 79 Premium Collection stores, one Wine Boutique and 175 stores that are open on Sundays.

Revenues from the sale of wines and spirits cover the cost of merchandise sold in the stores and all Liquor Control Board operating expenses including Office of the Comptroller for the PLCB, operations of the Pennsylvania State Police Bureau of Liquor Control Enforcement, Department of Drug and Alcohol programs, and expenses related to services provided by other state agencies such as the Office of Administration and Auditor General. Currently, remaining proceeds from wine and spirit sales are transferred annually to the commonwealth's General Fund in accordance with the Pennsylvania Liquor Code.

The Liquor Control Board's marketing strategy is geared to offering increased service to customers of legal age while maintaining the necessary controls at the point of purchase of alcoholic beverages. Each year, more than 1.3 million minor challenges are documented in sales situations where store employees had concern regarding the legal age requirement of potential buyers. Recent agency initiatives to increase service and expand premium product selection include growth of the Chairman's Selection™ wine program, enhanced internet presence and a make-over of the Liquor Control Board's image through a complete rebranding effort in select retail locations. Expanded customer service has resulted from amendments to the Liquor Code that have allowed implementation of consumer-oriented changes within the store environment including trade publication and accessory item sales, in-store sampling of products, Sunday sales and redeemable coupons.

The PLCB licenses private establishments that make

retail sales of alcoholic beverages by the drink. It also regulates the sale of malt and brewed beverages by licensing the distributors, restaurants, hotels and clubs that sell these items. The license quota system is county-based to allow for flexibility of licenses in developing areas most needed within the counties.

The Liquor Control Board has established an important nuisance bar program to ensure the safety and security of our citizens. This program supports a task force that uses the expertise of representatives of community affairs offices, district attorney offices, local and state police drug task forces, local communities, and the general assembly. If it is determined that a licensed business has abused its license privilege and, through its conduct or record of violations, demonstrates a pattern of activities that threatens the health and safety of the local community, the Liquor Control Board will refuse to renew its license. The Board typically rejects renewal of more than 150 licenses annually.

The Liquor Control Board formalizes its commitment to providing information about alcohol consumption through the Bureau of Alcohol Education. The bureau's annual budget supports its three-fold mission of delivering a no-alcohol use or "zero tolerance" message to all citizens under the age of 21, encouraging responsibility and moderation for any adult age 21 and over who chooses to drink alcoholic beverages, and promoting responsible alcohol beverage service and practices among licensees and persons that serve beverage alcohol in Pennsylvania. The Education and Grants Management Division awards a maximum of \$1.5 million in educational grants annually that enable colleges, communities and law enforcement agencies to combat underage and dangerous drinking. A comprehensive Responsible Alcohol Management Program (RAMP) offers responsible service training to licensees in Pennsylvania. The Bureau of Alcohol Education's RAMP Division is responsible for overseeing this program, including offering owner/manager training to licensees and certifying, monitoring and tracking all server/seller training in Pennsylvania. Annually, RAMP training is provided to more than 25,000 licensee servers.

| Responsible Alcohol Management Program (RAMP) | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Owners/Managers Trained                       | 4,513   | 4,513   | 4,513   | 4,513   | 4,513   | 4,513   | 4,513   |
| Servers/Sellers Trained                       | 36,861  | 38,151  | 39,486  | 40,868  | 42,299  | 43,779  | 45,312  |
| Establishments Certified                      | 1,151   | 1,186   | 1,221   | 1,258   | 1,295   | 1,334   | 1,374   |



## Program: Liquor Control (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| STATE STORES FUND       |        |  |                         |
|-------------------------|--------|--|-------------------------|
| General Operations (EA) |        |  | Purchase of Liquor (EA) |
| \$                      | 27,903 | —to continue current program.                    | \$ 51,250               |
|                         | 3,500  | —nonrecurring headquarter building improvements. | —for inventory costs.   |
|                         | —2,400 | —nonrecurring information system upgrades.       |                         |
| \$                      | 29,003 | <i>Appropriation Increase</i>                    |                         |

Comptroller Operations (EA) is recommended at the current year funding level.

This budget proposes a transfer of \$80 million from the State Stores Fund to the General Fund in 2015-16.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--------------------------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>STATE STORES FUND:</b>            |                     |                      |                     |                      |                      |                      |                      |
| General Operations (EA) .....        | \$ 452,970          | \$ 484,958           | \$ 513,961          | \$ 543,641           | \$ 568,105           | \$ 593,670           | \$ 620,385           |
| Purchase of Liquor (EA) .....        | 1,243,000           | 1,281,000            | 1,332,250           | 1,382,000            | 1,433,000            | 1,486,000            | 1,541,000            |
| Comptroller Operations (EA) .....    | 4,200               | 5,000                | 5,000               | 5,000                | 5,000                | 5,000                | 5,000                |
| <b>TOTAL STATE STORES FUND .....</b> | <b>\$ 1,700,170</b> | <b>\$ 1,770,958</b>  | <b>\$ 1,851,211</b> | <b>\$ 1,930,641</b>  | <b>\$ 2,006,105</b>  | <b>\$ 2,084,670</b>  | <b>\$ 2,166,385</b>  |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Liquor Control

**Objective: Increase revenue contributions to the General Fund by maximizing returns.**

|   |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Pennsylvania State Liquor Stores  | 606         | 603         | 605         | 605         | 605         | 605         | 605         |
| Gross sales (includes taxes) (in thousands)   | \$2,271,836 | \$2,356,000 | \$2,443,000 | \$2,533,000 | \$2,627,000 | \$2,724,000 | \$2,825,000 |
| Operating income (in thousands)   | \$147,959   | \$152,000   | \$157,000   | \$162,000   | \$167,000   | \$172,000   | \$177,000   |
| Total contributions from State Stores Fund (including Sales and Use tax, the Johnstown Flood tax and profit transfer) | \$534,062   | \$551,000   | \$568,000   | \$586,000   | \$605,000   | \$625,000   | \$645,000   |

**Objective: Increase the number of individuals that receive alcohol education to promote moderation and avoidance of abuse among legal consumers, and prevention of purchase and consumption by minors.**

|   |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Alcohol education grants awarded        | 61          | 61          | 61          | 61          | 61          | 61          | 61          |
| Alcohol education grant money awarded   | \$1,071,314 | \$1,500,000 | \$1,500,000 | \$1,500,000 | \$1,500,000 | \$1,500,000 | \$1,500,000 |
| Alcohol education materials distributed | 556,000     | 556,000     | 556,000     | 556,000     | 556,000     | 556,000     | 556,000     |

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

*The Department of Military and Veterans Affairs has two missions in state government. One mission is to provide world-class service to Pennsylvania veterans, their spouses and their dependents by operating a network of veterans assistance programs and six veterans homes.*

*Its second mission is to provide combat-ready units of the Pennsylvania Army and Air National Guard to protect the lives and property of the people of the commonwealth and preserve peace, order and public safety.*

*The Pennsylvania National Guard has dual missions. Its federal mission is to be trained and equipped to join the active military forces in time of war or national emergency. Its state mission is to respond to the orders of the governor in the event of natural and man-made disasters.*

The department consists of the Adjutant General, the State Armory Board, the State Veterans Commission, the Pennsylvania Soldiers and Sailors Home in Erie, the Veterans Home in Hollidaysburg, the Southeastern Veterans Center in Spring City, the Gino J. Merli Veterans Center in Scranton, the Southwestern Veterans Center in Pittsburgh and the Delaware Valley Veterans Home in Philadelphia.

## **Programs and Goals**

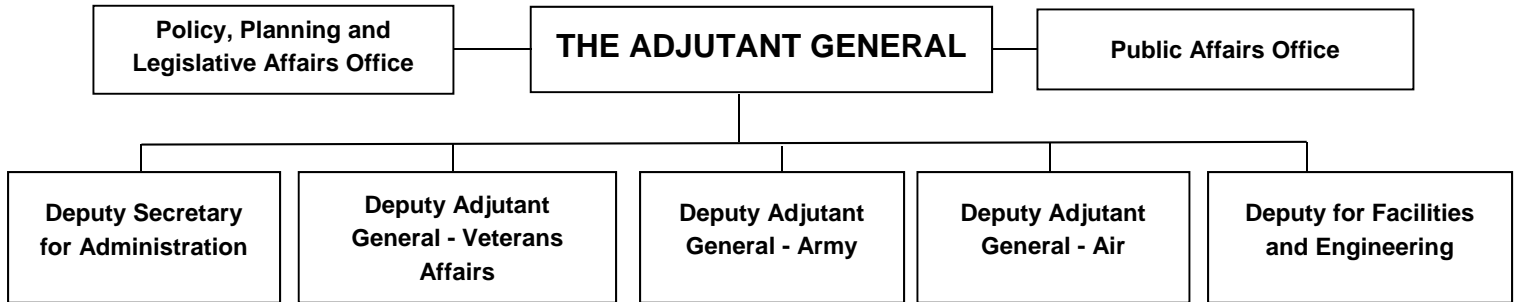
**State Military Readiness:** *To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to state or federal mobilization.*

**Veterans Homes:** *To provide nursing and domiciliary care for veterans.*

**Compensation and Assistance:** *To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.*

---

## Organization Overview



- **Deputy Secretary for Administration** is responsible for monitoring the operations of the department to ensure adherence to federal and state policies and regulations. The office acts as the liaison to the state comptroller's office for proper and timely submission of fiscal data and as liaison to the federal U.S. Property and Fiscal Office to process funds and reimbursements in support of federally funded state positions and operational maintenance agreements between the agency and the federal government. It is responsible for planning, supervising and implementing administrative and procedural matters for the Governor's Office of Administration and managing the administration, office service support and policy direction for the department.
- **Deputy Adjutant General for Veterans Affairs** is responsible for the administration and management of DMVA veterans programs, investigating the work of state agencies in administering laws affecting veterans, advising the Department of Education on veterans programs and managing the six state veterans homes. By legislative mandate, this office is the official liaison between federal, state and local governmental agencies on all matters concerning veterans' benefits. Its mission is to provide world-class advice and assistance to Pennsylvania's nearly one million veterans, and to provide the highest quality of care to our aging veterans.
- **Deputy Adjutant General for Army** is responsible for the manning, equipping and training of the Pennsylvania Army National Guard, as well as assisting The Adjutant General in supervision and management of the Department of Military and Veterans Affairs.
- **Deputy Adjutant General for Air** is responsible for the Pennsylvania Air National Guard reserve component of the United States Air Force and the fourth largest Air National Guard force in the country with 4,000 members. It plays an important role in the nation's defense and supporting the Commonwealth of Pennsylvania in times of need. The organization has three diverse operational wings located at six separate bases across the commonwealth ensuring both federal and state missions are efficiently and successfully accomplished.
- **Deputy for Facilities and Engineering** is responsible for the acquisition, management, maintenance, construction, operation and disposal of all land and facilities that support the Pennsylvania Army National Guard. This includes Fort Indiantown Gap National Guard training center, approximately eighty-five National Guard readiness centers, twenty National Guard field maintenance shops dispersed throughout the commonwealth, and six veterans homes.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2,336             | 2,312             | 2,236             | 2,218             | 2,226             |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE     | 2015-16<br>BUDGET |
|---|-------------------|--------------------------|-------------------|
| <b>GENERAL FUND:</b>  |                   |                          |                   |
| <i>General Government:</i>                                  |                   |                          |                   |
| <b>General Government Operations.....</b>                   | <b>\$ 20,354</b>  | <b>\$ 21,381</b>         | <b>\$ 23,494</b>  |
| (F)Facilities Maintenance.....                              | 77,685            | 77,685                   | 77,685            |
| (F)Federal Construction Grants.....                         | 30,000            | 28,000                   | 110,000           |
| (F)Rural Veterans Coordination Pilot.....                   | 0                 | 2,000                    | 0                 |
| (F)Domestic Preparedness (EA).....                          | 500               | 0                        | 0                 |
| (A)Rental of Armories and Other Facilities.....             | 122               | 122                      | 122               |
| (A)Housing Fees.....  | 62                | 69                       | 75                |
| (A)Utility Reimbursements.....                              | 188               | 195                      | 199               |
| (A)Miscellaneous.....                                       | 43                | 107                      | 94                |
| <b>Burial Detail Honor Guard.....</b>                       | <b>99</b>         | <b>99</b>                | <b>99</b>         |
| <b>American Battle Monuments.....</b>                       | <b>50</b>         | <b>50</b>                | <b>50</b>         |
| <b>Armory Maintenance and Repair.....</b>                   | <b>446</b>        | <b>245</b>               | <b>245</b>        |
| <b>Special State Duty.....</b>                              | <b>35</b>         | <b>35</b>                | <b>35</b>         |
| Subtotal.....   | \$ 129,584        | \$ 129,988               | \$ 212,098        |
| Subtotal - State Funds.....                                 | \$ 20,984         | \$ 21,810                | \$ 23,923         |
| Subtotal - Federal Funds.....                               | 108,185           | 107,685                  | 187,685           |
| Subtotal - Augmentations.....                               | 415               | 493                      | 490               |
| Total - General Government.....                             | \$ 129,584        | \$ 129,988               | \$ 212,098        |
| <i>Institutional:</i>                                       |                   |                          |                   |
| <b>Veterans Homes.....</b>                                  | <b>\$ 77,916</b>  | <b>\$ 82,433</b>         | <b>\$ 92,351</b>  |
| (F)Operations and Maintenance.....                          | 44,587            | 45,519                   | 49,763            |
| (F)Medical Reimbursements.....                              | 255               | 260                      | 225               |
| (F)Enhanced Veterans Reimbursement.....                     | 22,728            | 22,728                   | 22,830            |
| (A)Aid and Attendance Payments.....                         | 7,710             | 7,491                    | 7,763             |
| (A)Residential Fees.....                                    | 17,601            | 19,310                   | 19,747            |
| (A)Estate Collections.....                                  | 2,786             | 2,774                    | 2,774             |
| (A)Insurance or Third Party Reimbursements.....             | 43                | 29                       | 29                |
| (A)Physical & Occupational Therapy Reimbursements.....      | 365               | 365                      | 365               |
| (A)Pharmaceutical Reimbursement.....                        | 435               | 1,129                    | 1,170             |
| (A)Miscellaneous.....                                       | 332               | 26                       | 26                |
| Subtotal.....   | \$ 174,758        | \$ 182,064               | \$ 197,043        |
| Subtotal - State Funds.....                                 | \$ 77,916         | \$ 82,433                | \$ 92,351         |
| Subtotal - Federal Funds.....                               | 67,570            | 68,507                   | 72,818            |
| Subtotal - Augmentations.....                               | 29,272            | 31,124                   | 31,874            |
| Total - Institutional.....                                  | \$ 174,758        | \$ 182,064               | \$ 197,043        |
| <i>Grants and Subsidies:</i>                                |                   |                          |                   |
| <b>Education of Veterans Children.....</b>                  | <b>\$ 101</b>     | <b>\$ 101</b>            | <b>\$ 601</b>     |
| <b>Transfer to Educational Assistance Program Fund.....</b> | <b>12,870</b>     | <b>9,500</b>             | <b>9,500</b>      |
| <b>Veterans Assistance.....</b>                             | <b>200</b>        | <b>0</b>                 | <b>0</b>          |
| <b>Blind Veterans Pension.....</b>                          | <b>222</b>        | <b>222</b>               | <b>222</b>        |
| <b>Amputee and Paralyzed Veterans Pension.....</b>          | <b>2,131</b>      | <b>3,174<sup>a</sup></b> | <b>3,500</b>      |
| <b>National Guard Pension.....</b>                          | <b>5</b>          | <b>5</b>                 | <b>5</b>          |
| <b>Supplemental Life Insurance Premiums.....</b>            | <b>364</b>        | <b>164</b>               | <b>164</b>        |
| <b>Civil Air Patrol.....</b>                                | <b>100</b>        | <b>0</b>                 | <b>0</b>          |
| <b>Disabled American Veterans Transportation.....</b>       | <b>336</b>        | <b>336</b>               | <b>336</b>        |
| <b>Veterans Outreach Services.....</b>                      | <b>2,682</b>      | <b>3,182</b>             | <b>2,332</b>      |
| Subtotal.....   | \$ 19,011         | \$ 16,684                | \$ 16,660         |
| Total - Grants and Subsidies.....                           | \$ 19,011         | \$ 16,684                | \$ 16,660         |

## Summary by Fund and Appropriation

| (Dollar Amounts in Thousands)                     |                     |                       |                       |
|---|---------------------|-----------------------|-----------------------|
|   | 2013-14<br>ACTUAL   | 2014-15<br>AVAILABLE  | 2015-16<br>BUDGET     |
| STATE FUNDS.....                                  | \$ 117,911          | \$ 120,927            | \$ 132,934            |
| FEDERAL FUNDS.....                                | 175,755             | 176,192               | 260,503               |
| AUGMENTATIONS.....                                | 29,687              | 31,617                | 32,364                |
| <b>GENERAL FUND TOTAL.....</b>                    | <b>\$ 323,353</b>   | <b>\$ 328,736</b>     | <b>\$ 425,801</b>     |
| <b>OTHER FUNDS:</b>                               |                     |                       |                       |
| <b>GENERAL FUND:</b>                              |                     |                       |                       |
| Military Family Relief Assistance .....           | \$ 164              | \$ 200                | \$ 200                |
| Seized/Forfeited Property - Federal.....          | 2                   | 0                     | 0                     |
| <b>GENERAL FUND TOTAL.....</b>                    | <b>\$ 166</b>       | <b>\$ 200</b>         | <b>\$ 200</b>         |
| <b>EDUCATIONAL ASSISTANCE PROGRAM FUND:</b>       |                     |                       |                       |
| National Guard Education (EA).....                | \$ 130 <sup>b</sup> | \$ 2,000 <sup>b</sup> | \$ 2,000 <sup>b</sup> |
| <b>PENNSYLVANIA VETERANS MEMORIAL TRUST FUND:</b> |                     |                       |                       |
| Veterans Memorial (EA).....                       | \$ 90               | \$ 75                 | \$ 50                 |
| <b>STATE TREASURY ARMORY FUND:</b>                |                     |                       |                       |
| Armory Improvements.....                          | \$ 1,120            | \$ 1,500              | \$ 1,500              |
| <b>VETERANS TRUST FUND:</b>                       |                     |                       |                       |
| Grants and Assistance (EA).....                   | \$ 0                | \$ 1,500              | \$ 1,600              |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>               |                     |                       |                       |
| GENERAL FUND.....                                 | \$ 117,911          | \$ 120,927            | \$ 132,934            |
| SPECIAL FUNDS.....                                | 0                   | 0                     | 0                     |
| FEDERAL FUNDS.....                                | 175,755             | 176,192               | 260,503               |
| AUGMENTATIONS.....                                | 29,687              | 31,617                | 32,364                |
| OTHER FUNDS.....                                  | 1,506               | 5,275                 | 5,350                 |
| <b>TOTAL ALL FUNDS.....</b>                       | <b>\$ 324,859</b>   | <b>\$ 334,011</b>     | <b>\$ 431,151</b>     |

<sup>a</sup> Includes recommended supplemental appropriation of \$1,043,000.

<sup>b</sup> Transfer to Educational Assistance Program Fund not added to the total to avoid double counting: 2013-14 Actual is \$12,870,000; 2014-15 Available is \$9,500,000; and 2015-16 Budget is \$9,500,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

|                                    | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>STATE MILITARY READINESS</b>    |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                  | \$ 20,984                | \$ 21,810                | \$ 23,923                | \$ 24,745                | \$ 25,353                | \$ 25,976                | \$ 26,615                |
| SPECIAL FUNDS.....                 | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                 | 108,185                  | 107,685                  | 187,685                  | 187,685                  | 187,685                  | 187,685                  | 187,685                  |
| OTHER FUNDS.....                   | 1,791                    | 2,268                    | 2,240                    | 2,230                    | 2,225                    | 2,220                    | 2,215                    |
| SUBCATEGORY TOTAL.....             | <u>\$ 130,960</u>        | <u>\$ 131,763</u>        | <u>\$ 213,848</u>        | <u>\$ 214,660</u>        | <u>\$ 215,263</u>        | <u>\$ 215,881</u>        | <u>\$ 216,515</u>        |
| <b>VETERANS HOMES</b>              |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                  | \$ 77,916                | \$ 82,433                | \$ 92,351                | \$ 101,586               | \$ 105,650               | \$ 109,876               | \$ 114,271               |
| SPECIAL FUNDS.....                 | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                 | 67,570                   | 68,507                   | 72,818                   | 67,988                   | 67,988                   | 68,488                   | 68,488                   |
| OTHER FUNDS.....                   | 29,272                   | 31,124                   | 31,874                   | 31,874                   | 31,874                   | 31,874                   | 31,874                   |
| SUBCATEGORY TOTAL.....             | <u>\$ 174,758</u>        | <u>\$ 182,064</u>        | <u>\$ 197,043</u>        | <u>\$ 201,448</u>        | <u>\$ 205,512</u>        | <u>\$ 210,238</u>        | <u>\$ 214,633</u>        |
| <b>COMPENSATION AND ASSISTANCE</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                  | \$ 19,011                | \$ 16,684                | \$ 16,660                | \$ 17,230                | \$ 19,301                | \$ 19,874                | \$ 19,949                |
| SPECIAL FUNDS.....                 | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                 | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....                   | 130                      | 3,500                    | 3,600                    | 3,600                    | 1,600                    | 1,600                    | 1,600                    |
| SUBCATEGORY TOTAL.....             | <u>\$ 19,141</u>         | <u>\$ 20,184</u>         | <u>\$ 20,260</u>         | <u>\$ 20,830</u>         | <u>\$ 20,901</u>         | <u>\$ 21,474</u>         | <u>\$ 21,549</u>         |
| <b>ALL PROGRAMS:</b>               |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                  | \$ 117,911               | \$ 120,927               | \$ 132,934               | \$ 143,561               | \$ 150,304               | \$ 155,726               | \$ 160,835               |
| SPECIAL FUNDS.....                 | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                 | 175,755                  | 176,192                  | 260,503                  | 255,673                  | 255,673                  | 256,173                  | 256,173                  |
| OTHER FUNDS.....                   | 31,193                   | 36,892                   | 37,714                   | 37,704                   | 35,699                   | 35,694                   | 35,689                   |
| DEPARTMENT TOTAL.....              | <u><u>\$ 324,859</u></u> | <u><u>\$ 334,011</u></u> | <u><u>\$ 431,151</u></u> | <u><u>\$ 436,938</u></u> | <u><u>\$ 441,676</u></u> | <u><u>\$ 447,593</u></u> | <u><u>\$ 452,697</u></u> |



## Program: State Military Readiness

*Goal: To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to state or federal mobilization.*

This program provides the administrative, logistical and training support necessary for the Pennsylvania National Guard to maintain requisite readiness capability to serve during emergencies. Such emergencies may result in full or partial mobilization of the Pennsylvania National Guard for state service in the commonwealth or federal service anywhere in the world. In 2013-14, the Pennsylvania National Guard units were deployed a total of 2,665 state active duty days for statewide emergencies. Costs for military equipment, supplies and training, such as monthly training assemblies and 15 days annual training, are funded 100 percent by the federal government.

The readiness capability of Pennsylvania National Guard units is evaluated according to established federal inspection and training standards. Primary efforts are directed toward having the Pennsylvania National Guard in top readiness condition in order to perform state and federal

missions. The training of personnel is directly dependent upon the adequacy of the operation, maintenance and repair of numerous National Guard armories and readiness centers, support facilities, Air National Guard bases and installations. A statewide communications network is in operation providing a quicker and more effective response to state or federal mobilization.

Included within this program are those activities essential to operate a network of community armories and air bases serving as training locations for National Guard units. The commonwealth is responsible for providing for the operations, maintenance and repair of the armories and readiness centers, and air bases. These facilities may also be utilized as mass care centers for disaster victims in addition to providing meeting and recreational facilities for local civic and youth organizations.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| General Government Operations |  |
|-------------------------------|--|
| \$ 1,093                      | —to continue current program.  |
| 120                           | —Initiative - to provide additional resources for Veterans Affairs programs. |
| 900                           | —Initiative - to enhance the Veterans Case Management system.                |
| <u>\$ 2,113</u>               | <i>Appropriation Increase</i>  |

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                     | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations ..... | \$ 20,354         | \$ 21,381            | \$ 23,494         | \$ 24,316            | \$ 24,924            | \$ 25,547            | \$ 26,186            |
| Burial Detail Honor Guard .....     | 99                | 99                   | 99                | 99                   | 99                   | 99                   | 99                   |
| American Battle Monuments .....     | 50                | 50                   | 50                | 50                   | 50                   | 50                   | 50                   |
| Armory Maintenance and Repair ..... | 446               | 245                  | 245               | 245                  | 245                  | 245                  | 245                  |
| Special State Duty .....            | 35                | 35                   | 35                | 35                   | 35                   | 35                   | 35                   |
| <b>TOTAL GENERAL FUND .....</b>     | <u>\$ 20,984</u>  | <u>\$ 21,810</u>     | <u>\$ 23,923</u>  | <u>\$ 24,745</u>     | <u>\$ 25,353</u>     | <u>\$ 25,976</u>     | <u>\$ 26,615</u>     |

## Program: Veterans Homes

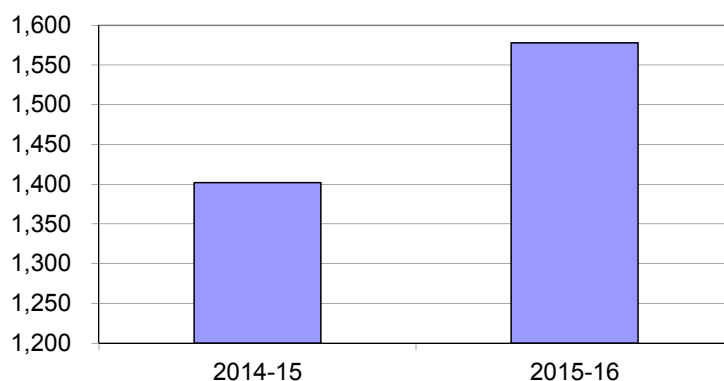
*Goal: To provide nursing and domiciliary care for veterans.*

The Department of Military and Veterans Affairs, Bureau of Veterans Homes, provides Pennsylvania veterans with different levels of care, including skilled nursing, dementia and domiciliary and personal care. Currently, there are six veterans homes located throughout the commonwealth: the Pennsylvania Soldiers and Sailors Home in Erie, the Hollidaysburg Veterans Home in Duncansville, the Southeastern Veterans Center in Spring City, the Gino J. Merli Veterans Center in Scranton, the Southwestern Veterans Center in Pittsburgh and the Delaware Valley Veterans Home in the County of Philadelphia.

For federal fiscal year 2015, the program will receive assistance from the United States Department of Veterans Affairs (USDVA) at the rate of \$44.19 per patient day for domiciliary and personal care and \$102.38 per patient day for skilled nursing care.

Along with federal per diem funding, residents of these state veterans homes receive a personal needs allowance from the USDVA and are charged a monthly maintenance fee that is set upon admission and recalculated annually to determine their cost of care payment obligation.

### Veterans Receiving Care in State Veterans Homes



Veterans receiving care at state veterans homes is projected to be 1,578 in 2015-16.

### Expenditures by Institution: (Dollar Amounts in Thousands)

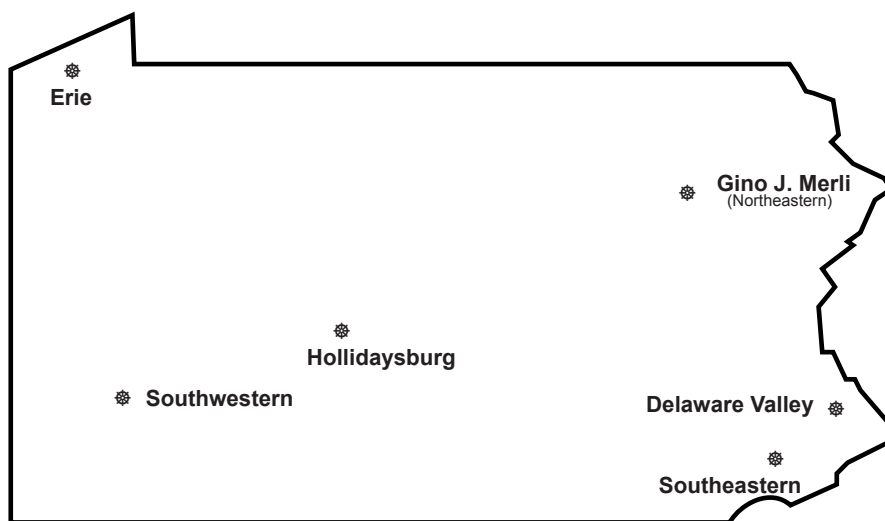
|                                       | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget |  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget |
|---------------------------------------|-------------------|----------------------|-------------------|--|-------------------|----------------------|-------------------|
| <b>Erie Soldiers and Sailors Home</b> |                   |                      |                   | <b>Southwestern Veterans Center</b>    |                   |                      |                   |
| State Funds.....                      | \$ 8,329          | \$ 9,424             | \$ 10,714         | State Funds.....                       | \$ 8,910          | \$ 9,707             | \$ 12,641         |
| Federal Funds.....                    | 7,371             | 7,338                | 7,529             | Federal Funds.....                     | 12,071            | 12,894               | 12,232            |
| Augmentations.....                    | 3,352             | 3,431                | 3,436             | Augmentations.....                     | 4,899             | 5,416                | 5,423             |
| <b>TOTAL.....</b>                     | <b>\$ 19,052</b>  | <b>\$ 20,193</b>     | <b>\$ 21,679</b>  | <b>TOTAL.....</b>                      | <b>\$ 25,880</b>  | <b>\$ 28,017</b>     | <b>\$ 30,296</b>  |
| <b>Hollidaysburg Veterans Home</b>    |                   |                      |                   | <b>Delaware Valley Veterans Home</b>   |                   |                      |                   |
| State Funds.....                      | \$ 22,282         | \$ 25,349            | \$ 26,768         | State Funds.....                       | \$ 6,953          | \$ 9,647             | \$ 11,439         |
| Federal Funds.....                    | 19,595            | 19,882               | 21,729            | Federal Funds.....                     | 8,242             | 7,348                | 7,427             |
| Augmentations.....                    | 7,160             | 7,665                | 7,777             | Augmentations.....                     | 3,757             | 3,974                | 3,978             |
| <b>TOTAL.....</b>                     | <b>\$ 49,037</b>  | <b>\$ 52,896</b>     | <b>\$ 56,274</b>  | <b>TOTAL.....</b>                      | <b>\$ 18,952</b>  | <b>\$ 20,969</b>     | <b>\$ 22,844</b>  |
| <b>Southeastern Veterans Center</b>   |                   |                      |                   | <b>Central Veterans Homes Services</b> |                   |                      |                   |
| State Funds.....                      | \$ 12,231         | \$ 11,585            | \$ 14,133         | State Funds.....                       | \$ 11,372         | \$ 7,690             | \$ 6,342          |
| Federal Funds.....                    | 10,178            | 11,124               | 13,354            | Federal Funds.....                     | -                 | -                    | -                 |
| Augmentations.....                    | 4,850             | 5,205                | 5,820             | Augmentations.....                     | -                 | -                    | -                 |
| <b>TOTAL.....</b>                     | <b>\$ 27,259</b>  | <b>\$ 27,914</b>     | <b>\$ 33,307</b>  | <b>TOTAL.....</b>                      | <b>\$ 11,372</b>  | <b>\$ 7,690</b>      | <b>\$ 6,342</b>   |
| <b>Gino J. Merli Veterans Center</b>  |                   |                      |                   |  |                   |                      |                   |
| State Funds.....                      | \$ 7,839          | \$ 9,031             | \$ 10,314         |  |                   |                      |                   |
| Federal Funds.....                    | 10,113            | 9,921                | 10,547            |  |                   |                      |                   |
| Augmentations.....                    | 5,254             | 5,433                | 5,440             |  |                   |                      |                   |
| <b>TOTAL.....</b>                     | <b>\$ 23,206</b>  | <b>\$ 24,385</b>     | <b>\$ 26,301</b>  |  |                   |                      |                   |

# Military and Veterans Affairs

## Program: Veterans Homes (continued)

| <b>Population and Capacity</b>      |                                |  |  |  |
|-------------------------------------|--------------------------------|--|--|--|
| <b>Institution</b>                  | <b>Population<br/>Dec 2014</b> | <b>Projected<br/>Population<br/>Dec 2015</b> | <b>Projected<br/>Capacity<br/>Dec 2015</b> | <b>Projected<br/>Percent of<br/>Capacity</b> |
| Hollidaysburg Veterans Home.....    | 435                            | 465  | 506  | 92%  |
| Erie Soldiers and Sailors Home..... | 190                            | 195  | 207  | 94%  |
| Southeastern Veterans Center .....  | 208                            | 320  | 346  | 92%  |
| Gino J. Merli Veterans Center.....  | 185                            | 193  | 196  | 98%  |
| Southwestern Veterans Center .....  | 213                            | 235  | 236  | 100%   |
| Delaware Valley Veterans Home.....  | 171                            | 170  | 171  | 99%  |
| <b>Total.....</b>                   | <b>1,402</b>                   | <b>1,578</b>                                 | <b>1,662</b>                               | <b>95%</b>                                   |

## Veterans Homes



### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| <b>Veterans Homes</b> |   |
|-----------------------|---|
| \$ 8,383              | —to continue current program.   |
| 1,535                 | —to reopen a 54 bed skilled nursing unit in the Southeastern Veterans Center. |
| <u>\$ 9,918</u>       | <i>Appropriation Increase</i>   |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|----------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b> |                   |                      |                   |                      |                      |                      |                      |
| Veterans Homes.....  | <u>\$ 77,916</u>  | <u>\$ 82,433</u>     | <u>\$ 92,351</u>  | <u>\$ 101,586</u>    | <u>\$ 105,650</u>    | <u>\$ 109,876</u>    | <u>\$ 114,271</u>    |

## Program: Compensation and Assistance

*Goal: To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.*

The Department of Military and Veterans Affairs administers several activities within this program.

### **Program Element: Education of Children of Deceased and Disabled Veterans**

Under current law, educational grants of up to \$500 per semester are provided for children of honorably discharged veterans who have been certified as having wartime service-connected disabilities, rated as 100 percent totally and permanently disabled, or children of veterans who die or died in service during a period of war or armed conflict or hostile fire in peacetime as certified by the United States Department of Veterans Affairs (USDVA). Under current law, children must be between 16 and 23 years of age and living in Pennsylvania five years prior to application. They must also attend a school within Pennsylvania and demonstrate financial need.

### **Program Element: Educational Assistance — National Guard**

Tuition grants are provided for certain members of the Pennsylvania National Guard who enroll in a Pennsylvania institution of higher learning with degree-granting status, as approved by the Pennsylvania Higher Education Assistance Agency. Grants are available for full-time students for up to 100 percent of the tuition charged not to exceed \$3,311 per semester to a Pennsylvania resident at a member institution of the State System of Higher Education. The maximum annual grant for a part-time student who does not possess a bachelor's degree is \$2,207. The part-time grant for members possessing a bachelor's degree is 50 percent of the tuition or \$1,104, whichever is less, per semester. National Guard personnel receiving educational financial aid was 2,773 in 2013-14 and is projected to be 2,900 in 2014-15. These public service educational grants not only serve as an incentive to the Pennsylvania National Guard's recruiting and retention efforts but also reward those Pennsylvanians who volunteer to serve their nation and the commonwealth.

### **Program Element: Blind Veterans Pension**

Pensions of \$150 per month are provided for Pennsylvania veterans who incurred functional blindness while performing active military service and are rated as blinded through service connection by the USDVA.

### **Program Element: Amputee and Paralyzed Veterans Pension**

Pensions of \$150 per month are provided to Pennsylvania veterans who have a loss or loss of use of two or more extremities and are rated by the USDVA to have a service

connected loss or loss of use of two or more extremities.

### **Program Element: National Guard Pension**

Payment of a pension is provided to guardsmen and widowed and dependent family members. A national guardsman who is injured, otherwise disabled or dies as a result of injuries or other disability received or contracted while performing duty in active service to the commonwealth, or in the performance of other state military duty, is eligible. Current law provides for a monthly pension for dependents up to a maximum of \$300 per month for a period of 10 years. In the case of children of a deceased member, the pension is paid until the child reaches 18 years of age.

### **Program Element: Supplemental Life Insurance Premiums**

DMVA pays or reimburses the cost, not otherwise paid for by the federal government, of service members' group life insurance premiums for eligible soldiers and airmen of the Pennsylvania National Guard.

### **Program Element: Veterans Outreach Services**

The Veterans Service Organizations grant program provides grants to organizations for the improvement of the administration and delivery of services to Pennsylvania veterans. Grants are used solely to support accredited veterans services officers and the associated costs, including: wages, benefits, other compensation and related personnel costs; training provided by accredited veterans services advocacy staff; and equipment to be used by accredited veterans services officer staff. The American Legion, American Veterans, Veterans of Foreign Wars and Disabled American Veterans are designated to receive grants under this program. Other veterans organizations, which are members of the State Veterans Commission, may also be designated to receive grant funding.

### **Program Element: Persian Gulf Conflict Veterans Benefit Program**

Veterans and beneficiaries of deceased veterans may receive compensation of a one-time benefit of \$75 per month for each month of active service in the Persian Gulf Conflict Theater of Operations (August 1990 – August 1991). The maximum compensation is \$525. An additional one-time benefit of \$5,000 will be received if the service member was declared a prisoner of war while on active service in the Persian Gulf Conflict. Beneficiaries of deceased veterans may also receive an additional \$5,000 if the service member died while on active service or died as a result of injury or illness sustained in the Persian Gulf

## Program: Compensation and Assistance (continued)

Conflict Theater.

### **Program Element: Disabled Veterans Real Estate Tax Exemption Program**

This program provides a real estate tax exemption for any honorably discharged veteran who is determined by the USDVA to be 100 percent permanently disabled. The veteran must be a resident of the commonwealth with a financial need who served during established war or armed conflict service dates and who resides in the property subject to the exemption as his or her principal dwelling. This exemption is extended to the unmarried surviving spouse upon the death of an eligible veteran provided

that the State Veterans Commission determines that such person is in need of the exemption.

### **Program Element: Military Family Relief Assistance Program**

The Military Family Relief Assistance Program was created to provide for short-term financial relief to families in need due to deployment of a family member. This program, originally intended to last for five years, is funded through contributions from state income tax return check-offs and donations. The program has since been extended until January 1, 2018.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|   |  |
|---|--|
| <b>Education of Veterans Children</b>         |  |
| \$ 500  | —Initiative - for increased education gratuity payments and expanded eligibility requirements. |
| <b>Amputee and Paralyzed Veterans Pension</b> |  |
| \$ 326  | —to continue current program.  |

|                                   |                     |
|-----------------------------------|---------------------|
| <b>Veterans Outreach Services</b> |                     |
| \$ -850                           | —funding reduction. |

Grants and Assistance (EA) through the Veterans Trust Fund includes an additional \$100,000 to allow for increased use of donations to cover program costs.

All other appropriations are recommended at the current year funding levels.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                                  |                   |                      |                   |                      |                      |                      |                      |
| Education of Veterans Children .....                  | \$ 101            | \$ 101               | \$ 601            | \$ 601               | \$ 601               | \$ 601               | \$ 601               |
| Transfer to Educational Assistance Program Fund ..... | 12,800            | 9,500                | 9,500             | 10,000               | 12,000               | 12,500               | 12,500               |
| Veterans Assistance .....                             | 200               | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| Blind Veterans Pension .....                          | 222               | 222                  | 222               | 222                  | 222                  | 222                  | 222                  |
| Amputee and Paralyzed Veterans Pension .....          | 2,131             | 3,174                | 3,500             | 3,570                | 3,641                | 3,714                | 3,789                |
| National Guard Pension .....                          | 5                 | 5                    | 5                 | 5                    | 5                    | 5                    | 5                    |
| Supplemental Life Insurance Premiums .....            | 364               | 164                  | 164               | 164                  | 164                  | 164                  | 164                  |
| Civil Air Patrol .....                                | 100               | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| Disabled American Veterans Transportation .....       | 336               | 336                  | 336               | 336                  | 336                  | 336                  | 336                  |
| Veterans Outreach Services .....                      | 2,682             | 3,182                | 2,332             | 2,332                | 2,332                | 2,332                | 2,332                |
| <b>TOTAL GENERAL FUND .....</b>                       | <b>\$ 19,011</b>  | <b>\$ 16,684</b>     | <b>\$ 16,660</b>  | <b>\$ 17,230</b>     | <b>\$ 19,301</b>     | <b>\$ 19,874</b>     | <b>\$ 19,949</b>     |
| <b>VETERANS TRUST FUND:</b>                           |                   |                      |                   |                      |                      |                      |                      |
| Grants and Assistance (EA) .....                      | \$ 0              | \$ 1,500             | \$ 1,600          | \$ 1,600             | \$ 1,600             | \$ 1,600             | \$ 1,600             |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: State Military Readiness

#### Objective: Maintain the strength and readiness of the Pennsylvania Army National Guard.

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Pennsylvania Army National Guard Force Structure Allowance  | 15,273  | 15,300  | 15,400  | 15,500  | 15,500  | 15,500  | 15,500  |
| Pennsylvania Army National Guard End Strength Ceiling   | 15,600  | 15,700  | 15,700  | 15,700  | 15,700  | 15,700  | 15,700  |
| Percentage of Pennsylvania Army National Guard assigned strength of the Force Structure Allowance | 102%    | 103%    | 102%    | 101%    | 101%    | 101%    | 101%    |
| Department of Defense personnel receiving training at Fort Indiantown Gap                         | 127,675 | 121,600 | 121,600 | 121,600 | 121,600 | 121,600 | 121,600 |
| Non-Department of Defense personnel receiving training at Fort Indiantown Gap                     | 9,126   | 10,000  | 10,000  | 10,000  | 10,000  | 10,000  | 10,000  |

#### Objective: Maintain the strength and readiness of the Pennsylvania Air National Guard.

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Pennsylvania Air National Guard Force Structure Allowance  | 4,108 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 |
| Pennsylvania Air National Guard End Strength Ceiling   | 3,944 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 |
| Percentage of the Pennsylvania Air National Guard assigned strength of the Force Structure Allowance | 96%   | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |

#### Objective: Maintain a network of facilities and Air National Guard bases that provide a professional working environment, assure cost effectiveness and establish the National Guard as a good neighbor.

|  |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|
| Percentage of armories and field sites rated adequate to satisfy the mission | 50% | 51% | 53% | 57% | 60% | 63% | 65% |
| Readiness centers and field sites under major repair                         | 25  | 30  | 20  | 15  | 25  | 15  | 10  |

### Program: Veterans Homes

#### Objective: Provide quality care to residents in Pennsylvania's veterans homes.

|  |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|
| Percentage of population at veterans homes that are veterans                                   | 90% | 88% | 88% | 88% | 88% | 88% | 88% |
| Percentage of population at veterans homes that are non-veterans or spouses                    | 10% | 12% | 12% | 12% | 12% | 12% | 12% |
| Percentage of occupancy rate above national average of state veterans homes - domiciliary care | 16% | 16% | 16% | 16% | 16% | 16% | 16% |
| Percentage of occupancy rate above national average of state veterans homes - nursing care     | 6%  | 6%  | 6%  | 6%  | 6%  | 6%  | 6%  |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Compensation and Assistance

**Objective: Increase the number of eligible Pennsylvania veterans receiving services and entitlement benefits.**

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Veterans in Pennsylvania  | 953,700 | 927,400 | 902,300 | 877,800 | 853,200 | 829,300 | 805,400 |
| Recipients of veterans emergency assistance                               | 229     | 440     | 485     | 535     | 585     | 645     | 710     |
| Recipients of blind veterans pension                                      | 120     | 121     | 121     | 121     | 121     | 121     | 121     |
| Children of deceased and disabled veterans receiving educational gratuity | 101     | 101     | 300     | 300     | 300     | 300     | 300     |
| Participants in paralyzed veterans programs                               | 1,444   | 1,850   | 1,950   | 2,000   | 2,050   | 2,100   | 2,150   |

**Objective: Increase the number of eligible Pennsylvania National Guard personnel receiving educational financial aid.**

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| National Guard personnel receiving educational financial aid | 2,773 | 2,900 | 3,000 | 3,300 | 3,300 | 3,300 | 3,300 |
|--|-------|-------|-------|-------|-------|-------|-------|



---

# MILK MARKETING BOARD

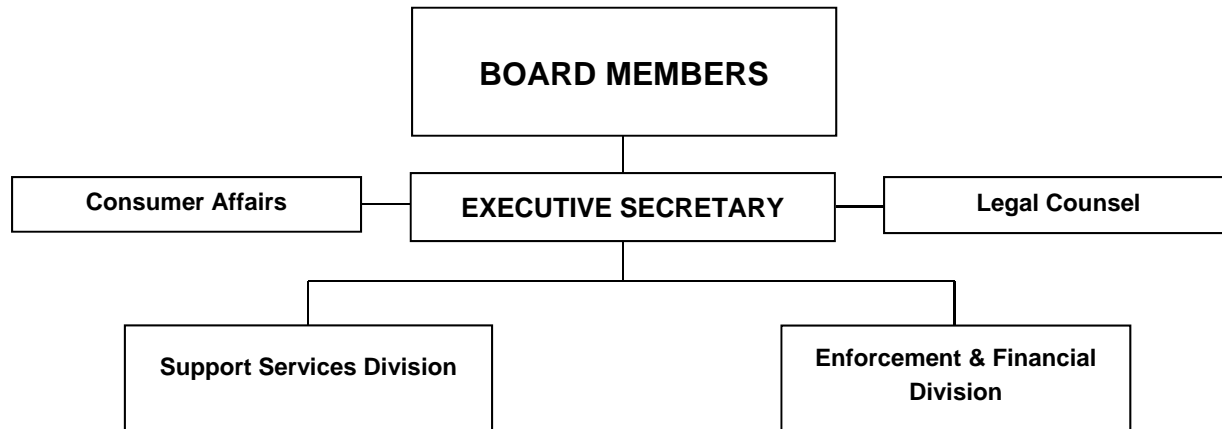
*The mission of the Milk Marketing Board is to ensure that Pennsylvania's dairy industry remains viable by providing a regulatory environment that facilitates a safe, adequate supply of wholesome milk while providing security for its dairy farmers and milk dealers and protection for the public health and welfare of consumers.*

## **Programs and Goals**

**Milk Industry Regulation:** *To maintain an adequate supply of wholesome fluid milk.*



## Organization Overview



- **Support Services Division Chief** is responsible for the administrative support services for the board, including fiscal and human resources oversight. Responsibilities also include licensing and bonding of dealers and subdealers.
- **Enforcement Director** is responsible for directing the Milk Marketing Auditors and the Milk Marketing Examiners in enforcing all official general orders, policies of the board, and compliance with the Milk Marketing Law and Board regulations. The division is also responsible for gathering, compiling, and interpreting financial and accounting information used by the board in hearings and other administrative proceedings; for issuing price announcements, and responding to violations of the minimum retail, wholesale, and farm-level prices issued by the board.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 33                | 33                | 33                | 32                | 32                |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|                             | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|-----------------------------|-------------------|----------------------|-------------------|
| <b><u>OTHER FUNDS:</u></b>  |                   |                      |                   |
| <b>MILK MARKETING FUND:</b> |                   |                      |                   |
| General Operations.....     | \$ 2,840          | \$ 2,840             | \$ 2,840          |

## Program Funding Summary

(Dollar Amounts in Thousands)

|                                 | 2013-14<br>Actual      | 2014-15<br>Available   | 2015-16<br>Budget      | 2016-17<br>Estimated   | 2017-18<br>Estimated   | 2018-19<br>Estimated   | 2019-20<br>Estimated   |
|---------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>MILK INDUSTRY REGULATION</b> |                        |                        |                        |                        |                        |                        |                        |
| GENERAL FUND.....               | \$ 0                   | \$ 0                   | \$ 0                   | \$ 0                   | \$ 0                   | \$ 0                   | \$ 0                   |
| SPECIAL FUNDS.....              | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| FEDERAL FUNDS.....              | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| OTHER FUNDS.....                | 2,840                  | 2,840                  | 2,840                  | 2,840                  | 2,840                  | 2,840                  | 2,840                  |
| SUBCATEGORY TOTAL.....          | <u>\$ 2,840</u>        | <u>\$ 2,840</u>        | <u>\$ 2,840</u>        | <u>\$ 2,840</u>        | <u>\$ 2,840</u>        | <u>\$ 2,840</u>        | <u>\$ 2,840</u>        |
| <b>ALL PROGRAMS:</b>            |                        |                        |                        |                        |                        |                        |                        |
| GENERAL FUND.....               | \$ 0                   | \$ 0                   | \$ 0                   | \$ 0                   | \$ 0                   | \$ 0                   | \$ 0                   |
| SPECIAL FUNDS.....              | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| FEDERAL FUNDS.....              | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| OTHER FUNDS.....                | 2,840                  | 2,840                  | 2,840                  | 2,840                  | 2,840                  | 2,840                  | 2,840                  |
| DEPARTMENT TOTAL.....           | <u><u>\$ 2,840</u></u> | <u><u>\$ 2,840</u></u> | <u><u>\$ 2,840</u></u> | <u><u>\$ 2,840</u></u> | <u><u>\$ 2,840</u></u> | <u><u>\$ 2,840</u></u> | <u><u>\$ 2,840</u></u> |

## Program: Milk Industry Regulation

*Goal: To maintain an adequate supply of wholesome fluid milk.*

The Milk Marketing Board is a special fund agency financed from milk industry license fees, permit fees and fines. The board supervises, inspects and regulates the milk industry of the commonwealth and establishes reasonable trade control and marketing practices. It formulates policy, holds public hearings and subsequently issues and enforces general marketing orders, rules and regulations. The board also handles prosecution and levying of penalties against violators of the Milk Marketing Law, the Milk Producers' Security Act and board regulations.

The board's major function is to ensure an adequate milk supply by setting minimum prices paid to farmers, minimum prices dealers can charge wholesale and retail customers, and minimum prices stores can charge consumers. The regulation process is complicated by the existence of federal marketing orders, which are prices

established by the federal government that must be paid to producers.

The board has implemented an automated milk accounting and regulatory system. The system values milk based on component pricing, allowing adaptation to changes in the state and federal regulatory environment. Pricing information collected through the system and from public hearings is used by the board to establish minimum milk prices.

The board had previously considered the ratio of the supply of milk fluid to demand in the regulation process, but other indicators are more relevant to the process and that ratio is no longer calculated. Factors such as the price of milk in neighboring states and the ratio of the cost of production to current or expected prices are more important to price establishment and are widely discussed at the public meetings.

### Program Recommendation:

This budget recommends the following changes from the Milk Marketing Fund:  
(Dollar Amounts in Thousands)

General Operations is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                             | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-----------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>MILK MARKETING FUND:</b> |                   |                      |                   |                      |                      |                      |                      |
| General Operations .....    | \$ 2,840          | \$ 2,840             | \$ 2,840          | \$ 2,840             | \$ 2,840             | \$ 2,840             | \$ 2,840             |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Program: Milk Industry Regulation****Objective: Maintain producer payment compliance above 99% for all payment amounts due to Pennsylvania dairy farmers.**

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Percentage of producer payments made adequately and on time | 98% | 99% | 99% | 99% | 99% | 99% | 99% |
|---|-----|-----|-----|-----|-----|-----|-----|

**Objective: Establish a Class 1 over-order premium based upon industry testimony which enhances Pennsylvania producer revenue that also maintains orderly milk marketing in Pennsylvania.**

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| Public hearings held to consider the level and duration of the Class 1 over-order premium | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
|---|---|---|---|---|---|---|---|

**Objective: Include current dealer and retail store costs in minimum resale prices.**

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| General and cost replacement hearings held to determine dealer and retailer costs | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
|---|---|---|---|---|---|---|---|

**Objective: Licenses and permits issued**

|                             |       |       |       |       |       |       |       |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|
| Licenses and permits issued | 2,267 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|

**Objective: Audits of milk dealers for compliance with milk sales rules and regulations.**

|   |       |     |     |     |     |     |     |
|---|-------|-----|-----|-----|-----|-----|-----|
| Audits of milk dealers for compliance with milk sales rules and regulations | 1,089 | 800 | 800 | 800 | 800 | 800 | 800 |
|---|-------|-----|-----|-----|-----|-----|-----|



---

# PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

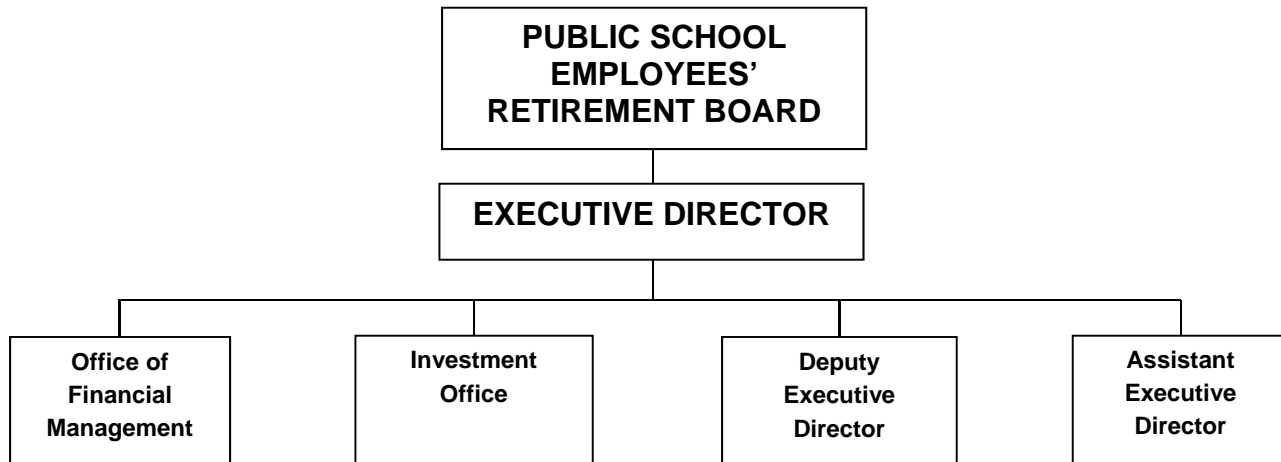
*The mission of the Public School Employees' Retirement System is to serve the members and stakeholders of the system by providing timely and accurate payment of benefits, maintaining a financially sound system, prudently investing the assets of the system, clearly communicating members' and employers' rights and responsibilities and effectively managing the resources of the system.*

The system is responsible for administering the School Employees' Retirement Fund, the School Employees' Health Insurance Fund and supplemental retirement allowances for annuitants.

## **Programs and Goals**

**Public School Employees' Retirement:** *To provide retirement benefits to public school employees of the Commonwealth of Pennsylvania.*

## Organization Overview



- **Office of Financial Management** is responsible for planning, organizing and directing a complete accounting and financial reporting system in conformance with generally accepted accounting principles. Oversight is provided for new systems development and maintenance of existing systems, and ensuring appropriate accounting controls. The office is the liaison for other state and federal agencies, reporting units, financial consultants, actuaries, and investment advisors for all accounting matters.
- **Investment Office** is responsible for the investment activities of the system. In accordance with the investment policy established by the board, PSERS' investment assets are allocated to numerous outside professional investment advisors and internal investment professionals.
- **Deputy Executive Director** directly oversees the benefit programs for all active and retired members of the system, the development and implementation of the member and employer communications programs and the member counseling programs, and the maintenance of agency policies, procedures, and benefit-related data. Additionally, this position supervises a Chief Information Officer who oversees business and information technology strategic planning, policy development, and implementation. The organizational units directly reporting to this position include the Bureau of Benefits Administration, the Bureau of Communications and Counseling, and the Information Technology Office.
- **Assistant Executive Director** administers the Health Options and Premium Assistance programs in addition to the facilities, human resources, and procurement activities necessary to support, secure and optimize agency operations. Organizational units overseen by the Assistant Executive Director include the Bureau of Administration, the Human Resources Office, and the Health Insurance Office.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 310               | 310               | 310               | 314               | 314               |

# Public School Employees' Retirement System

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| <b><u>OTHER FUNDS:</u></b>                            |                   |                      |                   |
| <b>SCHOOL EMPLOYEES' RETIREMENT FUND:</b>             |                   |                      |                   |
| Administration.....                                   | \$ 41,689         | \$ 41,689            | \$ 43,777         |
| Investment Related Expenses.....                      | 12,990            | 16,549               | 16,294            |
| Health Insurance Account.....                         | 1,874             | 2,412                | 2,236             |
| (A)Health Options - Administration Reimbursement..... | 2,959             | 2,844                | 3,142             |
| SCHOOL EMPLOYEES' RETIREMENT FUND TOTAL.....          | <b>\$ 59,512</b>  | <b>\$ 63,494</b>     | <b>\$ 65,449</b>  |



# Public School Employees' Retirement System

## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual       | 2014-15<br>Available    | 2015-16<br>Budget       | 2016-17<br>Estimated    | 2017-18<br>Estimated    | 2018-19<br>Estimated    | 2019-20<br>Estimated    |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>PUBLIC SCHOOL EMPLOYEES' RETIREMENT</b> |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....                          | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | 0                       |
| SPECIAL FUNDS.....                         | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....                         | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| OTHER FUNDS.....                           | 59,512                  | 63,494                  | 65,449                  | 67,739                  | 69,433                  | 71,168                  | 72,947                  |
| SUBCATEGORY TOTAL.....                     | <u>\$ 59,512</u>        | <u>\$ 63,494</u>        | <u>\$ 65,449</u>        | <u>\$ 67,739</u>        | <u>\$ 69,433</u>        | <u>\$ 71,168</u>        | <u>\$ 72,947</u>        |
| <b>ALL PROGRAMS:</b>                       |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....                          | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | 0                       |
| SPECIAL FUNDS.....                         | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....                         | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| OTHER FUNDS.....                           | 59,512                  | 63,494                  | 65,449                  | 67,739                  | 69,433                  | 71,168                  | 72,947                  |
| DEPARTMENT TOTAL.....                      | <u><u>\$ 59,512</u></u> | <u><u>\$ 63,494</u></u> | <u><u>\$ 65,449</u></u> | <u><u>\$ 67,739</u></u> | <u><u>\$ 69,433</u></u> | <u><u>\$ 71,168</u></u> | <u><u>\$ 72,947</u></u> |

# Public School Employees' Retirement System

## Program: Public School Employees' Retirement

*Goal: To provide retirement benefits to public school employees of the Commonwealth of Pennsylvania.*

The Public School Employees' Retirement System (PSERS) was established in 1917 to administer retirement benefits of eligible public school employees in any of the 789 reporting entities. The School Employees' Retirement Fund uses contributions from employees and their employers as well as earning from investments to pay for annuities, disability benefits and administration of the system. The School Employees' Retirement Fund is shown in the Other Special Funds Appendix.

PSERS undergoes an annual independent actuarial valuation to calculate the assets and liabilities of the pension fund. Based on the actuarial valuation process and legal requirements, PSERS develops the recommended employer contribution rate. Normal retirement for most public school employees is at age 60, or at any age with 35 years of service. Retirement is possible after five years of service but is actuarially reduced to the equivalent of the annuity that would have been payable at superannuation retirement.

Act 120 of 2010 made significant changes to the pension system. Act 120 amended the benefit structure for new employees hired after July 1, 2011 and amended key funding provisions. Benefit changes included: lowering the benefit accrual rate from 2.5 percent of final average

salary for each year of service to 2 percent; setting the new employee contribution rate at 10.3 percent if employees elect to accrue service at 2.5 percent for each year of service; increasing the vesting period from 5 years to 10 years; eliminating the option for members to withdraw their contributions; increasing the normal retirement age to age 65 for most employees; and implementing a shared-risk provision that could raise or lower member contribution rates based on the rate assumed for PSERS' actuarial valuations. Act 120 also included changes to the funding provisions including re-amortizing existing liabilities and future experience gains and losses over 24 years with level percentage of pay amortization, and implementing employer contribution rate collars which limit year-over-year increases in the employer contribution rate. The collars established by Act 120 were 3 percent for 2011-12, 3.5 percent for 2012-13 and 4.5 percent for all subsequent years. The collars will end when the actuarial calculated rate is below the collared rate.

PSERS is also responsible for the administration of the School Retirees' Health Insurance Fund that provides premium assistance benefits to retirees. The School Retirees' Health Insurance Fund is shown in the Other Special Funds Appendix.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**SCHOOL EMPLOYEES' RETIREMENT FUND**  
**School Employees' Retirement Administration**  
 \$ 2,088 —to continue current program.

The School Employees' Retirement Administration appropriation includes \$2,000,000 in continued support for the Information Technology Upgrade Initiative. 2015-16 will be the fourth year of the six year project.

In addition, \$16,294,000 in Investment Related Expenses will be used to support the program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>SCHOOL EMPLOYEES' RETIREMENT FUND:</b>             |                   |                      |                   |                      |                      |                      |                      |
| Administration.....                                   | \$ 41,689         | \$ 41,689            | \$ 43,777         | \$ 45,309            | \$ 46,442            | \$ 47,603            | \$ 48,793            |
| Investment Related Expenses .....                     | 12,990            | 16,549               | 16,294            | 16,864               | 17,286               | 17,718               | 18,161               |
| Health Insurance Account.....                         | 1,874             | 2,412                | 2,236             | 2,314                | 2,372                | 2,431                | 2,492                |
| (A)Health Options - Administration Reimbursement..... | 2,959             | 2,844                | 3,142             | 3,252                | 3,333                | 3,416                | 3,501                |
| <b>TOTAL SCHOOL EMPLOYEES' RETIREMENT FUND .....</b>  | <b>\$ 59,512</b>  | <b>\$ 63,494</b>     | <b>\$ 65,449</b>  | <b>\$ 67,739</b>     | <b>\$ 69,433</b>     | <b>\$ 71,168</b>     | <b>\$ 72,947</b>     |

# Public School Employees' Retirement System

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Program: Public School Employees' Retirement**

**Objective: Increase member's cognitive awareness of PSERS benefits.**

|                                   |       |        |       |       |       |       |       |
|-----------------------------------|-------|--------|-------|-------|-------|-------|-------|
| Total number of members counseled | 9,047 | 10,500 | 9,500 | 9,300 | 9,300 | 9,300 | 9,300 |
|-----------------------------------|-------|--------|-------|-------|-------|-------|-------|

**Objective: Provide timely and accurate retirement benefit payments.**

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Total number of retired employees (annuitants), beneficiaries, and survivor annuitants | 218,500 | 226,300 | 233,800 | 240,400 | 246,100 | 251,300 | 255,800 |
|--|---------|---------|---------|---------|---------|---------|---------|

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Total Pension and Healthcare Premium Assistance benefit payments (in billions) | \$6.21 | \$6.52 | \$6.82 | \$7.10 | \$7.40 | \$7.72 | \$8.06 |
|--|--------|--------|--------|--------|--------|--------|--------|



---

# PUBLIC UTILITY COMMISSION

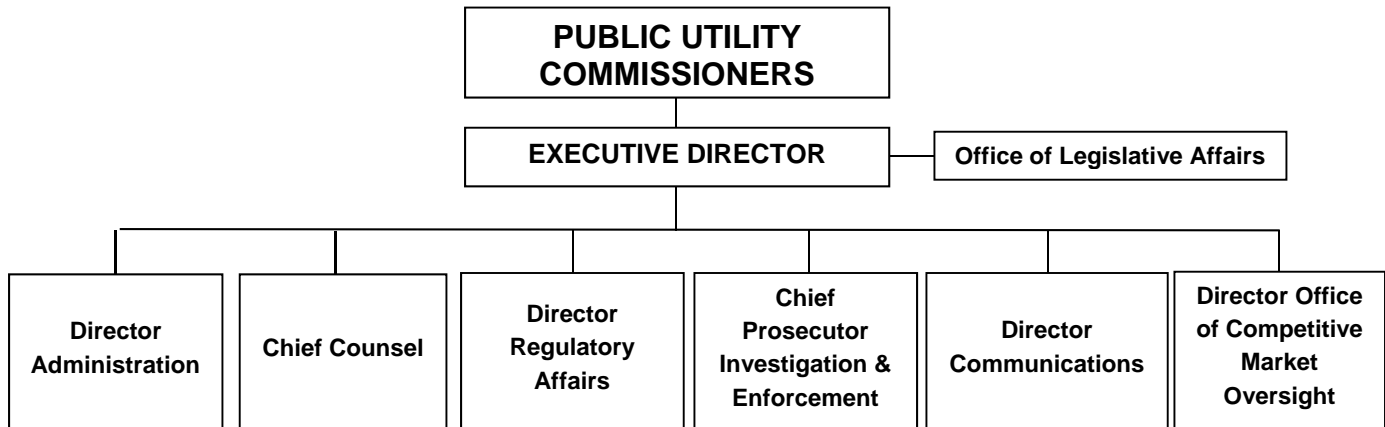
*The mission of the Public Utility Commission is to provide for regulation of public utilities and includes establishing reasonable rates, providing for safe service, conducting audits, and ensuring compliance with public utility regulations.*

The commission is comprised of five members appointed by the governor with senate confirmation.

## **Programs and Goals**

**Regulation of Public Utilities:** *To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.*

## Organization Overview



- **Director of Administration** is responsible for overseeing the Secretary's Bureau and all fiscal, administrative and personnel functions including the budget, collection of assessments, and all human resources, information technology, and procurement functions.
- **Chief Counsel** oversees the Law Bureau and provides legal support to other commission bureaus and the commission directly on regulatory matters involving fixed utilities and common carriers. Law bureau attorneys represent the commission in all appellate and original jurisdiction actions before state and federal courts.
- **Director of Regulatory Affairs** oversees the PUC's bureaus with regulatory functions, including the Bureau of Audits, the Bureau of Consumer Services, the Bureau of Technical Utility Services, the Office of Special Assistants and the Office of Administrative Law Judge. The Director of Regulatory Affairs also is responsible for planning, organizing, coordinating, directing and overseeing regulatory staff.
- **Chief Prosecutor of Investigation & Enforcement** oversees the Bureau of Investigation and Enforcement that serves as the prosecutory bureau for purposes of representing the public interest in ratemaking and service matters before the Office of Administrative Law Judge, and enforcing compliance with the state and federal motor carrier safety and gas safety laws and regulations.
- **Director of the Office of Communications** is accountable for commission media relations, employee communications and consumer education, in addition to acting as the lead staff for the Consumer Advisory Council.
- **Director of the Office of Competitive Market Oversight** serves as the commission's electric retail choice ombudsman. In this capacity, the office will oversee the development and functioning of the competitive retail electric supply market. The office also similarly monitors the retail natural gas supply market.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 519               | 519               | 532               | 520               | 520               |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL        | 2014-15<br>AVAILABLE     | 2015-16<br>BUDGET        |
|---|--------------------------|--------------------------|--------------------------|
| <b>GENERAL FUND:</b>  |                          |                          |                          |
| <i>General Government:</i>  |                          |                          |                          |
| (R)General Government Operations.....                             | \$ 63,090                | \$ 64,571                | \$ 69,130                |
| (F)Natural Gas Pipeline Safety.....                               | 2,819                    | 1,897                    | 2,095                    |
| (F)Motor Carrier Safety.....                                      | 1,888                    | 1,888                    | 966                      |
| (F)ARRA - Electric Regulatory Assistance.....                     | 200                      | 0                        | 0                        |
| Subtotal - Federal Funds.....                                     | 4,907                    | 3,785                    | 3,061                    |
| Subtotal - Restricted Revenues.....                               | 63,090                   | 64,571                   | 69,130                   |
| Total - General Government.....                                   | <u>\$ 67,997</u>         | <u>\$ 68,356</u>         | <u>\$ 72,191</u>         |
| FEDERAL FUNDS.....  | 4,907                    | 3,785                    | 3,061                    |
| RESTRICTED REVENUES.....  | 63,090                   | 64,571                   | 69,130                   |
| <b>GENERAL FUND TOTAL.....</b>                                    | <b><u>\$ 67,997</u></b>  | <b><u>\$ 68,356</u></b>  | <b><u>\$ 72,191</u></b>  |
| <b>OTHER FUNDS:</b>   |                          |                          |                          |
| <b>MARCELLUS LEGACY FUND:</b>                                     |                          |                          |                          |
| Transfer to Highway Bridge Improvement.....                       | \$ 20,525                | \$ 18,311                | \$ 18,292                |
| Transfer to Environmental Stewardship Fund.....                   | 28,210                   | 42,324                   | 42,317                   |
| Transfer to Hazardous Sites Cleanup Fund.....                     | 0                        | 3,662                    | 8,658                    |
| County Recreational Planning, Development and Rehabilitation..... | 12,315                   | 10,987                   | 10,975                   |
| Transfer to Commonwealth Financing Authority-H2O.....             | 10,263                   | 9,156                    | 9,146                    |
| Transfer to Commonwealth Financing Authority.....                 | 16,420                   | 14,649                   | 14,634                   |
| <b>MARCELLUS LEGACY FUND TOTAL.....</b>                           | <b><u>\$ 87,733</u></b>  | <b><u>\$ 99,089</u></b>  | <b><u>\$ 104,022</u></b> |
| <b>UNCONVENTIONAL GAS WELL FUND:</b>                              |                          |                          |                          |
| Gas Well Fee Administration.....                                  | \$ 1,000                 | \$ 1,000                 | \$ 1,000                 |
| Transfer to Marcellus Legacy Fund - DEP.....                      | 2,500                    | 0                        | 0                        |
| Conservation District Grants.....                                 | 3,750                    | 3,844                    | 3,940                    |
| Transfer to Conservation District Fund.....                       | 3,750                    | 3,844                    | 3,940                    |
| Transfer to Housing Affordability & Rehab Enhancement Fund.....   | 5,000                    | 5,000                    | 5,000                    |
| Host Counties.....  | 42,534                   | 37,752                   | 37,711                   |
| Host Municipalities.....  | 43,716                   | 38,801                   | 38,758                   |
| Local Municipalities.....   | 31,901                   | 28,314                   | 28,283                   |
| Transfer to Marcellus Legacy Fund.....                            | 82,101                   | 73,245                   | 73,168                   |
| <b>UNCONVENTIONAL GAS WELL FUND TOTAL.....</b>                    | <b><u>\$ 216,252</u></b> | <b><u>\$ 191,800</u></b> | <b><u>\$ 191,800</u></b> |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                               |                          |                          |                          |
| GENERAL FUND.....   | \$ 0                     | \$ 0                     | \$ 0                     |
| SPECIAL FUNDS.....  | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....  | 4,907                    | 3,785                    | 3,061                    |
| RESTRICTED.....   | 63,090                   | 64,571                   | 69,130                   |
| OTHER FUNDS.....  | 303,985                  | 290,889                  | 295,822                  |
| <b>TOTAL ALL FUNDS.....</b>                                       | <b><u>\$ 371,982</u></b> | <b><u>\$ 359,245</u></b> | <b><u>\$ 368,013</u></b> |

## Program Funding Summary

(Dollar Amounts in Thousands)

|                                       | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>REGULATION OF PUBLIC UTILITIES</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     |
| SPECIAL FUNDS.....                    | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                    | 4,907                    | 3,785                    | 3,061                    | 3,061                    | 3,061                    | 3,061                    | 3,061                    |
| OTHER FUNDS.....                      | 367,075                  | 355,460                  | 364,952                  | 364,911                  | 364,861                  | 364,861                  | 364,861                  |
| SUBCATEGORY TOTAL.....                | <u>\$ 371,982</u>        | <u>\$ 359,245</u>        | <u>\$ 368,013</u>        | <u>\$ 367,972</u>        | <u>\$ 367,922</u>        | <u>\$ 367,922</u>        | <u>\$ 367,922</u>        |
| <b>ALL PROGRAMS:</b>                  |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     | \$ 0                     |
| SPECIAL FUNDS.....                    | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....                    | 4,907                    | 3,785                    | 3,061                    | 3,061                    | 3,061                    | 3,061                    | 3,061                    |
| OTHER FUNDS.....                      | 367,075                  | 355,460                  | 364,952                  | 364,911                  | 364,861                  | 364,861                  | 364,861                  |
| DEPARTMENT TOTAL.....                 | <u><u>\$ 371,982</u></u> | <u><u>\$ 359,245</u></u> | <u><u>\$ 368,013</u></u> | <u><u>\$ 367,972</u></u> | <u><u>\$ 367,922</u></u> | <u><u>\$ 367,922</u></u> | <u><u>\$ 367,922</u></u> |

## Program: Regulation of Public Utilities

*Goal: To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.*

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities to ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner.

The commission regulates approximately 8,000 entities providing electricity, natural gas, steam heat, water, wastewater collection and disposal, telephone, transportation of passengers and property by train, bus, truck, taxicab and limousine and transmission of gas and oil by pipeline.

The commission is funded by assessments of regulated public utilities, pipeline operators under Act 127 of 2011, electric generation and natural gas suppliers under Act 155 of 2014. The commission also receives funding to administer Act 13 of 2012 - unconventional gas well impact fees. Specifically, the commission is authorized to impose assessments on public utilities to reflect the approved budget. Public utility assessments and fees are deposited into a restricted account within the General Fund.

During the past 20 years, the number of jurisdictional public utilities has increased, as have the commission's responsibilities and mandated functions. The focus of the commission has expanded from the traditional role of approving the cost-based rates and regulating the service of all public utilities to a broader mandate of also enabling and facilitating competitive markets for the electric, natural gas and telecommunications industries.

The commission continues to experience a steady number of rate requests from electric, natural gas and water companies. The requests reflect the removal of electricity rate caps, established during the advent of electric competition, as well as significant increases in infrastructure investment and inflation-driven costs. Commission approval of mergers and acquisitions is an ongoing process, especially affecting the water and telecommunications industries.

The commission continues to expend significant resources on the continued implementation of Act 129 of 2008, which requires Pennsylvania's seven largest electric distribution companies to develop energy efficiency and conservation plans and use other methods of reducing the amount of electricity consumed by residential and business consumers. The act mandated an overall reduction in consumption with targeted benchmarks. The commission is continuing to monitor utility compliance. The law requires the commission to determine whether additional targets can be met in a cost-effective manner and what those

targets could be every five years beginning November 30, 2013. The commission set new required incremental reductions in consumption that included the filing and approval of new energy efficiency and conservation plans. The participating electric distribution companies began implementing these plans in June 2013.

Other directives of Act 129 include the deployment of smart meter technology and time-of-use rates over a 15-year period. Smart meter plans have been adopted for each of the utilities and the plans are at various stages of deployment.

The commission also continues to implement other major laws: Act 201 of 2004 established specific standards and procedures for payment arrangements, customer deposits, and termination of electric, natural gas and water service. The commission has issued numerous orders interpreting and implementing the law and has finalized relevant regulations. Biennial reports on this activity are submitted to the General Assembly. The increased level of consumer call activity to the commission due to this law continues. The commission convened an internal group to study Chapter 14 and offered recommendations to the General Assembly for possible changes to the law.

Act 155 of 2014 gave reauthorization to Chapter 14 of Act 201 of 2004 providing guidelines and provisions for customer shut offs and other consumer related activities. In addition, it gave the commission the authority to assess the electric generation and natural gas suppliers that it oversees.

Act 213 of 2004 established alternative energy portfolio standards requiring electric distribution companies and generation suppliers to include electricity generated from alternative energy resources in their sales to retail customers. The commission has issued standards related to net metering, interconnection and demand side management and is working with stakeholders and the Department of Environmental Protection to effectively carry out this law. The commission has contracted with an alternative energy credit program administrator as part of the implementation. All electric distribution companies and electric generation suppliers complied with these requirements for the 2013 reporting year.

Act 183 of 2004 addressed the obligations of telecommunication public utilities by continuing existing network modernization plans and providing incentives for acceleration of the deployment of high-speed internet service, while reducing filing and reporting requirements for the incumbent local exchange carriers. The Federal Communications Commission issued the Intercarrier Compensation/Universal Service Reform Order creating



## Program: Regulation of Public Utilities (continued)

a Connect America Fund that affected a series of changes and reforms in the federal universal service fund mechanism and in various parameters of intrastate and interstate intercarrier compensation. The order is a complex and comprehensive proposal to restructure the nationwide telecommunications marketplace. The commission continues to ensure the telecommunication public utilities adhere to these standards.

The Energy Policy Act of 2005 established a number of new federal mandates that state regulators are required to consider and potentially implement. These include standardizations for connecting electric generation facilities with the utility, compensation of retail customers for generated electricity sold back to the utility and policies concerning reduction or shifting of consumption from peak periods.

The commission continues with oversight of the development and functioning of the competitive retail electric supply market. The retail markets investigation provided a regulatory framework that encourages electric generation suppliers to invest in Pennsylvania's retail electric market. Work continues to ensure that citizens have access to a robust competitive market in which consumers have the choice of different competitive pricing options and a variety of innovative product offerings. The commission also launched a retail markets investigation of the natural gas industry in order to increase the availability of options for consumers to shop for natural gas.

Act 127 of 2011 empowered the commission to enforce federal pipeline safety laws as they relate to non-public utility gas and hazardous liquids pipeline equipment and facilities within Pennsylvania. The act enables the commission to fund an increase in its complement of pipeline safety inspectors by assessments to be paid by Pennsylvania pipeline operators.

Act 11 of 2012 allows jurisdictional water and wastewater, natural gas and electric utilities to petition the commission for approval to implement a distribution system improvement charge (DSIC) to fund infrastructure upgrades. The commission established procedures for implementing DSIC for utilities; filing long-term infrastructure improvement plans; revising the method used to fix the value of and return on the property for ratemaking purposes; establishing procedures for the use of a fully-projected test year in base rate proceedings; allowing utilities to combine for ratemaking purposes different types of utility service; and establishing customer protections and notifications.

Act 13 of 2012 gave the commission oversight of the collection and distribution of the unconventional gas well impact fees.

The commission has established the following goals for 2015-16 and future years:

- To ensure that necessary utility service is available to all residents of Pennsylvania.
- To foster development of competitive markets in the electric, telecommunications and natural gas industries.
- To promptly and effectively address anti-competitive activity by jurisdictional utilities or licensed competitive suppliers.
- To promote greater public awareness and understanding of the public utility industry and how it affects customers.
- To establish policies that will encourage public utilities to operate in the most environmentally compatible, safe, fair and cost-effective manner.
- To encourage and coordinate the upgrade of Pennsylvania's water delivery and wastewater systems.
- To establish policies to manage the replacement and repair of our aging natural gas and electric distribution systems.
- Implement new laws dealing with pipeline safety, unconventional well impact fee and utility infrastructure improvements.
- To contribute to the economic development of Pennsylvania.
- To support Pennsylvania's environmental initiatives, particularly with respect to alternative energy portfolio standards and energy efficiency and demand side response programs.
- To continue improving internal efficiencies and enhancing public access to information maintained and produced by the commission.
- To maintain policies and procedures for recruiting and retaining an efficient, diverse and well-trained commission staff in order to enhance performance and promote timely, consistent, well-reasoned regulatory decisions.
- To provide the Pennsylvania General Assembly and the United States Congress with utility policy recommendations promoting the interest of Pennsylvania consumers in state and federal regulatory forums.

## Program: Regulation of Public Utilities (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**General Government Operations**  
\$ 4,559 —to continue current program.

In addition, this budget includes distributions of \$104,022,000 from the Marcellus Legacy Fund and \$191,800,000 from the Unconventional Gas Well Fund in accordance with Act 13 of 2012.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                     | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|-------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations ..... | \$ 63,090         | \$ 64,571            | \$ 69,130         | \$ 69,130            | \$ 69,130            | \$ 69,130            | \$ 69,130            |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Program: Regulation of Public Utilities****Objective: Maintain safe and reliable utility services at affordable rates for consumers.****Utilities Regulated**

## Fixed utilities:

|                       |       |       |       |       |       |       |       |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|
| Electric distribution | 16    | 16    | 16    | 16    | 16    | 16    | 16    |
| Electric generation   | 241   | 246   | 250   | 250   | 250   | 250   | 250   |
| Transportation        | 7,700 | 7,700 | 7,700 | 7,700 | 7,700 | 7,700 | 7,700 |

## Rate requests received:

|                                 |    |    |    |    |    |    |    |
|---------------------------------|----|----|----|----|----|----|----|
| Fixed utilities - Rate Requests | 60 | 60 | 60 | 60 | 60 | 60 | 60 |
|---------------------------------|----|----|----|----|----|----|----|

## Rate cases completed:

|  |    |    |    |    |    |    |    |
|--|----|----|----|----|----|----|----|
| Fixed utilities - Rate Cases Completed | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
|--|----|----|----|----|----|----|----|

## Audits conducted - Fixed utilities:

|            |     |     |     |     |     |     |     |
|------------|-----|-----|-----|-----|-----|-----|-----|
| Special    | 159 | 168 | 168 | 168 | 169 | 169 | 169 |
| Management | 7   | 9   | 10  | 10  | 10  | 10  | 9   |

## Audits conducted - Enforcement/investigations:

|            |       |       |       |       |       |       |       |
|------------|-------|-------|-------|-------|-------|-------|-------|
| Gas Safety | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
|------------|-------|-------|-------|-------|-------|-------|-------|

## Audits conducted - Transportation:

|              |        |        |        |        |        |        |        |
|--------------|--------|--------|--------|--------|--------|--------|--------|
| Rail safety  | 1,700  | 1,700  | 1,700  | 1,700  | 1,700  | 1,700  | 1,700  |
| Motor safety | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 |

**Consumer Services**

## Fixed utilities:

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Complaints received, investigated and resolved | 107,000 | 107,000 | 107,000 | 107,000 | 107,000 | 107,000 | 107,000 |
|--|---------|---------|---------|---------|---------|---------|---------|

## Electric Deregulation:

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Homes eligible to participate (in thousands)      | 5,110 | 5,150 | 5,150 | 5,150 | 5,150 | 5,150 | 5,150 |
| Businesses eligible to participate (in thousands) | 702   | 709   | 713   | 720   | 724   | 724   | 724   |



---

# DEPARTMENT OF REVENUE

*The mission of the Department of Revenue is to fairly, efficiently and accurately administer the tax laws and other revenue programs of the commonwealth to fund necessary government services.*

The department collects all tax levies as well as various fees, fines and other monies due the commonwealth. The department also supervises the administration and collection of monies for the first and second class county sales tax and various special funds.

The department prepares the official estimates of the tax yield due the commonwealth and analyzes the effect on revenues of proposed changes in either the laws or the tax structure of the commonwealth.

## **Programs and Goals**

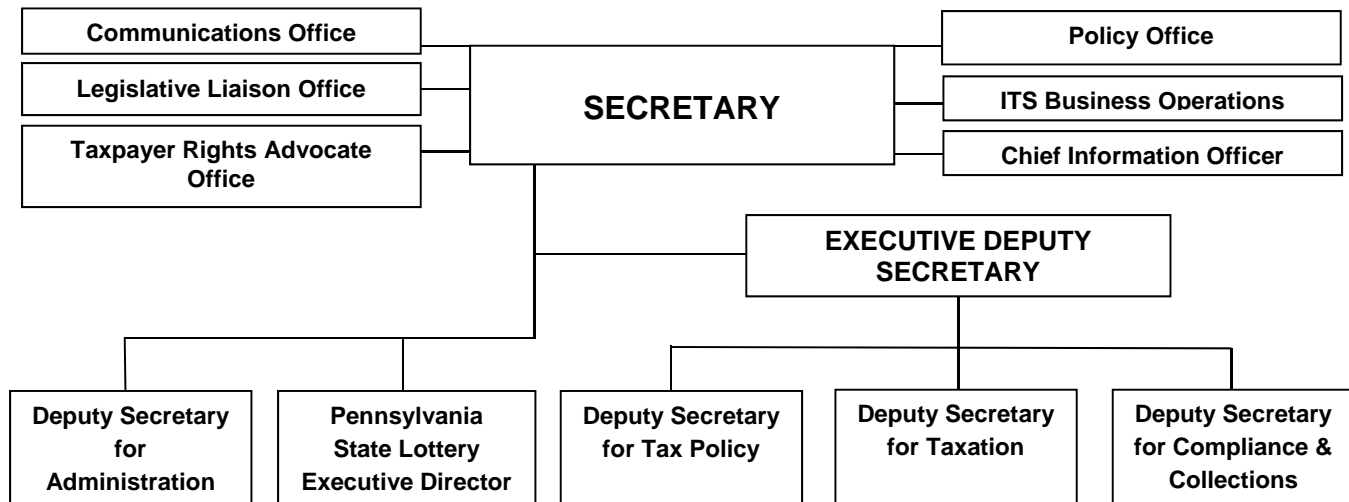
**Revenue Collection and Administration:** *To assure the availability of resources for the commonwealth's programs through the equitable and efficient administration of Pennsylvania's revenue system.*

**Community Development and Preservation:** *To equitably distribute the Public Utility Realty Tax to all reporting local taxing authorities.*

**Homeowners and Renters Assistance:** *To increase economic stability by assisting eligible Pennsylvania citizens to maintain their homes.*

---

## Organization Overview



- **Deputy Secretary for Administration** oversees the Gaming Office and the Budget Office. The Deputy is also responsible for the bureaus of Human Resources, Administrative Services and Imaging and Document Management.
- **Pennsylvania State Lottery Executive Director** is responsible for the oversight of the Lottery's Security Office and the deputy executive directors for Administration and Finance, Marketing and Product Development, and Retailer Operations.
- **Deputy Secretary for Tax Policy** is responsible for the Board of Appeals and oversees the bureaus of Research and Audits.
- **Deputy Secretary for Taxation** oversees the Taxpayer Services and Information Center. The Deputy is also responsible for the bureaus of Corporation Taxes, Motor and Alternative Fuel Taxes, Individual Taxes, and Business Trust Fund Taxes.
- **Deputy Secretary for Compliance and Collections** is responsible for the Pass Through Business Office and the bureaus of Criminal Tax Investigations; Enforcement, Planning, Analysis and Discovery; Collections and Taxpayer Services; and Compliance.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2,128             | 2,128             | 2,128             | 2,012             | 2,001             |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>  |                   |                      |                   |
| <i>General Government:</i>                                  |                   |                      |                   |
| General Government Operations.....                          | \$ 120,244        | \$ 129,538           | \$ 129,916        |
| (A)Cigarette Fines and Penalties.....                       | 38                | 37                   | 37                |
| (A)Cigarette Tax Enforcement.....                           | 0                 | 450                  | 450               |
| (A)Services to Special Funds.....                           | 11,409            | 11,698               | 11,498            |
| (A)EDP and Staff Support.....                               | 6,837             | 6,337                | 6,337             |
| (A)Tax Information.....                                     | 806               | 775                  | 775               |
| (A)Local Sales Tax.....                                     | 3,567             | 3,972                | 3,972             |
| (A)Small Games of Chance.....                               | 286               | 205                  | 205               |
| (A)Reimbursed Costs from Other Agencies.....                | 1,188             | 1,350                | 1,550             |
| (A)BTFT - Fines and Penalties.....                          | 93                | 177                  | 177               |
| (A)RTT Local Collection.....                                | 175               | 154                  | 154               |
| (A)Sale of Equipment.....                                   | 3                 | 0                    | 0                 |
| (A)Enhanced Revenue Collections.....                        | 15,000            | 25,000               | 25,000            |
| (A)Prepaid Wireless E-911.....                              | 20                | 10                   | 10                |
| (A)Cost of Collecting Philadelphia Cigarette Tax.....       | 0                 | 1,335                | 1,780             |
| Commissions - Inheritance & Realty Transfer Taxes (EA)..... | 6,834             | 8,475                | 8,244             |
| Technology and Process Modernization.....                   | 11,000            | 8,000                | 6,500             |
| Subtotal - State Funds.....                                 | \$ 138,078        | \$ 146,013           | \$ 144,660        |
| Subtotal - Augmentations.....                               | 39,422            | 51,500               | 51,945            |
| Total - General Government.....                             | \$ 177,500        | \$ 197,513           | \$ 196,605        |
| <i>Grants and Subsidies:</i>                                |                   |                      |                   |
| Distribution of Public Utility Realty Tax.....              | \$ 29,873         | \$ 31,366            | \$ 32,376         |
| Transfer to City of Philadelphia (EA).....                  | 45,000            | 0                    | 0                 |
| Total - Grants and Subsidies.....                           | \$ 74,873         | \$ 31,366            | \$ 32,376         |
| STATE FUNDS.....  | \$ 212,951        | \$ 177,379           | \$ 177,036        |
| AUGMENTATIONS.....  | 39,422            | 51,500               | 51,945            |
| GENERAL FUND TOTAL.....                                     | \$ 252,373        | \$ 228,879           | \$ 228,981        |
| <b>MOTOR LICENSE FUND:</b>                                  |                   |                      |                   |
| <i>General Government:</i>                                  |                   |                      |                   |
| Collections - Liquid Fuels Tax.....                         | \$ 14,578         | \$ 17,645            | \$ 18,076         |
| (F)Federal Fuel Tax Evasion Project (EA).....               | 135               | 255                  | 250               |
| Subtotal - State Funds.....                                 | \$ 14,578         | \$ 17,645            | \$ 18,076         |
| Subtotal - Federal Funds.....                               | 135               | 255                  | 250               |
| Total - General Government.....                             | \$ 14,713         | \$ 17,900            | \$ 18,326         |
| <i>Refunds:</i>   |                   |                      |                   |
| Refunding Liquid Fuels Tax (EA).....                        | \$ 12,500         | \$ 16,000            | \$ 18,000         |
| STATE FUNDS.....  | \$ 27,078         | \$ 33,645            | \$ 36,076         |
| FEDERAL FUNDS.....  | 135               | 255                  | 250               |
| MOTOR LICENSE FUND TOTAL.....                               | \$ 27,213         | \$ 33,900            | \$ 36,326         |
| <b>LOTTERY FUND:</b>  |                   |                      |                   |
| <i>General Government:</i>                                  |                   |                      |                   |
| General Operations (EA).....                                | \$ 44,260         | \$ 37,688            | \$ 45,428         |
| (A)License Fees.....  | 147               | 157                  | 150               |
| (A)Annuity Assignment Fees.....                             | 13                | 16                   | 13                |
| (A)Sale of Automobiles.....                                 | 15                | 0                    | 13                |
| Lottery Advertising (EA).....                               | 37,000            | 44,000               | 44,000            |

# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL          | 2014-15<br>AVAILABLE       | 2015-16<br>BUDGET          |
|---|----------------------------|----------------------------|----------------------------|
| <b>Property Tax Rent Rebate - General Operations (EA).....</b>    | <b>13,733</b>              | <b>13,833</b>              | <b>14,909</b>              |
| <b>On-Line Vendor Commissions (EA).....</b>                       | <b>38,899</b>              | <b>40,367</b>              | <b>45,949</b>              |
| <b>Instant Vendor Commissions (EA).....</b>                       | <b>26,553</b>              | <b>29,924</b>              | <b>32,263</b>              |
| <b>Payment of Prize Money (EA).....</b>                           | <b>371,974</b>             | <b>333,005</b>             | <b>375,390</b>             |
| Subtotal - State Funds.....                                       | \$ 532,419                 | \$ 498,817                 | \$ 557,939                 |
| Subtotal - Augmentations.....                                     | 175                        | 173                        | 176                        |
| Total - General Government.....                                   | <u>\$ 532,594</u>          | <u>\$ 498,990</u>          | <u>\$ 558,115</u>          |
| <b>Grants and Subsidies:</b>                                      |                            |                            |                            |
| Property Tax & Rent Assistance for Older Pennsylvanians (EA)..... | \$ 280,100                 | \$ 280,600                 | \$ 285,200                 |
| STATE FUNDS.....  | \$ 812,519                 | \$ 779,417                 | \$ 843,139                 |
| AUGMENTATIONS.....  | 175                        | 173                        | 176                        |
| <b>LOTTERY FUND TOTAL.....</b>                                    | <b><u>\$ 812,694</u></b>   | <b><u>\$ 779,590</u></b>   | <b><u>\$ 843,315</u></b>   |
| <b>OTHER FUNDS:</b>   |                            |                            |                            |
| <b>RACING FUND:</b>   |                            |                            |                            |
| Collections - State Racing (EA).....                              | \$ 0                       | \$ 237                     | \$ 237                     |
| <b>GENERAL FUND:</b>  |                            |                            |                            |
| Host Municipality Tavern Games Local Share Account.....           | \$ 0                       | \$ 83                      | \$ 83                      |
| <b>PROPERTY TAX RELIEF FUND:</b>                                  |                            |                            |                            |
| Transfer to the State Lottery Fund.....                           | \$ 0 <sup>a</sup>          | \$ 0 <sup>a</sup>          | \$ 0 <sup>a</sup>          |
| <b>STATE GAMING FUND:</b>   |                            |                            |                            |
| <b>General Government:</b>  |                            |                            |                            |
| (R)General Operations.....  | \$ 9,513                   | \$ 9,513                   | \$ 9,513                   |
| <b>OTHER FUNDS:</b>   |                            |                            |                            |
| <b>STATE GAMING FUND:</b>   |                            |                            |                            |
| Transfer to Compulsive/Problem Gambling Treatment Fund (EA).....  | \$ 0 <sup>b</sup>          | \$ 0 <sup>b</sup>          | \$ 0 <sup>b</sup>          |
| Transfer to the Property Tax Relief Fund (EA).....                | 0 <sup>c</sup>             | 0 <sup>c</sup>             | 0 <sup>c</sup>             |
| <b>STATE GAMING FUND TOTAL.....</b>                               | <b><u>\$ 0</u></b>         | <b><u>\$ 0</u></b>         | <b><u>\$ 0</u></b>         |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b>                               |                            |                            |                            |
| GENERAL FUND.....   | \$ 212,951                 | \$ 177,379                 | \$ 177,036                 |
| SPECIAL FUNDS.....  | 839,597                    | 813,062                    | 879,215                    |
| FEDERAL FUNDS.....  | 135                        | 255                        | 250                        |
| AUGMENTATIONS.....  | 39,597                     | 51,673                     | 52,121                     |
| RESTRICTED.....   | 9,513                      | 9,513                      | 9,513                      |
| OTHER FUNDS.....  | 0                          | 320                        | 320                        |
| <b>TOTAL ALL FUNDS.....</b>                                       | <b><u>\$ 1,101,793</u></b> | <b><u>\$ 1,052,202</u></b> | <b><u>\$ 1,118,455</u></b> |

<sup>a</sup> Not added to the total to avoid double counting with the program expenditures from the Lottery Fund: 2013-14 Actual is \$166,500,000, 2014-15 Available is \$162,800,000, and 2015-16 Budget is \$166,800,000.

<sup>b</sup> Not added to the total to avoid double counting with the program expenditures from the Compulsive and Problem Gambling Treatment Fund shown in the Department of Drug and Alcohol Programs: 2013-14 Actual is \$8,242,000, 2014-15 Available is \$7,384,000, and 2015-16 Budget is \$7,800,000.

<sup>c</sup> Not added to the total to avoid double counting with the program expenditures from the Property Tax Relief Fund shown in the Department of Education: 2013-14 Actual is \$611,600,000, 2014-15 Available is \$616,200,000, and 2015-16 Budget is \$616,200,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>REVENUE COLLECTION AND ADMINISTRATION</b>  |                     |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                             | \$ 183,078          | \$ 146,013           | \$ 144,660          | \$ 153,005           | \$ 149,057           | \$ 150,263           | \$ 154,064           |
| SPECIAL FUNDS.....                            | 559,497             | 532,462              | 594,015             | 599,179              | 611,573              | 623,853              | 635,138              |
| FEDERAL FUNDS.....                            | 135                 | 255                  | 250                 | 250                  | 250                  | 250                  | 250                  |
| OTHER FUNDS.....                              | 49,110              | 61,506               | 61,954              | 62,287               | 62,533               | 62,785               | 63,043               |
| SUBCATEGORY TOTAL.....                        | <u>\$ 791,820</u>   | <u>\$ 740,236</u>    | <u>\$ 800,879</u>   | <u>\$ 814,721</u>    | <u>\$ 823,413</u>    | <u>\$ 837,151</u>    | <u>\$ 852,495</u>    |
| <b>COMMUNITY DEVELOPMENT AND PRESERVATION</b> |                     |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                             | \$ 29,873           | \$ 31,366            | \$ 32,376           | \$ 33,995            | \$ 35,695            | \$ 37,479            | \$ 39,353            |
| SPECIAL FUNDS.....                            | 0                   | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| FEDERAL FUNDS.....                            | 0                   | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                              | 0                   | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| SUBCATEGORY TOTAL.....                        | <u>\$ 29,873</u>    | <u>\$ 31,366</u>     | <u>\$ 32,376</u>    | <u>\$ 33,995</u>     | <u>\$ 35,695</u>     | <u>\$ 37,479</u>     | <u>\$ 39,353</u>     |
| <b>HOMEOWNERS AND RENTERS ASSISTANCE</b>      |                     |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                             | \$ 0                | \$ 0                 | \$ 0                | \$ 0                 | \$ 0                 | \$ 0                 | \$ 0                 |
| SPECIAL FUNDS.....                            | 280,100             | 280,600              | 285,200             | 287,200              | 288,100              | 277,700              | 276,500              |
| FEDERAL FUNDS.....                            | 0                   | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                              | 0                   | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| SUBCATEGORY TOTAL.....                        | <u>\$ 280,100</u>   | <u>\$ 280,600</u>    | <u>\$ 285,200</u>   | <u>\$ 287,200</u>    | <u>\$ 288,100</u>    | <u>\$ 277,700</u>    | <u>\$ 276,500</u>    |
| <b>ALL PROGRAMS:</b>                          |                     |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                             | \$ 212,951          | \$ 177,379           | \$ 177,036          | \$ 187,000           | \$ 184,752           | \$ 187,742           | \$ 193,417           |
| SPECIAL FUNDS.....                            | 839,597             | 813,062              | 879,215             | 886,379              | 899,673              | 901,553              | 911,638              |
| FEDERAL FUNDS.....                            | 135                 | 255                  | 250                 | 250                  | 250                  | 250                  | 250                  |
| OTHER FUNDS.....                              | 49,110              | 61,506               | 61,954              | 62,287               | 62,533               | 62,785               | 63,043               |
| DEPARTMENT TOTAL.....                         | <u>\$ 1,101,793</u> | <u>\$ 1,052,202</u>  | <u>\$ 1,118,455</u> | <u>\$ 1,135,916</u>  | <u>\$ 1,147,208</u>  | <u>\$ 1,152,330</u>  | <u>\$ 1,168,348</u>  |



## Program: Revenue Collection and Administration

*Goal: To assure the availability of resources for the commonwealth's programs through the equitable and efficient administration of Pennsylvania's revenue system.*

This program administers the commonwealth's revenue statutes by assessing and collecting various taxes. Major revenue sources for the General Fund include corporation, personal income, inheritance, sales and use, cigarette, beverage and realty transfer taxes. Tax revenue is also collected for the first and second class county sales taxes and for the Motor License, Racing and Gaming Funds.

The department continues to expand the use of automated procedures thereby permitting quick deposit of funds and review of a tax return's accuracy. It has added automated processes that assist taxpayers in filing accurately and more efficiently. These include the Electronic Tax and Data Exchange System and an internet system for filing business taxes such as sales

tax, employer withholding tax, liquid fuels tax, fuel tax and corporation tax extensions and estimates. There are also electronic systems for filing and payment of personal income tax. Revenue collection efforts are being enhanced to improve violation enforcement and improve business practices. To ensure fairness in tax administration, the department audits and verifies tax returns to detect fraud and non-filers. In addition, there is an extensive delinquent tax collection effort that involves automation as well as traditional tax collection methods.

This program is responsible for the administration of the State Lottery. Through a network of private retailers, the commonwealth sells lottery tickets, the proceeds of which support programs for older Pennsylvanians.

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| GENERAL FUND  |                                      | LOTTERY FUND   |  |
|---|--------------------------------------|--|--|
| <b>General Government Operations</b>                              |                                      | <b>General Operations (EA)</b>                           |  |
| \$ 378  | —to continue current program.        | \$ 7,740   | —to continue current program.                            |
| <b>Commissions - Inheritance &amp; Realty Transfer Taxes (EA)</b> |                                      | <b>Property Tax Rent Rebate - General Operations</b>     |  |
| \$ -231   | —based on current revenue estimates. | \$ 1,076   | —to continue current program.                            |
| <b>Technology and Process Modernization</b>                       |                                      | <b>On-Line Vendor Commissions (EA)</b>                   |  |
| \$ -1,500   | —decrease in current project costs.  | \$ 5,582   | —based on the latest projection of program requirements. |
| <b>MOTOR LICENSE FUND</b>   |                                      | <b>Instant Vendor Commissions (EA)</b>                   |  |
| <b>Collections - Liquid Fuels Tax</b>                             |                                      | —based on the latest projection of program requirements. |  |
| \$ 431  | —to continue current program.        | \$ 2,339   |  |
| <b>Refunding Liquid Fuels Tax (EA)</b>                            |                                      | <b>Payment of Prize Money (EA)</b>                       |  |
| \$ 2,000  | —based on current estimates.         | \$ 42,385  | —based on the latest projection of program requirements. |

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>  |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....                         | \$ 120,244        | \$ 129,538           | \$ 129,916        | \$ 134,463           | \$ 137,825           | \$ 141,271           | \$ 144,803           |
| Commissions - Inheritance & Realty Transfer Taxes (EA)..... | 6,834             | 8,475                | 8,244             | 8,542                | 8,732                | 8,992                | 9,261                |
| Technology and Process Modernization....                    | 11,000            | 8,000                | 6,500             | 10,000               | 2,500                | 0                    | 0                    |
| Transfer to City of Philadelphia (EA) .....                 | 45,000            | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| <b>TOTAL GENERAL FUND .....</b>                             | <b>\$ 183,078</b> | <b>\$ 146,013</b>    | <b>\$ 144,660</b> | <b>\$ 153,005</b>    | <b>\$ 149,057</b>    | <b>\$ 150,263</b>    | <b>\$ 154,064</b>    |

## Program: Revenue Collection and Administration (continued)

## Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>MOTOR LICENSE FUND:</b>                                 |                   |                      |                   |                      |                      |                      |                      |
| Collections - Liquid Fuels Tax.....                        | \$ 14,578         | \$ 17,645            | \$ 18,076         | \$ 16,613            | \$ 16,851            | \$ 17,111            | \$ 17,595            |
| Refunding Liquid Fuels Tax (EA).....                       | 12,500            | 16,000               | 18,000            | 19,200               | 20,700               | 20,600               | 20,600               |
| TOTAL MOTOR LICENSE FUND.....                              | <u>\$ 27,078</u>  | <u>\$ 33,645</u>     | <u>\$ 36,076</u>  | <u>\$ 35,813</u>     | <u>\$ 37,551</u>     | <u>\$ 37,711</u>     | <u>\$ 38,195</u>     |
| <b>LOTTERY FUND:</b>                                       |                   |                      |                   |                      |                      |                      |                      |
| General Operations (EA).....                               | \$ 44,260         | \$ 37,688            | \$ 45,428         | \$ 46,625            | \$ 47,882            | \$ 49,201            | \$ 50,587            |
| Lottery Advertising (EA).....                              | 37,000            | 44,000               | 44,000            | 44,000               | 44,000               | 44,000               | 44,000               |
| Property Tax Rent Rebate - General<br>Operations (EA)..... | 13,733            | 13,833               | 14,909            | 15,224               | 15,577               | 15,947               | 16,336               |
| On-Line Vendor Commissions (EA).....                       | 38,899            | 40,150               | 45,949            | 46,845               | 47,974               | 48,791               | 50,000               |
| Instant Vendor Commissions (EA).....                       | 26,553            | 28,600               | 32,263            | 31,990               | 33,339               | 34,557               | 35,756               |
| Payment of Prize Money (EA).....                           | 371,974           | 454,550              | 375,390           | 378,682              | 385,250              | 393,646              | 400,264              |
| TOTAL LOTTERY FUND.....                                    | <u>\$ 532,419</u> | <u>\$ 618,821</u>    | <u>\$ 557,939</u> | <u>\$ 563,366</u>    | <u>\$ 574,022</u>    | <u>\$ 586,142</u>    | <u>\$ 596,943</u>    |
| <b>RACING FUND:</b>  |                   |                      |                   |                      |                      |                      |                      |
| Collections - State Racing (EA).....                       | \$ 0              | \$ 237               | \$ 237            | \$ 237               | \$ 237               | \$ 237               | \$ 237               |

## Program: Community Development and Preservation

*Goal: To equitably distribute the Public Utility Realty Tax to all reporting local taxing authorities.*

A 1968 amendment to the state constitution exempted public utilities from locally administered property taxes and authorized the collection of a similar statewide tax known as the Public Utility Realty Tax. The proceeds of the tax are distributed to each local taxing authority thereby providing local revenue while ensuring fair treatment for utilities. Act 4 of 1999 revised the definition of public utility property and specifically removed, after December 31, 1999, electricity generation facilities from the definition.

This was done in conjunction with electric deregulation, which opened market competition and changed previous public utility definitions for power generation.

The distribution is based on the ratio between the total tax receipts of a local taxing authority and the total tax receipts of all reporting tax authorities. This ratio is then applied to the total amount of taxes that reporting authorities could have collected had they been able to directly tax public utility realty.

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 1,010 **Distribution of Public Utility Realty Tax**  
—reflects normal fluctuations in tax assessments.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                            |                   |                      |                   |                      |                      |                      |                      |
| Distribution of Public Utility Realty Tax ..... | \$ 29,873         | \$ 31,366            | \$ 32,376         | \$ 33,995            | \$ 35,695            | \$ 37,479            | \$ 39,353            |

## Program: Homeowners and Renters Assistance

*Goal: To increase economic stability by assisting eligible Pennsylvania citizens to maintain their homes.*

This program allows Pennsylvanians 65 years of age or older, surviving spouses over 50 and permanently disabled citizens 18 years of age or older to lead fuller lives by restoring a portion of their income through property tax and rent rebate assistance.

Act 53 of 1985 set the income ceiling for program eligibility at \$15,000 per household. The assistance declines from a maximum benefit of 100 percent of the tax or \$500 whichever is less. Act 30 of 1999 excludes 50 percent of Social Security Income and Railroad Retirement Benefits from the income eligibility calculation. Act 1 of Special Session No. 1 of 2006 expanded the Property Tax

and Rent Rebate program to give more Pennsylvanians a rebate while also increasing the amounts of the rebates. The expansion includes increasing the household income limit from \$15,000 to \$35,000 and increasing the maximum rebate from \$500 to \$650. As a result of Act 156 of 2014, income eligibility guidelines for the Property Tax/Rent Rebate Program have changed so that income increases due solely to Social Security cost-of-living adjustments (COLAs) will no longer disqualify claimants from receiving rebates.

In 2013-14, the average tax assistance payment was \$442.63, and the average rent rebate was \$538.88.

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**Property Tax & Rent Assistance for Older Pennsylvanians (EA)**  
—based on current estimates for participation.

\$ 4,600

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>LOTTERY FUND:</b>  |                   |                      |                   |                      |                      |                      |                      |
| Property Tax & Rent Assistance for Older Pennsylvanians (EA)..... | \$ 280,100        | \$ 280,600           | \$ 285,200        | \$ 287,200           | \$ 288,100           | \$ 277,700           | \$ 276,500           |

## Program Measures

2013-14      2014-15      2015-16      2016-17      2017-18      2018-19      2019-20

### Program: Revenue Collection and Administration

**Objective: Efficiently maintain active accounts for all individuals and businesses with tax reporting and payment obligations, and increase voluntary compliance through quality taxpayer service.**

#### Active accounts by tax type

|                                   |           |           |           |           |           |           |           |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Corporation**                     | 698,716   | 735,000   | 771,000   | 810,000   | 850,500   | 893,000   | 937,000   |
| Sales and Use                     | 338,058   | 342,115   | 356,340   | 360,616   | 364,944   | 369,323   | 373,745   |
| Employer                          | 352,160   | 356,386   | 360,662   | 364,991   | 369,370   | 373,803   | 378,289   |
| Personal Income Tax               | 6,272,046 | 6,300,000 | 6,300,000 | 6,300,000 | 6,300,000 | 6,300,000 | 6,300,000 |
| Liquid Fuels                      | 771       | 900       | 925       | 950       | 975       | 975       | 975       |
| Motor Carrier - IFTA              | 12,028    | 13,000    | 13,250    | 13,250    | 13,500    | 13,575    | 13,575    |
| Motor Carrier - Pennsylvania only | 11,827    | 12,500    | 12,750    | 12,750    | 13,000    | 13,250    | 13,250    |

#### Taxpayer Services Provided

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Appeals filed with the Board of Appeals (all tax types) | 27,393  | 27,500  | 27,500  | 27,500  | 27,500  | 27,500  | 27,500  |
| Average time to close Board of Appeals cases (in days)  | 64      | 88      | 88      | 88      | 88      | 88      | 88      |
| Taxpayer Service and Information Center calls answered  | 411,284 | 410,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Average call wait time for TS&IC (in minutes)           | 6       | 8       | 8       | 8       | 8       | 8       | 8       |
| Cases opened by the Taxpayer Rights Advocate (TRA)      | 1,045   | 1,200   | 1,300   | 1,400   | 1,500   | 1,600   | 1,700   |
| Average time to close TRA cases (in days)               | 30      | 30      | 30      | 30      | 30      | 30      | N/A     |

#### Operating Efficiency

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Percentage of administrative and IT personnel to total personnel (all funds) | 13.92% | 13.92% | 13.92% | 13.92% | 13.92% | 13.92% | 13.92% |
|--|--------|--------|--------|--------|--------|--------|--------|

### Objective: Increase the use of electronic tax filing.

#### Electronic Filings

|  |        |     |      |      |      |      |      |
|--|--------|-----|------|------|------|------|------|
| Percentage of corporation tax returns filed electronically     | 69.50% | 70% | 75%  | 80%  | 80%  | 85%  | 85%  |
| Percentage of sales and use tax returns filed electronically   | 99%    | 99% | 99%  | 99%  | 99%  | 100% | 100% |
| Percentage of employer tax returns filed electronically        | 99%    | 99% | 99%  | 99%  | 99%  | 99%  | 99%  |
| Percentage of personal income tax returns filed electronically | 79%    | 80% | 80%  | 81%  | 81%  | 82%  | 82%  |
| Percentage of motor fuels tax returns filed electronically     | 40%    | 50% | 100% | 100% | 100% | 100% | 100% |

## Program Measures

2013-14      2014-15      2015-16      2016-17      2017-18      2018-19      2019-20

### Objective: Increase delinquent tax collections.

#### Delinquent Collections

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Collections from delinquent accounts (in millions)               | \$728   | \$625   | \$625   | \$625   | \$625   | \$625   | \$625   |
| Delinquent taxes collected per dollar spent                      | \$11    | \$8     | \$7.70  | \$7.41  | \$7.12  | \$6.85  | \$6.59  |
| Enhanced Revenue Collections Account collections (in millions)   | \$254   | \$305   | \$305   | \$305   | \$305   | \$305   | \$305   |
| Enhanced Revenue Collection Account collections per dollar spent | \$16.93 | \$12.20 | \$12.20 | \$12.20 | \$12.20 | \$12.20 | \$12.20 |

### Objective: Increase Lottery revenues for the support of programs for older Pennsylvanians.

#### Lottery Operations

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Lottery operating costs as a percentage of ticket sales (includes advertising and commissions)         | 3.86% | 3.87% | 3.94% | 3.89% | 3.86% | 3.82% | 3.79% |
| Lottery operating costs as a percentage of ticket sales (includes cost of lottery administration only) | 1.16% | 1%    | 1.07% | 1.07% | 1.07% | 1.06% | 1.06% |

### Program: Community Development and Preservation

#### Objective: Ensure all eligible taxing authorities receive accurate distributions of public utility realty tax funds collected.

|                                    |       |       |       |       |       |       |       |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Taxing authorities receiving funds | 3,136 | 3,052 | 3,052 | 3,052 | 3,052 | 3,052 | 3,052 |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|

### Program: Homeowners and Renters Assistance

#### Objective: Maximize the number of households provided property tax or rent assistance.

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Households provided property tax or rent assistance | 588,021 | 587,000 | 582,000 | 578,000 | 573,000 | 569,000 | 565,000 |
| Households applying by June 30                      | 543,993 | 564,000 | 562,000 | 562,000 | 562,000 | 562,000 | 560,000 |
| Rebates mailed by July 31                           | 452,064 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# DEPARTMENT OF STATE

*The mission of the Department of State is to promote the integrity of the electoral process; to provide the initial infrastructure for economic development through corporate organizations and transactions; and to protect the health, safety and welfare of the public. The department will encourage the highest standards of ethics and competence in the areas of elections, campaign finance, notarization, professional and occupational licensure, charitable solicitation and professional boxing and wrestling. Through the implementation of the latest technology, the department will provide exceptional public service and will remain a leader in all regulatory and enforcement policies and practices aimed at protecting every resident of the commonwealth.*

The Department of State is administered by the Secretary of the Commonwealth and includes the Bureau of Corporations and Charitable Organizations, the Bureau of Commissions, Elections and Legislation, the State Athletic Commission, the Bureau of Enforcement and Investigation and the Bureau of Professional and Occupational Affairs, which provides support to 29 professional and occupational licensing boards and commissions.

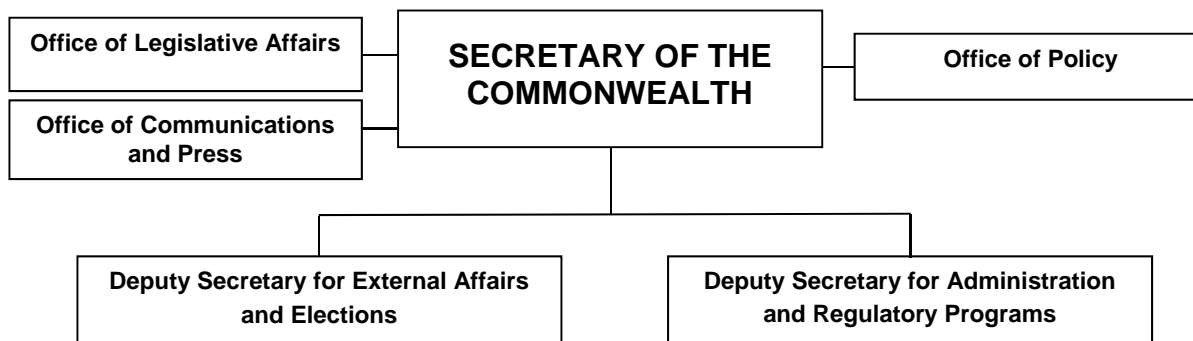
## **Programs and Goals**

**Consumer Protection:** *To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.*

---



## Organization Overview



- **Deputy Secretary for External Affairs and Elections** is responsible for the Bureau of Commissions, Elections and Legislation, the State Athletic Commission and on behalf of the Secretary of the Commonwealth coordinates with the Department of State's Legislative Affairs Office, Policy Office, and Press and Communications Office.
- **Deputy Secretary for Administration and Regulatory Programs** is responsible for the Bureau of Professional and Occupational Affairs, the Bureau of Enforcement and Investigation, and the Bureau of Corporations and Charitable Organizations. The deputy is also responsible for the administrative duties of the Department of State including the Bureau of Human Resources, the Bureau of Finance and Operations, and the Bureau of Information Systems.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 531               | 523               | 506               | 499               | 496               |

# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL       | 2014-15<br>AVAILABLE    | 2015-16<br>BUDGET       |
|--|-------------------------|-------------------------|-------------------------|
| <b>GENERAL FUND:</b>   |                         |                         |                         |
| <i>General Government:</i>                                       |                         |                         |                         |
| <b>General Government Operations.....</b>                        | <b>\$ 3,445</b>         | <b>\$ 3,695</b>         | <b>\$ 3,920</b>         |
| (F)Federal Election Reform.....                                  | 29,265                  | 16,570                  | 13,653                  |
| (A)Departmental Services.....                                    | 0 <sup>a</sup>          | 0 <sup>a</sup>          | 0 <sup>a</sup>          |
| (R)Professional and Occupational Affairs.....                    | 36,907 <sup>b</sup>     | 39,207 <sup>b</sup>     | 41,861 <sup>b</sup>     |
| (R)State Board of Medicine.....                                  | 7,330 <sup>b</sup>      | 7,559 <sup>b</sup>      | 7,975 <sup>b</sup>      |
| (R)State Board of Osteopathic Medicine.....                      | 1,323 <sup>b</sup>      | 1,250 <sup>b</sup>      | 1,323 <sup>b</sup>      |
| (R)State Board of Podiatry.....                                  | 209 <sup>b</sup>        | 225 <sup>b</sup>        | 238 <sup>b</sup>        |
| (R)State Athletic Commission.....                                | 509 <sup>b</sup>        | 536 <sup>b</sup>        | 560 <sup>b</sup>        |
| (R)Bureau of Corporations and Charitable Organizations (EA)..... | 6,533                   | 7,281                   | 6,244                   |
| Subtotal.....  | <u>\$ 85,521</u>        | <u>\$ 76,323</u>        | <u>\$ 75,774</u>        |
| <b>Statewide Uniform Registry of Electors.....</b>               | <b>4,257</b>            | <b>4,045</b>            | <b>4,045</b>            |
| <b>Voter Registration and Education.....</b>                     | <b>2,506</b>            | <b>458</b>              | <b>458</b>              |
| (F)Elections Assistance - Grants to Counties.....                | 1,589                   | 990                     | 763                     |
| Subtotal.....  | <u>\$ 4,095</u>         | <u>\$ 1,448</u>         | <u>\$ 1,221</u>         |
| <b>Lobbying Disclosure.....</b>                                  | <b>475</b>              | <b>297</b>              | <b>460</b>              |
| <b>Publishing Constitutional Amendments (EA).....</b>            | <b>0</b>                | <b>2,234</b>            | <b>2,700</b>            |
| Subtotal - State Funds.....                                      | \$ 10,683               | \$ 10,729               | \$ 11,583               |
| Subtotal - Federal Funds.....                                    | 30,854                  | 17,560                  | 14,416                  |
| Subtotal - Restricted Revenues.....                              | 52,811                  | 56,058                  | 58,201                  |
| Total - General Government.....                                  | <u>\$ 94,348</u>        | <u>\$ 84,347</u>        | <u>\$ 84,200</u>        |
| <i>Grants and Subsidies:</i>                                     |                         |                         |                         |
| <b>Voting of Citizens in Military Service.....</b>               | <b>\$ 20</b>            | <b>\$ 20</b>            | <b>\$ 20</b>            |
| <b>County Election Expenses (EA).....</b>                        | <b>225</b>              | <b>400</b>              | <b>400</b>              |
| Total - Grants and Subsidies.....                                | <u>\$ 245</u>           | <u>\$ 420</u>           | <u>\$ 420</u>           |
| STATE FUNDS.....   | \$ 10,928               | \$ 11,149               | \$ 12,003               |
| FEDERAL FUNDS.....   | 30,854                  | 17,560                  | 14,416                  |
| RESTRICTED REVENUES.....   | 52,811                  | 56,058                  | 58,201                  |
| <b>GENERAL FUND TOTAL.....</b>                                   | <b><u>\$ 94,593</u></b> | <b><u>\$ 84,767</u></b> | <b><u>\$ 84,620</u></b> |
| <b>OTHER FUNDS:</b>  |                         |                         |                         |
| <b>GENERAL FUND:</b>   |                         |                         |                         |
| Lobbying Disclosure (R).....                                     | \$ 300                  | \$ 500                  | \$ 337                  |
| <b>REAL ESTATE RECOVERY FUND:</b>                                |                         |                         |                         |
| Real Estate Recovery Payments (EA).....                          | \$ 150                  | \$ 150                  | \$ 150                  |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|                              | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|------------------------------|-------------------|----------------------|-------------------|
| DEPARTMENT TOTAL - ALL FUNDS |                   |                      |                   |
| GENERAL FUND.....            | \$ 10,928         | \$ 11,149            | \$ 12,003         |
| SPECIAL FUNDS.....           | 0                 | 0                    | 0                 |
| FEDERAL FUNDS.....           | 30,854            | 17,560               | 14,416            |
| RESTRICTED.....              | 52,811            | 56,058               | 58,201            |
| OTHER FUNDS.....             | 450               | 650                  | 487               |
| <b>TOTAL ALL FUNDS.....</b>  | <b>\$ 95,043</b>  | <b>\$ 85,417</b>     | <b>\$ 85,107</b>  |

<sup>a</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$4,758,000, 2014-15 Available is \$5,790,000 and 2015-16 Budget is \$6,010,000.

<sup>b</sup> Appropriated from a restricted revenue account.

## Program Funding Summary

(Dollar Amounts in Thousands)

|                            | 2013-14<br>Actual       | 2014-15<br>Available    | 2015-16<br>Budget       | 2016-17<br>Estimated    | 2017-18<br>Estimated    | 2018-19<br>Estimated    | 2019-20<br>Estimated    |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>CONSUMER PROTECTION</b> |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....          | \$ 10,928               | \$ 11,149               | \$ 12,003               | \$ 9,210                | \$ 10,532               | \$ 10,536               | \$ 10,743               |
| SPECIAL FUNDS.....         | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....         | 30,854                  | 17,560                  | 14,416                  | 14,416                  | 14,416                  | 14,416                  | 14,416                  |
| OTHER FUNDS.....           | 53,261                  | 56,708                  | 58,688                  | 58,688                  | 58,688                  | 58,688                  | 58,688                  |
| SUBCATEGORY TOTAL.....     | <u>\$ 95,043</u>        | <u>\$ 85,417</u>        | <u>\$ 85,107</u>        | <u>\$ 82,314</u>        | <u>\$ 83,636</u>        | <u>\$ 83,640</u>        | <u>\$ 83,847</u>        |
| <b>ALL PROGRAMS:</b>       |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....          | \$ 10,928               | \$ 11,149               | \$ 12,003               | \$ 9,210                | \$ 10,532               | \$ 10,536               | \$ 10,743               |
| SPECIAL FUNDS.....         | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....         | 30,854                  | 17,560                  | 14,416                  | 14,416                  | 14,416                  | 14,416                  | 14,416                  |
| OTHER FUNDS.....           | 53,261                  | 56,708                  | 58,688                  | 58,688                  | 58,688                  | 58,688                  | 58,688                  |
| DEPARTMENT TOTAL.....      | <u><u>\$ 95,043</u></u> | <u><u>\$ 85,417</u></u> | <u><u>\$ 85,107</u></u> | <u><u>\$ 82,314</u></u> | <u><u>\$ 83,636</u></u> | <u><u>\$ 83,640</u></u> | <u><u>\$ 83,847</u></u> |

## Program: Consumer Protection

*Goal: To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.*

The Department of State administers several programs within the Consumer Protection program.

### **Program Element: Protection of the Electoral Process**

This program ensures the efficiency, honesty and uniformity in the administration of the Election Code. Act 25 of 1995, the Pennsylvania Voter Registration Act, integrated voter registration into driver's license applications and made other voter registration changes to comply with the National Voter Registration Act. Nomination petitions for statewide and legislative offices are reviewed for compliance with statutory standards and are processed for inclusion on the ballot. As required by the Election Code, committees file campaign expense reports, and the public is provided the opportunity to review the reports. The department tabulates, publishes and disseminates statistics for both voter registration and all elections; it also serves as the repository of the maps and descriptions of the commonwealth's approximately 9,180 election precincts.

Act 61 of 2001 amended the Pennsylvania Voter Registration Act and requires the department to develop and maintain an integrated voter registration database containing all electors in the commonwealth. The act also created an advisory board to establish the requirements of the Statewide Uniform Registry of Electors system.

Other program functions include commissioning gubernatorial appointees to boards and commissions and preparing commissions for judges, magisterial district judges and notaries public, as well as enforcement of the Notary Public Law. In addition, the department maintains a record of all legislation passed by the General Assembly by docketing the bills and assigning act numbers.

Act 134 of 2006, the Lobbying Disclosure Act, assigned registration and monitoring duties to the department. The act requires that the department receive filings and reports from lobbyists, make this information available to the public, have the information on a website, produce annual reports and a biennial directory, conduct audits and provide administrative assistance to the regulating committee.

### **Program Element: Protection by Professional Licensing**

This program ensures that acceptable professional and technical services are provided to the commonwealth's residents. To accomplish this, 29 boards and commissions of the Bureau of Professional and Occupational Affairs utilize licensing, enforcement and administrative authority to regulate and service the various professions. The department investigates complaints against licensees for legal or ethical violations that may result in disciplinary

action by the boards.

Mechanisms used in controlling the quality of practitioners include regulating education; experience and degree of technical expertise demonstrated through applications; and subsequent written examination and/or demonstrated practical ability. Requirements for continuing education also serve as a means of meeting the constantly changing developments in the various professions and occupations.

Act 124 of 1978 created the Professional Licensure Augmentation Account enabling this program to be funded from fees and fines collected by the Bureau of Professional and Occupational Affairs. Thus, the bureau operates entirely out of restricted funds, considered for budgetary purposes as Other Funds.

Act 13 of 2002, the Medical Care Availability and Reduction of Error Act, further provided for medical malpractice liability insurance, tort reform, mandatory reporting by and to state licensing boards and continuing medical education.

Fees are revised according to the specific enabling legislation for each board.

### **Program Element: Regulation of Consumer Products and Promotion of Fair Business Practices**

This program encompasses the activities of the Bureau of Corporations and Charitable Organizations and the State Athletic Commission.

The Bureau of Corporations and Charitable Organizations is responsible for both profit and nonprofit business incorporation filings, submission of Uniform Commercial Code (UCC) filings and registration of charitable organizations, professional fundraisers and solicitors, as well as regulation of the actual solicitation and distribution of collected funds.

The primary goals of the Bureau of Corporations and Charitable Organizations are to make the registration process as efficient as possible, enhance public access, promote transparency and disclosure by charities, educate consumers and aggressively pursue fraudulent solicitation activities.

The State Athletic Commission monitors and regulates all professional and amateur boxing, kickboxing and mixed martial arts events, professional wrestling contests and the licensing of all persons who participate in these events. The individual license categories include announcer, agent, boxer, judge, manager, matchmaker, physician, promoter (including those promoting professional wrestling), referee, second, timekeeper and trainer.

## Program: Consumer Protection (continued)

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|  |   |
|--|---|
| <b>GENERAL FUND</b>                              |   |
| <b>General Government Operations</b>             |   |
| \$ 225   | —to continue current program.                                 |
| <b>Lobbying Disclosure</b>                       |   |
| \$ 163   | —based on most recent projection of biennial fees.            |
| <b>Publishing Constitutional Amendments (EA)</b> |   |
| \$ 466   | —to advertise and publish proposed Constitutional Amendments. |

The Statewide Uniform Registry of Electors, Voter Registration and Education, Voting of Citizens in Military Service and County Election Expenses (EA) appropriations are recommended at the current year funding levels.

This budget includes \$337,000 in augmentations to support Lobbying Disclosure. This augmentation is provided through a biennial fee, which increased from \$200 to \$300 on January 1, 2015.

This budget also recommends the following changes in appropriations and executive authorizations from restricted accounts:

|   |                                     |
|---|-------------------------------------|
| <b>Professional and Occupational Affairs</b>                    |                                     |
| \$ 2,654  | —to continue current program.       |
| <b>State Board of Medicine</b>                                  |                                     |
| \$ 416  | —to continue current program.       |
| <b>State Board of Osteopathic Medicine</b>                      |                                     |
| \$ 73   | —to continue current program.       |
| <b>State Board of Podiatry</b>                                  |                                     |
| \$ 13   | —to continue current program.       |
| <b>State Athletic Commission</b>                                |                                     |
| \$ 24   | —to continue current program.       |
| <b>Bureau of Corporations and Charitable Organizations (EA)</b> |                                     |
| \$ -1,037   | —reduction in administrative costs. |

Recommendations assume that fees for all boards will be sufficient to fund the recommended expenditure level.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                            |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....             | \$ 3,445          | \$ 3,695             | \$ 3,920          | \$ 4,057             | \$ 4,158             | \$ 4,262             | \$ 4,369             |
| Statewide Uniform Registry of Electors .....    | 4,257             | 4,045                | 4,045             | 4,045                | 5,196                | 5,196                | 5,196                |
| Voter Registration and Education .....          | 2,506             | 458                  | 458               | 458                  | 458                  | 458                  | 458                  |
| Lobbying Disclosure .....                       | 475               | 297                  | 460               | 200                  | 300                  | 200                  | 300                  |
| Publishing Constitutional Amendments (EA) ..... | 0                 | 2,234                | 2,700             | 0                    | 0                    | 0                    | 0                    |
| Electoral College .....                         | 0                 | 0                    | 0                 | 10                   | 0                    | 0                    | 0                    |
| Voting of Citizens in Military Service .....    | 20                | 20                   | 20                | 40                   | 20                   | 20                   | 20                   |
| County Election Expenses (EA) .....             | 225               | 400                  | 400               | 400                  | 400                  | 400                  | 400                  |
| <b>TOTAL GENERAL FUND .....</b>                 | <b>\$ 10,928</b>  | <b>\$ 11,149</b>     | <b>\$ 12,003</b>  | <b>\$ 9,210</b>      | <b>\$ 10,532</b>     | <b>\$ 10,536</b>     | <b>\$ 10,743</b>     |

## Program Measures

2013-14      2014-15      2015-16      2016-17      2017-18      2018-19      2019-20

### Program: Consumer Protection

**Objective: Increase number of electoral process transactions, to include voter registrations, notary public commissions, certifications and apostilles, and commissions.**

#### Electoral Process

|   |         |           |           |           |           |         |           |
|---|---------|-----------|-----------|-----------|-----------|---------|-----------|
| Voter registration transactions         | 954,000 | 1,200,000 | 1,100,000 | 1,200,000 | 1,000,000 | 960,000 | 1,100,000 |
| Notary public commissions issued        | 6,968   | 7,000     | 7,000     | 7,100     | 7,100     | 7,250   | 7,250     |
| Notary public commissions renewed       | 15,272  | 15,300    | 15,000    | 14,900    | 14,800    | 14,900  | 14,900    |
| Certifications and apostilles completed | 36,478  | 35,000    | 35,000    | 35,500    | 35,500    | 35,750  | 35,750    |
| Commissions processed                   | 699     | 650       | 700       | 700       | 700       | 650     | 700       |

**Objective: Increase the number of campaign finance reports filed online.**

#### Electoral Process

|   |        |        |        |       |        |        |        |
|---|--------|--------|--------|-------|--------|--------|--------|
| Percentage of campaign finance reports filed online | 45.70% | 45.80% | 46.70% | 47%   | 46.90% | 47.50% | 48.20% |
| Campaign finance reports filed                      | 8,734  | 8,300  | 8,350  | 8,300 | 8,100  | 8,000  | 8,200  |

**Objective: Decrease the processing time of consumer complaints against licensees.**

#### Enforcement and Investigation

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Average number of days it takes to close an investigation | 86     | 110    | 90     | 90     | 90     | 90     | 90     |
| Inspections completed                                     | 20,114 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 |
| Investigations opened                                     | 4,762  | 3,800  | 3,800  | 3,800  | 3,800  | 3,800  | 3,800  |
| Investigations closed                                     | 4,304  | 3,800  | 3,800  | 3,800  | 3,800  | 3,800  | 3,800  |

**Objective: Increase the number of professional licenses renewed online.**

#### Professional Licensing

|                                       |         |         |         |           |           |           |           |
|---------------------------------------|---------|---------|---------|-----------|-----------|-----------|-----------|
| Percentage of licenses renewed online | 95%     | 95%     | 95%     | 95.50%    | 95.50%    | 95.50%    | 96%       |
| Active Professional Licenses          | 968,827 | 982,990 | 997,160 | 1,011,330 | 1,025,510 | 1,039,680 | 1,053,860 |

**Objective: Resolve complaints promptly by identifying those which require investigation and formal action.**

#### Professional Licensing

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Average number of days it takes to close a complaint | 314    | 390    | 390    | 400    | 410    | 420    | 430    |
| Cases opened   | 13,892 | 14,700 | 15,800 | 16,250 | 16,500 | 16,750 | 17,000 |
| Cases closed   | 12,740 | 13,000 | 13,000 | 13,200 | 13,200 | 13,400 | 13,400 |
| Disciplinary actions                                 | 2,121  | 2,400  | 2,700  | 2,800  | 2,900  | 3,000  | 3,000  |
| Regulation packages proposed and approved            | 24     | 25     | 25     | 25     | 25     | 25     | 25     |

## Program Measures

2013-14      2014-15      2015-16      2016-17      2017-18      2018-19      2019-20

**Objective: Increase the number of licensed professionals in the rehabilitation program that successfully complete the program.**

### Professional Licensing

#### Health Monitoring Program:

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Percentage of licensees who started and successfully completed a PHMP program | 16%   | 15%   | 15%   | 15%   | 15%   | 15%   | 15%   |
| Cases opened  | 1,808 | 2,000 | 2,025 | 2,050 | 2,075 | 2,100 | 2,125 |
| Cases closed  | 1,589 | 1,975 | 2,000 | 2,025 | 2,050 | 2,075 | 2,100 |
| Licensees who completed a recovery program                                    | 216   | 235   | 245   | 255   | 265   | 275   | 285   |

**Objective: Maintain timely processing of corporate and charitable organization registrations and Uniform Commercial Code financing statements.**

### Enforcement and Investigation

|                                 |     |     |     |     |     |     |     |
|---------------------------------|-----|-----|-----|-----|-----|-----|-----|
| Charities investigations opened | 249 | 240 | 240 | 240 | 240 | 240 | 240 |
| Charities investigations closed | 208 | 242 | 242 | 242 | 242 | 242 | 242 |

### Corporations and Charitable Organizations

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Business Entity and Trademark filings            | 111,117 | 113,340 | 115,600 | 117,920 | 120,280 | 122,680 | 125,140 |
| Uniform Commercial Code filings                  | 126,128 | 128,650 | 131,220 | 133,850 | 136,530 | 139,260 | 142,040 |
| Corporation and Uniform Commercial Code Requests | 168,000 | 171,360 | 174,790 | 178,280 | 181,850 | 185,490 | 189,200 |
| Charity registrations                            | 11,006  | 11,230  | 11,450  | 11,680  | 11,900  | 12,150  | 12,400  |
| Professional fundraiser registrations            | 457     | 466     | 475     | 485     | 495     | 505     | 515     |
| Professional fundraiser contract filings         | 1,835   | 1,870   | 1,910   | 1,950   | 1,990   | 2,030   | 2,070   |

**Objective: Regulate all State Athletic Commission sports in a safe and orderly manner by professionally licensing athletes and ensuring rules and regulations are followed at all wrestling, boxing and mixed martial arts events.**

### State Athletic Commission

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Professionals licensed   | 2,338 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 |
| Wrestling events   | 308   | 340   | 340   | 340   | 340   | 340   | 340   |
| Boxing events (professional, amateur and kickboxing) and mixed martial arts events | 154   | 150   | 150   | 150   | 150   | 150   | 150   |



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# STATE EMPLOYEES' RETIREMENT SYSTEM

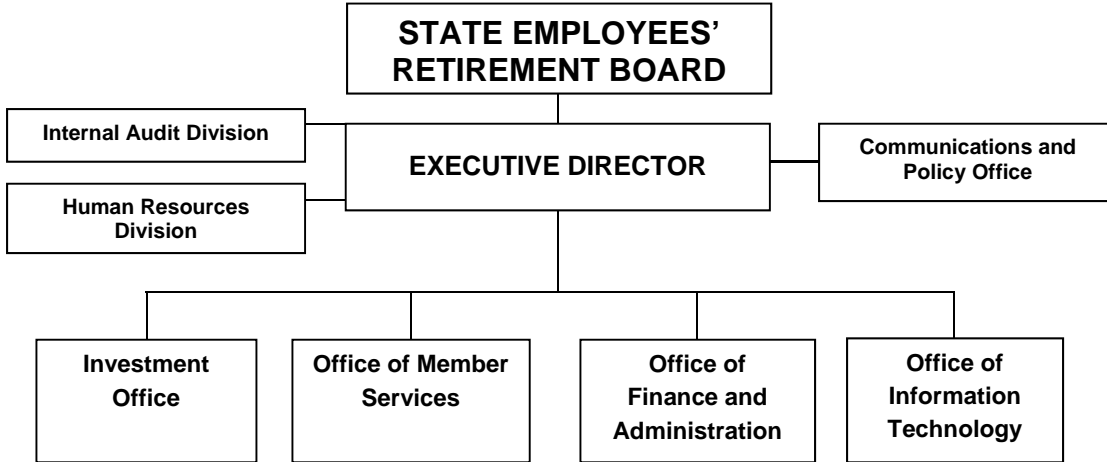
*The mission of the State Employees' Retirement System is to provide retirement benefits and services to its members through sound administration and prudent investments.*

The system is responsible for administering the State Employees' Retirement Fund, the supplemental retirement allowances and cost-of-living increases for annuitants. The system also administers the commonwealth's Deferred Compensation Program.

## **Programs and Goals**

**State Employees' Retirement:** *To provide retirement benefits to employees of the Commonwealth of Pennsylvania.*

## Organization Overview



- **Director of the Investment Office** is responsible for the Public Markets Division, Real Estate Division and the Alternative Investments Division.
- **Director of the Office of Member Services** is responsible for the Bureau of Member Services and the Bureau of Benefit Administration.
- **Director of the Office of Finance and Administration** is responsible for the divisions of General Accounting and the Deferred Compensation Program; Budget, Procurement and Operations; Investment Control; and Compliance and Quality Control.
- **Director of the Office of Information Technology** is responsible for the divisions of Applications, Database Administration, and Technical Support.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 197               | 197               | 197               | 197               | 197               |

# State Employees' Retirement System

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL       | 2014-15<br>AVAILABLE    | 2015-16<br>BUDGET       |
|---|-------------------------|-------------------------|-------------------------|
| <b><u>OTHER FUNDS:</u></b>                      |                         |                         |                         |
| <b>STATE EMPLOYEES' RETIREMENT FUND:</b>        |                         |                         |                         |
| State Employees' Retirement Administration..... | \$ 21,002               | \$ 22,303               | \$ 23,592               |
| Investment Related Expenses.....                | 7,373                   | 9,111                   | 9,292                   |
| STATE EMPLOYEES' RETIREMENT FUND TOTAL.....     | <b><u>\$ 28,375</u></b> | <b><u>\$ 31,414</u></b> | <b><u>\$ 32,884</u></b> |

# State Employees' Retirement System

## Program Funding Summary

(Dollar Amounts in Thousands)

|                                    | 2013-14<br>Actual       | 2014-15<br>Available    | 2015-16<br>Budget       | 2016-17<br>Estimated    | 2017-18<br>Estimated    | 2018-19<br>Estimated    | 2019-20<br>Estimated    |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>STATE EMPLOYEES' RETIREMENT</b> |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....                  | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | 0                       |
| SPECIAL FUNDS.....                 | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....                 | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| OTHER FUNDS.....                   | 28,375                  | 31,414                  | 32,884                  | 34,035                  | 34,885                  | 35,757                  | 36,651                  |
| SUBCATEGORY TOTAL.....             | <u>\$ 28,375</u>        | <u>\$ 31,414</u>        | <u>\$ 32,884</u>        | <u>\$ 34,035</u>        | <u>\$ 34,885</u>        | <u>\$ 35,757</u>        | <u>\$ 36,651</u>        |
| <b>ALL PROGRAMS:</b>               |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....                  | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | \$ 0                    | 0                       |
| SPECIAL FUNDS.....                 | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....                 | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| OTHER FUNDS.....                   | 28,375                  | 31,414                  | 32,884                  | 34,035                  | 34,885                  | 35,757                  | 36,651                  |
| DEPARTMENT TOTAL.....              | <u><u>\$ 28,375</u></u> | <u><u>\$ 31,414</u></u> | <u><u>\$ 32,884</u></u> | <u><u>\$ 34,035</u></u> | <u><u>\$ 34,885</u></u> | <u><u>\$ 35,757</u></u> | <u><u>\$ 36,651</u></u> |

# State Employees' Retirement System

## Program: State Employees' Retirement

*Goal: To provide retirement benefits to employees of the Commonwealth of Pennsylvania.*

The State Employees' Retirement System (SERS) was established in 1923 to administer the commonwealth's employee pension program. The State Employees' Retirement Fund uses contributions from employees and their employing agencies as well as earnings from investments to pay for annuities, disability benefits and administration of the system. The State Employees' Retirement Fund is shown in the Other Special Funds Appendix.

SERS undergoes an annual independent actuarial valuation to calculate the assets and liabilities of the pension fund. Based on the actuarial valuation process and legal requirements, SERS develops the recommended employer contribution rate.

Employer contribution rates differ by class of employee. As a result of Act 9 of 2001, most system members, depending upon individual employee election of membership, contribute 6.25 percent of pay to the system. Normal retirement for most employees is age 60, age 50 for safety employees and members of the Legislature or at any age with 35 years of service. Retirement is possible after five years of service but is actuarially reduced to the equivalent of the annuity that would have been payable at superannuation retirement.

Act 120 of 2010 made significant changes to the pension system. Act 120 amended the benefit structure for new employees hired after December 31, 2010 and amended key funding provisions. Benefit changes included: lowering

the benefit accrual rate from 2.5 percent of final average salary for each year of service to 2 percent; setting the new employee contribution rate at 9.3 percent if employees elect to accrue service at 2.5 percent for each year of service; increasing the vesting period from 5 years to 10 years; eliminating the option for members to withdraw their contributions; increasing the normal retirement age to age 65 for most employees, and age 55 for safety employees and members of the Legislature; and implementing a shared risk provision that could raise or lower member contribution rates based on the rate assumed for SERS' actuarial valuations. Act 120 also included changes to key funding provisions including re-amortizing existing liabilities and future experience gains and losses over 30 years with level dollar payments, and implementing employer contribution rate collars which limit year-over-year increases in the employer contribution rate. The collars established by Act 120 were 3 percent for 2011-12, 3.5 percent for 2012-13 and 4.5 percent for all subsequent years. The collars will end when the actuarial calculated rate is below the collared rate.

SERS is also responsible for the administration of the commonwealth's Deferred Compensation Program that allows commonwealth employees to voluntarily defer a portion of their salaries to a retirement savings account. The Deferred Compensation Fund is shown in the Other Special Funds Appendix.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

#### STATE EMPLOYEES' RETIREMENT FUND State Employees' Retirement Administration

\$ 1,289 —to continue current program.

In addition, \$9,292,000 in Investment Related Expenses will be used to support this program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>STATE EMPLOYEES' RETIREMENT FUND:</b>            |                   |                      |                   |                      |                      |                      |                      |
| State Employees' Retirement                         |                   |                      |                   |                      |                      |                      |                      |
| Administration .....                                | \$ 21,002         | \$ 22,303            | \$ 23,592         | \$ 24,418            | \$ 25,028            | \$ 25,654            | \$ 26,295            |
| Investment Related Expenses .....                   | 7,373             | 9,111                | 9,292             | 9,617                | 9,857                | 10,103               | 10,356               |
| <b>TOTAL STATE EMPLOYEES' RETIREMENT FUND .....</b> | <b>\$ 28,375</b>  | <b>\$ 31,414</b>     | <b>\$ 32,884</b>  | <b>\$ 34,035</b>     | <b>\$ 34,885</b>     | <b>\$ 35,757</b>     | <b>\$ 36,651</b>     |

# State Employees' Retirement System

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Program: State Employees' Retirement**

**Objective: Provide adequate retirement counseling sessions to our members as requested.**

|                                |       |        |       |       |       |        |       |
|--------------------------------|-------|--------|-------|-------|-------|--------|-------|
| Retirement Counseling Sessions | 8,000 | 12,000 | 8,000 | 8,000 | 8,000 | 12,000 | 8,000 |
|--------------------------------|-------|--------|-------|-------|-------|--------|-------|

**Objective: Maintain a record of the total number of retired employees.**

|   |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|
| Total number of retired employees and beneficiaries | 120,052 | 121,850 | 123,530 | 125,150 | 126,710 | 127,980 | 129,060 |
|---|---------|---------|---------|---------|---------|---------|---------|

**Objective: Maintain a record of total benefit payments (in billions).**

|                                      |        |     |        |        |        |        |        |
|--------------------------------------|--------|-----|--------|--------|--------|--------|--------|
| Total benefit payments (in billions) | \$2.80 | \$3 | \$3.10 | \$3.30 | \$3.40 | \$3.50 | \$3.60 |
|--------------------------------------|--------|-----|--------|--------|--------|--------|--------|



---

# STATE POLICE

*The mission of the Pennsylvania State Police is to seek justice, preserve peace and improve the quality of life for all.*

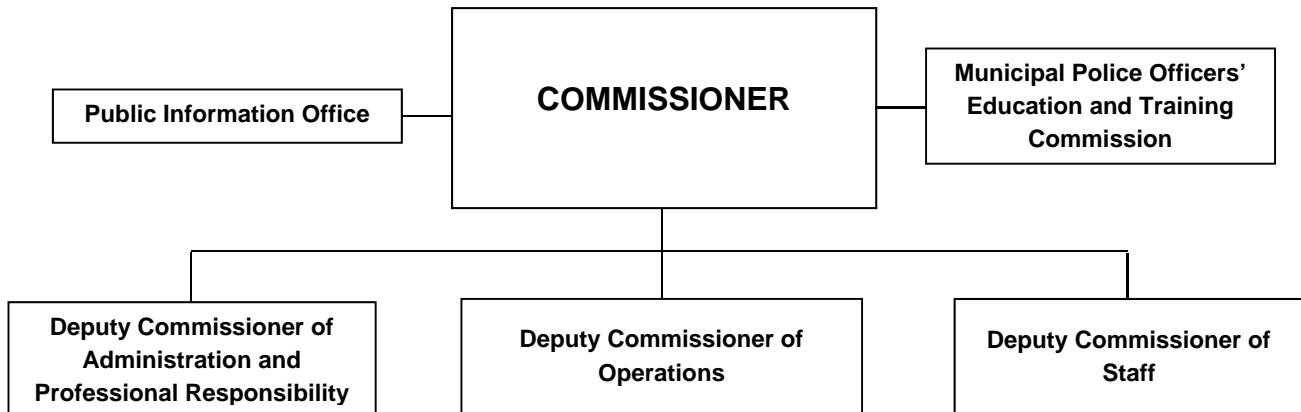
The State Police promotes traffic safety, investigates crime and reduces criminal activity, and provides investigative assistance and support services to all law enforcement agencies within the commonwealth. In addition, the State Police maintains and provides to criminal justice agencies up-to-date law enforcement information, evaluates the competence level of law enforcement within the commonwealth and provides prompt, competent service in emergency situations. The State Police ensures personal protection and security for the governor and other persons designated by proper authority, and enforces all other state statutes as directed by proper authority.

## **Programs and Goals**

**Public Protection and Law Enforcement:** *To enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways and enforcement of the Vehicle and Liquor Codes.*



# Organization Overview



- **Deputy Commissioner of Administration and Professional Responsibility** oversees the bureaus of Human Resources, Training and Education, Integrity and Professional Standards, and the Discipline Office.
- **Deputy Commissioner of Operations** oversees bureaus of Patrol, Criminal Investigation, Liquor Control Enforcement, Emergency and Special Operations, Information Technology, and Area Commands I, II and III.
- **Deputy Commissioner of Staff** oversees the bureaus of Forensic Services, Staff Services, Records and Identification, Research and Development, and Communications and Information Services.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 6,359             | 6,359             | 6,378             | 6,514             | 6,531             |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

**GENERAL FUND:****General Government:**

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---|-------------------|----------------------|-------------------|
| <b>General Government Operations.....</b>               | <b>\$ 188,904</b> | <b>\$ 204,628</b>    | <b>\$ 223,945</b> |
| (F)Motor Carrier Safety.....                            | 13,768            | 9,000                | 9,295             |
| (F)Area Computer Crime.....                             | 10,875            | 4,295                | 5,468             |
| (F)Office of Homeland Security (EA).....                | 4,312             | 4,363                | 4,420             |
| (F)Homeland Security Grants (EA).....                   | 2,780             | 2,479                | 2,570             |
| (F)Law Enforcement Preparedness (EA).....               | 4,615             | 5,350                | 5,230             |
| (F)Combat Underage Drinking (EA).....                   | 150               | 150                  | 150               |
| (F)Law Enforcement Projects (EA).....                   | 2,350             | 1,186                | 455               |
| (F)ARRA - JAG Protection from Abuse Database (EA).....  | 19                | 0                    | 0                 |
| (F)ARRA - JAG Instant Check System Rewrite (EA).....    | 682               | 0                    | 0                 |
| (F)ARRA - JAG Megan's Law Modernization (EA).....       | 758               | 0                    | 0                 |
| (A)Turnpike Commission.....                             | 41,098            | 40,800               | 40,300            |
| (A)Delaware River Toll Bridge.....                      | 2,494             | 1,800                | 2,400             |
| (A)Construction Zone Patrolling.....                    | 2,903             | 5,000                | 3,700             |
| (A)Criminal History Record Checks.....                  | 6,580             | 6,400                | 6,400             |
| (A)PATCH Credit Card Receipts.....                      | 6,072             | 4,753                | 6,000             |
| (A)Fingerprint Record Checks.....                       | 1,862             | 2,050                | 2,050             |
| (A)Reimbursement for Services.....                      | 2,379             | 2,200                | 2,200             |
| (A)Superload Reimbursements.....                        | 1,842             | 1,700                | 1,700             |
| (A)Sale of Automobiles.....                             | 196               | 100                  | 100               |
| (A)Registry of Protection.....                          | 146               | 150                  | 150               |
| (A)Electronic Surveillance.....                         | 56                | 40                   | 40                |
| (A)Littering Fines.....                                 | 6                 | 6                    | 6                 |
| (A)Photographic Services.....                           | 2                 | 10                   | 10                |
| (A)Training Fees.....                                   | 0                 | 5                    | 5                 |
| (A)Miscellaneous.....                                   | 1,303             | 1,302                | 1,302             |
| Subtotal.....   | \$ 296,152        | \$ 297,767           | \$ 317,896        |
| <b>Statewide Public Safety Radio System.....</b>        | <b>7,020</b>      | <b>5,703</b>         | <b>6,007</b>      |
| (F)Broadband Network Planning.....                      | 4,050             | 4,050                | 4,050             |
| (F)ARRA - Broadband Project for Northern PA (EA).....   | 3,938             | 0                    | 0                 |
| (A)Miscellaneous.....                                   | 23                | 0                    | 0                 |
| Subtotal.....   | \$ 15,031         | \$ 9,753             | \$ 10,057         |
| <b>Law Enforcement Information Technology.....</b>      | <b>6,372</b>      | <b>6,372</b>         | <b>6,899</b>      |
| <b>Municipal Police Training.....</b>                   | <b>998</b>        | <b>998</b>           | <b>1,262</b>      |
| (A)Pre-Employment Testing.....                          | 76                | 50                   | 50                |
| (A)Retired Law Enforcement Identification.....          | 6                 | 5                    | 5                 |
| Subtotal.....   | \$ 1,080          | \$ 1,053             | \$ 1,317          |
| <b>Forensic Laboratory Support.....</b>                 | <b>1,500</b>      | <b>1,500</b>         | <b>0</b>          |
| <b>Automated Fingerprint Identification System.....</b> | <b>861</b>        | <b>861</b>           | <b>861</b>        |
| <b>Gun Checks.....</b>                                  | <b>2,000</b>      | <b>1,000</b>         | <b>1,600</b>      |
| (R)Firearm Records Check.....                           | 1,948             | 6,214                | 6,130             |
| Subtotal.....   | \$ 3,948          | \$ 7,214             | \$ 7,730          |
| Subtotal - State Funds.....                             | \$ 207,655        | \$ 221,062           | \$ 240,574        |
| Subtotal - Federal Funds.....                           | 48,297            | 30,873               | 31,638            |
| Subtotal - Augmentations.....                           | 67,044            | 66,371               | 66,418            |
| Subtotal - Restricted Revenues.....                     | 1,948             | 6,214                | 6,130             |
| Total - General Government.....                         | \$ 324,944        | \$ 324,520           | \$ 344,760        |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| STATE FUNDS.....                                 | \$ 207,655        | \$ 221,062           | \$ 240,574        |
| FEDERAL FUNDS.....                               | 48,297            | 30,873               | 31,638            |
| AUGMENTATIONS.....                               | 67,044            | 66,371               | 66,418            |
| RESTRICTED REVENUES.....                         | 1,948             | 6,214                | 6,130             |
| <b>GENERAL FUND TOTAL.....</b>                   | <b>\$ 324,944</b> | <b>\$ 324,520</b>    | <b>\$ 344,760</b> |
| <b><u>MOTOR LICENSE FUND:</u></b>                |                   |                      |                   |
| <i>General Government:</i>                       |                   |                      |                   |
| General Government Operations.....               | \$ 566,311        | \$ 613,884           | \$ 671,835        |
| Statewide Public Safety Radio System.....        | 15,690            | 17,109               | 18,021            |
| Law Enforcement Information Technology.....      | 19,116            | 19,116               | 20,697            |
| Municipal Police Training.....                   | 1,039             | 1,039                | 1,262             |
| Automated Fingerprint Identification System..... | 85                | 85                   | 85                |
| Patrol Vehicles.....                             | 11,000            | 11,000               | 12,000            |
| Commercial Vehicle Inspections.....              | 8,700             | 8,885                | 10,405            |
| (A) Sale of Vehicles.....                        | 42                | 35                   | 35                |
| (A) Waste Transportation Safety Enforcement..... | 550               | 550                  | 550               |
| (A) Enhanced Commercial Vehicle Inspections..... | 506               | 0                    | 0                 |
| Subtotal.....                                    | \$ 623,039        | \$ 671,703           | \$ 734,890        |
| Subtotal - State Funds.....                      | \$ 621,941        | \$ 671,118           | \$ 734,305        |
| Subtotal - Augmentations.....                    | 1,098             | 585                  | 585               |
| Total - General Government.....                  | \$ 623,039        | \$ 671,703           | \$ 734,890        |
| <i>Grants and Subsidies:</i>                     |                   |                      |                   |
| Municipal Police Training Grants.....            | \$ 0              | \$ 5,000             | \$ 5,000          |
| STATE FUNDS.....                                 | \$ 621,941        | \$ 676,118           | \$ 739,305        |
| AUGMENTATIONS.....                               | 1,098             | 585                  | 585               |
| <b>MOTOR LICENSE FUND TOTAL.....</b>             | <b>\$ 623,039</b> | <b>\$ 676,703</b>    | <b>\$ 739,890</b> |
| <b><u>OTHER FUNDS:</u></b>                       |                   |                      |                   |
| <b>GENERAL FUND:</b>                             |                   |                      |                   |
| Federal Property Forfeiture.....                 | \$ 2,677          | \$ 2,800             | \$ 1,800          |
| State Drug Act Forfeiture.....                   | 1,200             | 3,050                | 3,055             |
| State Criminal Enforcement Forfeiture.....       | 13                | 85                   | 65                |
| Crime Lab User Fees.....                         | 1,220             | 1,244                | 1,200             |
| Auto Theft & Insurance Fraud Investigation.....  | 2,556             | 2,700                | 2,850             |
| Firearms License Validation System.....          | 0                 | 150                  | 150               |
| Vehicle Code Fines.....                          | 0 <sup>a</sup>    | 2,000                | 1,000             |
| Radio Systems Development Project.....           | -298 <sup>b</sup> | 1,000                | 1,000             |
| Tower Management.....                            | -193 <sup>b</sup> | 300                  | 300               |
| Broadband Middle Mile.....                       | 0                 | 5                    | 5                 |
| <b>GENERAL FUND TOTAL.....</b>                   | <b>\$ 7,175</b>   | <b>\$ 13,334</b>     | <b>\$ 11,425</b>  |
| <b>MOTOR LICENSE FUND:</b>                       |                   |                      |                   |
| Vehicle Sales and Purchases.....                 | \$ 345            | \$ 3,500             | \$ 2,000          |
| Vehicle Code Fines.....                          | 890 <sup>a</sup>  | 0                    | 0                 |
| <b>MOTOR LICENSE FUND TOTAL.....</b>             | <b>\$ 1,235</b>   | <b>\$ 3,500</b>      | <b>\$ 2,000</b>   |
| <b>DNA DETECTION FUND:</b>                       |                   |                      |                   |
| DNA Detection of Offenders (EA).....             | \$ 1,891          | \$ 2,691             | \$ 4,191          |
| <b>STATE GAMING FUND:</b>                        |                   |                      |                   |
| (R) Gaming Enforcement.....                      | \$ 22,531         | \$ 22,995            | \$ 26,973         |

# Summary by Fund and Appropriation

|                                     | (Dollar Amounts in Thousands) |                      |                     |
|-------------------------------------|-------------------------------|----------------------|---------------------|
|                                     | 2013-14<br>ACTUAL             | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET   |
| <b>STATE STORES FUND:</b>           |                               |                      |                     |
| Liquor Control Enforcement.....     | \$ 24,913                     | \$ 26,996            | \$ 29,462           |
| (A)Enforcement Reimbursement.....   | 28                            | 25                   | 25                  |
| (A)Sale of Vehicles.....            | 10                            | 10                   | 10                  |
| <b>STATE STORES FUND TOTAL.....</b> | <b>\$ 24,951</b>              | <b>\$ 27,031</b>     | <b>\$ 29,497</b>    |
| <b>DEPARTMENT TOTAL - ALL FUNDS</b> |                               |                      |                     |
| GENERAL FUND.....                   | \$ 207,655                    | \$ 221,062           | \$ 240,574          |
| SPECIAL FUNDS.....                  | 621,941                       | 676,118              | 739,305             |
| FEDERAL FUNDS.....                  | 48,297                        | 30,873               | 31,638              |
| AUGMENTATIONS.....                  | 68,142                        | 66,956               | 67,003              |
| RESTRICTED.....                     | 1,948                         | 6,214                | 6,130               |
| OTHER FUNDS.....                    | 57,783                        | 69,551               | 74,086              |
| <b>TOTAL ALL FUNDS.....</b>         | <b>\$ 1,005,766</b>           | <b>\$ 1,070,774</b>  | <b>\$ 1,158,736</b> |

<sup>a</sup> Per Act 71 of 2013, Vehicle Code fine revenue and subsequent distribution are redirected from the Motor License Fund to the General Fund.

<sup>b</sup> Includes transfer of prior year expenditures to Statewide Public Radio System.

## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual          | 2014-15<br>Available       | 2015-16<br>Budget          | 2016-17<br>Estimated       | 2017-18<br>Estimated       | 2018-19<br>Estimated       | 2019-20<br>Estimated       |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>PUBLIC PROTECTION AND LAW ENFORCEMENT</b> |                            |                            |                            |                            |                            |                            |                            |
| GENERAL FUND.....                            | \$ 207,655                 | \$ 221,062                 | \$ 240,574                 | \$ 261,264                 | \$ 280,844                 | \$ 301,972                 | \$ 324,774                 |
| SPECIAL FUNDS.....                           | 621,941                    | 676,118                    | 739,305                    | 790,850                    | 849,404                    | 912,600                    | 980,810                    |
| FEDERAL FUNDS.....                           | 48,297                     | 30,873                     | 31,638                     | 31,638                     | 31,638                     | 31,638                     | 31,638                     |
| OTHER FUNDS.....                             | 127,873                    | 142,721                    | 147,219                    | 145,804                    | 150,043                    | 154,584                    | 157,655                    |
| SUBCATEGORY TOTAL.....                       | <u>\$ 1,005,766</u>        | <u>\$ 1,070,774</u>        | <u>\$ 1,158,736</u>        | <u>\$ 1,229,556</u>        | <u>\$ 1,311,929</u>        | <u>\$ 1,400,794</u>        | <u>\$ 1,494,877</u>        |
| <b>ALL PROGRAMS:</b>                         |                            |                            |                            |                            |                            |                            |                            |
| GENERAL FUND.....                            | \$ 207,655                 | \$ 221,062                 | \$ 240,574                 | \$ 261,264                 | \$ 280,844                 | \$ 301,972                 | \$ 324,774                 |
| SPECIAL FUNDS.....                           | 621,941                    | 676,118                    | 739,305                    | 790,850                    | 849,404                    | 912,600                    | 980,810                    |
| FEDERAL FUNDS.....                           | 48,297                     | 30,873                     | 31,638                     | 31,638                     | 31,638                     | 31,638                     | 31,638                     |
| OTHER FUNDS.....                             | 127,873                    | 142,721                    | 147,219                    | 145,804                    | 150,043                    | 154,584                    | 157,655                    |
| DEPARTMENT TOTAL.....                        | <u><u>\$ 1,005,766</u></u> | <u><u>\$ 1,070,774</u></u> | <u><u>\$ 1,158,736</u></u> | <u><u>\$ 1,229,556</u></u> | <u><u>\$ 1,311,929</u></u> | <u><u>\$ 1,400,794</u></u> | <u><u>\$ 1,494,877</u></u> |

## Program: Public Protection and Law Enforcement

*Goal: To enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways and enforcement of the Vehicle and Liquor Codes.*

### **Program Element: Traffic Supervision**

Enforcing the commonwealth's traffic laws is a major responsibility of the State Police. The State Police has jurisdiction in all political sub-divisions within the commonwealth and routinely provides assistance to municipal, state and federal law enforcement agencies. The department patrols 60 percent of the commonwealth's roadways while providing various levels of police services and traffic enforcement to the majority of municipalities in the commonwealth. The State Police is also responsible for providing primary police services and traffic enforcement on the Pennsylvania Turnpike and the interstate highway system.

The department emphasizes reducing traffic crashes and bringing the motoring public into voluntary compliance with all traffic laws through routine patrol and enforcement activities. The department conducts traffic safety education programs aimed at preventing motor vehicle crashes.

The State Police utilizes various patrol and enforcement techniques; however, the very presence of visible police patrols continues to have the greatest impact on reducing traffic crashes. Supplemental patrols are provided in construction zones for the safety of motorists, as well as construction workers. Aircraft piloted by State Police troopers routinely monitor the speeds of vehicles on interstate and secondary highways. Enforcement efforts continue to be concentrated in areas identified through the problem specific policing initiative. Problem specific policing is an incident analysis and police management process built on the principles of accurate and timely statistical data, effective tactics, rapid deployment of resources, and relentless follow-up and assessment. The goals of problem specific policing are to reduce crashes and crime, and improve the quality of life of citizens.

The department continues the use of DUI sobriety checkpoints and roving DUI patrols to combat drunk driving. The use of trained drug recognition experts is contributing to the steady increase in identifying and removing drug-impaired drivers from our highways. In addition, each State Police troop conducts troop-specific impaired driving enforcement initiatives as an enforcement tool and psychological deterrent to impaired driving. The department routinely conducts traffic safety education programs aimed at preventing DUI-related crashes.

The goal of commercial vehicle enforcement is to reduce commercial motor vehicle crashes, fatalities and injuries through consistent, uniform and effective commercial motor vehicle safety programs. Enforcement of the federal motor carrier safety regulations pertain to drivers, equipment, documents, loads and hazardous materials transportation. State Police personnel also enforce the

commonwealth's laws pertaining to the size, weight and load of commercial vehicles. This is accomplished through the use of permanent weigh stations and weigh-in-motion scales.

State Police identify, collect and analyze roadway evidence, debris patterns, vehicle damage and occupant injuries to reconstruct the circumstances surrounding serious, complicated and fatal motor vehicle crashes. This process is increasingly being used to assist in criminal cases such as homicide and fire investigations. Forensic mapping is also conducted, providing for scaled, computer-generated diagrams of crash and crime scenes.

As part of a program sponsored by the National Highway Traffic Safety Administration, troopers are certified as Child Passenger Safety Technicians and Child Passenger Safety Instructors. The State Police maintains permanent child safety fitting stations. Each station conducts inspections at least once a month. Additional inspections are conducted in conjunction with national occupant safety campaigns several times a year.

### **Program Element: Vehicle Standards Control**

Vehicle fraud investigation was established to enforce vehicle equipment laws and regulations, and to assist in the removal of unsafe vehicles from the commonwealth's highways through supervision of motor vehicle safety inspection stations and mechanics, emissions inspection stations, and motor vehicle dealers. The State Police continues to administer the school bus and mass transit vehicle inspection functions.

### **Program Element: Criminal Law Enforcement**

Most State Police efforts in criminal law enforcement are performed at the station level and consist of investigations of violent crimes and property crimes. At the statewide level, the department conducts special investigations of drug and narcotics offenses, organized crime, terrorism, white-collar crime, public corruption, arson, computer crime, and criminal personality profiling.

State Police troopers, along with local, state and federal agencies, target major drug-trafficking organizations utilizing a comprehensive strategy that involves intelligence gathering, financial background information, criminal investigation and asset forfeiture proceedings.

The State Police administers and manages the Pennsylvania Amber Alert System, a child abduction alert notification system. Amber Alert utilizes the Emergency Alert System and the commonwealth's "Alert-PA" website to inform the public of an abduction of a child under the age of 18, whom the police believe to be in danger of serious bodily harm or death. A Missing Endangered Person Advisory System was implemented to supplement

## Program: Public Protection and Law Enforcement (continued)

the Amber Alert System and notify the public of missing endangered persons of any age.

The State Police provides investigative assistance to all local, state and federal law enforcement agencies in cases where a computer has been utilized for a criminal purpose. The program task force is equipped with the newest technology, including a central forensic server that allows investigators to complete forensic examinations from remote locations across the state. The task force also provides educational information and programs to local law enforcement agencies and prosecutors.

### **Program Element: Crime Prevention**

The State Police crime prevention mission is to reduce the incidence of crime through citizen involvement and educational crime prevention techniques. This includes initiatives such as Neighborhood Crime Watch, block parents, Crime Stoppers and business tip programs developed to encourage the reporting of suspicious activity for follow-up investigation in support of the department's homeland security mission.

The State Police provides assistance to municipalities in suppression of violent crime through saturation patrols. The State Police also works with federal and local law enforcement officials to purge violent crime from urban neighborhoods. Community involvement and intelligence gathering are essential components of these operations.

The State Police ensures the timely exchange of relevant information pertaining to sexually violent predators and other sexual offenders between public agencies and officials, and the release of information regarding offenders to the general public as required by Megan's Law.

The State Police is responsible for managing the Pennsylvania Instant Check System (PICS). PICS provides instant access to background records on an individual to determine if the person is eligible to acquire a firearm or a license to carry a firearm. The PICS is comprised of a call center responsible for ensuring accurate identification of the subject of each background check; evaluating and researching federal, state, and local records, as well as other comprehensive documentation; and maintaining positive communication with firearms dealers and county sheriffs throughout the commonwealth.

### **Program Element: Emergency Assistance**

The State Police has primary police jurisdiction in 82 percent of the commonwealth's land area while providing assistance to a variety of local, state and federal entities. The State Police is normally called upon whenever a medium to large-scale emergency situation occurs within the commonwealth. The department classifies emergency assistance into two separate categories: civil disorder and emergency management.

Civil disorders are incidents that are or may become criminal in nature, such as prison disturbances, labor disorders, strikes, educational campus disorders, youth

group disorders, terrorism and hostage situations. Emergency management is the prevention, mitigation and response to natural or man-made hazards to prevent loss of life or property, economic loss, and disruption of normal living conditions.

The State Police Watch Center provides situational awareness of emergencies to all levels of the department by establishing a standard alert condition procedure. The watch center is a 24/7 operation, which works in conjunction with the Pennsylvania Criminal Intelligence Center to provide accurate and timely situational awareness and a common operating picture of both civil disorders and emergency management situations occurring throughout the state.

The Statewide Radio Network Division, known as PA-STARNet, develops and manages the two-way public safety radio system used by the State Police and various other commonwealth agencies. PA-STARNet is connected by an extensive microwave network, carrying voice and data communications for public safety and emergency response across the commonwealth.

The State Police administers and coordinates numerous homeland and domestic security responsibilities. The department's primary mission in this area includes emergency planning and preparedness, continuity of operations, National Incident Management System implementation, liaison to the Pennsylvania Emergency Management Agency, nuclear and radiological security, school safety support, facility security for department installations, risk and vulnerability assessments for commercial/public facilities and critical infrastructures, and management of federal homeland security grants.

The department's Special Emergency Response Team is responsible for an incident-specific approach to high-risk and special emergency situations. K-9 detection teams provide drug, explosive and human remains detection during emergency and disaster incidents. The department's aircraft fleet provides assistance, search-and-rescue operations, and enforcement during emergencies. The department provides response and render-safe operations for suspicious packages and improvised explosive devices, along with security-sweep operations. The department's tactical mounted resources include 28 horses and several specialty transport vehicles that support large-scale security and emergency operations. The Clandestine Laboratory Response Team is responsible for coordinating the safe and effective response to all clandestine laboratory incidents and hazardous indoor marijuana growing operations investigated by the State Police.

### **Program Element: Liquor Control and Gaming Enforcement**

The State Police directs and controls a coordinated enforcement effort toward violations of the Pennsylvania Liquor Code and related sections of the Crimes Code.



## Program: Public Protection and Law Enforcement (continued)

Operations include covert and overt investigations, assisting municipal police agencies, conducting routine license investigations, and performing establishment audits and border patrols. The department implemented a high school and middle school education program to deter minors from using alcoholic beverages, and an underage drinking laws program to effect a change in the culture of college students to reduce binge drinking and deglamorize underage drinking.

The State Police is responsible for investigating and prosecuting criminal infractions, conducting various background checks and providing overall law enforcement services at Pennsylvania's gaming facilities.

### Program Element: Management

The department's management program provides direction and coordination for all line and staff activities including administrative and overhead systems for the operation of various law enforcement programs. This program also provides the protection for the governor and visiting dignitaries, security of the executive residence, and background investigations of applicants for state employment.

State-of-the-art technology continues to automate a broad range of department functions. The Commonwealth Law Enforcement Assistance Network (CLEAN) is utilized by the commonwealth's criminal justice agencies to access driver license and motor vehicle information, state and federal criminal history record information, protection-from-abuse orders, stolen item queries, wanted persons files, and a host of other law enforcement services. CLEAN is Pennsylvania's conduit to the Federal Bureau of Investigation's National Crime Information Center and to the International Justice and Public Safety Network.

The Pennsylvania Criminal Intelligence Center provides analytical assistance to Pennsylvania law enforcement agencies, emergency managers, and the owners and operators of critical infrastructure. Intelligence analysts supply law enforcement agencies with information and intelligence products needed for tactical and strategic planning while offering access to archived public, investigative and intelligence information from a multitude of statewide and national databases.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

|  |   |  |           |  |  |
|--|---|--|-----------|--|--|
| <b>GENERAL FUND AND MOTOR LICENSE FUND COMBINED:</b> |   |  |           |  |  |
|  | <b>General Government Operations</b>  |  |           |  | <b>Municipal Police Training</b>   |
| \$ 68,213  | —to continue current program.   |  | \$ 487    |  | —to continue current program.  |
| 9,055  | —Initiative-Trooper Replacement Cadet Classes. Funding for four classes with a total of 350 cadets. |  | \$ -1,500 |  | <b>Forensic Laboratory Support</b>   |
|  |   |  |           |  | —program elimination. Support will be provided through the DNA Detection Fund. |
| \$ 77,268  | Appropriation Increase  |  | \$ 600    |  | <b>Gun Checks</b>  |
|  |   |  |           |  | —to continue current program.  |
| \$ 1,216   | <b>Statewide Public Safety Radio System</b>   |  | \$ 1,000  |  | <b>Patrol Vehicles</b>   |
|  | —to continue current program.   |  |           |  | —to continue current program.  |
| \$ 2,108   | <b>Law Enforcement Information Technology</b>   |  | \$ 1,520  |  | <b>Commercial Vehicles Inspection</b>  |
|  | —to continue current program.   |  |           |  | —to continue current program.  |

Automated Fingerprint Identification System and Municipal Police Training Grants appropriations are recommended at the current year funding levels.

In addition, funding for the Pennsylvania Instant Check System includes \$6,130,000 from the Firearm Records Check restricted account.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                              |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....               | \$ 188,904        | \$ 204,628           | \$ 223,945        | \$ 240,781           | \$ 260,043           | \$ 280,846           | \$ 303,314           |
| Statewide Public Safety Radio System .....        | 7,020             | 5,703                | 6,007             | 6,217                | 6,372                | 6,531                | 6,694                |
| Law Enforcement Information Technology .....      | 6,372             | 6,372                | 6,899             | 6,899                | 6,899                | 6,899                | 6,899                |
| Municipal Police Training .....                   | 998               | 998                  | 1,262             | 1,306                | 1,339                | 1,372                | 1,406                |
| Forensic Laboratory Support .....                 | 1,500             | 1,500                | 0                 | 0                    | 0                    | 0                    | 0                    |
| Automated Fingerprint Identification System ..... | 861               | 861                  | 861               | 861                  | 861                  | 861                  | 861                  |
| Gun Checks .....                                  | 2,000             | 1,000                | 1,600             | 5,200                | 5,330                | 5,463                | 5,600                |
| <b>TOTAL GENERAL FUND .....</b>                   | <b>\$ 207,655</b> | <b>\$ 221,062</b>    | <b>\$ 240,574</b> | <b>\$ 261,264</b>    | <b>\$ 280,844</b>    | <b>\$ 301,972</b>    | <b>\$ 324,774</b>    |



## Program: Public Protection and Law Enforcement (continued)

### Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>MOTOR LICENSE FUND:</b>                        |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....               | \$ 566,311        | \$ 613,884           | \$ 671,835        | \$ 722,342           | \$ 780,129           | \$ 842,539           | \$ 909,943           |
| Statewide Public Safety Radio System .....        | 15,690            | 17,109               | 18,021            | 18,651               | 19,116               | 19,593               | 20,082               |
| Law Enforcement Information Technology .....      | 19,116            | 19,116               | 20,697            | 20,697               | 20,697               | 20,697               | 20,697               |
| Municipal Police Training .....                   | 1,039             | 1,039                | 1,262             | 1,306                | 1,339                | 1,372                | 1,406                |
| Automated Fingerprint Identification System ..... | 85                | 85                   | 85                | 85                   | 85                   | 85                   | 85                   |
| Patrol Vehicles .....                             | 11,000            | 11,000               | 12,000            | 12,000               | 12,000               | 12,000               | 12,000               |
| Commercial Vehicle Inspections .....              | 8,700             | 8,885                | 10,405            | 10,769               | 11,038               | 11,314               | 11,597               |
| Municipal Police Training Grants .....            | 0                 | 5,000                | 5,000             | 5,000                | 5,000                | 5,000                | 5,000                |
| <b>TOTAL MOTOR LICENSE FUND .....</b>             | <b>\$ 621,941</b> | <b>\$ 676,118</b>    | <b>\$ 739,305</b> | <b>\$ 790,850</b>    | <b>\$ 849,404</b>    | <b>\$ 912,600</b>    | <b>\$ 980,810</b>    |

## Program Measures

2013-14      2014-15      2015-16      2016-17      2017-18      2018-19      2019-20

### Program: Public Protection and Law Enforcement

#### Objective: Reduce motor vehicle crashes.

##### Vehicle Traffic Supervision

|  |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|
| Motor vehicle crashes                          | 78,456  | 77,100  | 75,800  | 74,500  | 73,300  | 72,000  | 70,800  |
| Traffic citations issued                       | 593,721 | 604,000 | 614,000 | 623,000 | 634,000 | 644,000 | 655,000 |
| Written warnings issued for traffic violations | 300,960 | 306,000 | 311,000 | 316,000 | 321,000 | 327,000 | 332,000 |

##### Vehicle Standards Control

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Commercial vehicle safety inspections   | 88,316 | 89,800 | 91,300 | 92,700 | 94,300 | 95,800 | 97,400 |
| Percentage of commercial vehicle safety inspections resulting in vehicles being placed out of service | 12%    | 12%    | 12%    | 12%    | 12%    | 12%    | 12%    |

#### Objective: Reduce fatal motor vehicle crashes.

##### Vehicle Traffic Supervision

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Fatal motor vehicle crashes                                | 558    | 550    | 540    | 530    | 520    | 510    | 500    |
| Traffic citations issued for occupant restraint violations | 18,498 | 18,800 | 19,100 | 19,400 | 19,700 | 20,100 | 20,400 |

#### Objective: Reduce DUI-related crashes.

##### Vehicle Traffic Supervision

|                          |        |        |        |        |        |        |        |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|
| DUI-related crashes      | 4,410  | 4,340  | 4,260  | 4,190  | 4,120  | 4,050  | 3,980  |
| DUI arrests              | 17,088 | 17,400 | 17,700 | 17,900 | 18,200 | 18,500 | 18,800 |
| DUI sobriety checkpoints | 117    | 120    | 120    | 125    | 125    | 130    | 130    |

#### Objective: Reduce violent crime.

##### Criminal Law Enforcement and Crime Prevention

Crimes per 100,000 population in State Police jurisdiction areas:

|  |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|
| Violent crimes per 100,000 population  | 113   | 110   | 110   | 105   | 105   | 105   | 100   |
| Arrests for violent crimes per 100,000 population  | 73    | 74    | 75    | 77    | 78    | 79    | 80    |
| Percentage of violent crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means) | 73%   | 74%   | 75%   | 76%   | 77%   | 79%   | 80%   |
| Community-based crime prevention programs targeting violent crime  | 1,322 | 1,340 | 1,370 | 1,390 | 1,410 | 1,430 | 1,460 |

##### Enforcement and Investigation

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Megan's Law - registered sex offenders | 16,608 | 16,900 | 17,200 | 17,400 | 17,700 | 18,000 | 18,300 |
|--|--------|--------|--------|--------|--------|--------|--------|

##### Crime Lab

|                                    |        |        |        |        |        |        |        |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Convicted offender DNA submissions | 19,605 | 19,900 | 20,300 | 20,600 | 20,900 | 21,300 | 21,600 |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
| DNA evidence submissions   | 2,070   | 2,110   | 2,140   | 2,170   | 2,210   | 2,250   | 2,280   |
| Criminal suspects identified through DNA evidence submissions  | 771     | 780     | 800     | 810     | 820     | 840     | 850     |
| <b>Background Checks</b>   |         |         |         |         |         |         |         |
| Pennsylvania Instant Check System firearms purchase background checks  | 926,157 | 940,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 |
| Pennsylvania Instant Check System firearms purchase initial denials  | 10,535  | 10,700  | 10,900  | 10,900  | 10,900  | 10,900  | 10,900  |
| <b>Emergency Preparedness and Response</b>   |         |         |         |         |         |         |         |
| Requests for Special Emergency Response Team   | 245     | 250     | 255     | 255     | 260     | 265     | 270     |
| <b>Objective: Reduce property crime.</b>   |         |         |         |         |         |         |         |
| <b>Criminal Law Enforcement and Crime Prevention</b>   |         |         |         |         |         |         |         |
| Crimes per 100,000 population in State Police jurisdiction areas:  |         |         |         |         |         |         |         |
| Property crimes per 100,000 population   | 1,067   | 1,050   | 1,030   | 1,010   | 1,000   | 980     | 960     |
| Arrests for property crimes per 100,000 population   | 319     | 325     | 330     | 335     | 340     | 345     | 350     |
| Percentage of property crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)            | 33%     | 34%     | 34%     | 35%     | 35%     | 36%     | 36%     |
| Community-based crime prevention programs targeting property crime   | 531     | 540     | 550     | 560     | 570     | 580     | 590     |
| <b>Crime Lab</b>   |         |         |         |         |         |         |         |
| Fingerprint card submissions   | 796,048 | 809,000 | 823,000 | 836,000 | 850,000 | 864,000 | 878,000 |
| Criminal suspects identified through latent fingerprint comparison   | 3,671   | 3,730   | 3,790   | 3,860   | 3,920   | 3,980   | 4,050   |
| <b>Objective: Increase drug enforcement efforts.</b>   |         |         |         |         |         |         |         |
| <b>Criminal Law Enforcement and Crime Prevention</b>   |         |         |         |         |         |         |         |
| Community-based drug-prevention programs   | 347     | 355     | 360     | 365     | 370     | 375     | 385     |
| <b>Enforcement and Investigation</b>   |         |         |         |         |         |         |         |
| Drug offenses  | 7,928   | 7,800   | 7,660   | 7,530   | 7,410   | 7,280   | 7,160   |
| Drug-related arrests   | 6,400   | 6,510   | 6,610   | 6,720   | 6,830   | 6,940   | 7,060   |
| Clandestine Laboratory Response Team deployments for illegal drug manufacturing facilities (e.g. methamphetamine labs, etc.) | 228     | 230     | 235     | 240     | 245     | 245     | 250     |
| <b>Crime and Terrorism Tip Lines</b>   |         |         |         |         |         |         |         |
| Drug hotline tips  | 751     | 765     | 780     | 790     | 800     | 815     | 830     |

## Program Measures

2013-14      2014-15      2015-16      2016-17      2017-18      2018-19      2019-20

### Objective: Increase compliance with liquor laws at licensed establishments.

#### Liquor Control Enforcement

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Liquor law investigations  | 47,934 | 48,700 | 49,500 | 50,300 | 51,200 | 52,000 | 52,900 |
| Routine liquor law inspections                                   | 3,855  | 3,920  | 3,980  | 4,050  | 4,120  | 4,180  | 4,250  |
| Liquor law violations  | 14,424 | 14,200 | 13,900 | 13,700 | 13,500 | 13,200 | 13,000 |
| Administrative citation letters issued for liquor law violations | 2,604  | 2,560  | 2,520  | 2,470  | 2,430  | 2,390  | 2,350  |
| Administrative warning letters issued for liquor law violations  | 2,971  | 2,920  | 2,870  | 2,820  | 2,780  | 2,730  | 2,680  |

### Objective: Prevent terrorist attacks from occurring within the commonwealth through effective analysis and assessment of potential domestic terrorism threats.

#### Crime and Terrorism Tip Lines

|                        |     |     |     |     |     |     |     |
|------------------------|-----|-----|-----|-----|-----|-----|-----|
| Terrorism hotline tips | 607 | 620 | 630 | 640 | 650 | 660 | 670 |
|------------------------|-----|-----|-----|-----|-----|-----|-----|

#### Emergency Preparedness and Response

|   |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|
| Requests for Hazardous Device and Explosives Section services | 241 | 245 | 250 | 255 | 255 | 260 | 265 |
| Domestic terrorism threat assessments conducted               | 13  | 13  | 13  | 14  | 14  | 14  | 14  |

### Objective: Ensure intelligence information obtained concerning criminal activity and possible terrorism is shared with law enforcement agencies throughout the commonwealth.

#### Enforcement and Investigation

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Municipal law enforcement agencies receiving information from the Pennsylvania Criminal Intelligence Center                    | 1,055  | 1,070  | 1,090  | 1,110  | 1,130  | 1,150  | 1,160  |
| Requests for intelligence information from Pennsylvania Criminal Intelligence Center   | 23,836 | 24,200 | 24,600 | 25,000 | 25,400 | 25,900 | 26,300 |
| Intelligence products disseminated by the Pennsylvania Criminal Intelligence Center  | 52,108 | 53,000 | 53,800 | 54,700 | 55,600 | 56,500 | 57,400 |
| CLEAN/NCIC confirmed responses (i.e. computer checks resulting in the identification of wanted persons, stolen property, etc.) | 87,109 | 88,600 | 90,000 | 91,500 | 93,000 | 94,500 | 96,000 |

### Objective: Ensure the rapid collection and appropriate dissemination of accurate information on emergency situations throughout the commonwealth.

#### Emergency Preparedness and Response

|   |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|
| Municipal public safety agencies receiving immediate reports from the Department Watch Center | 1,256 | 1,280 | 1,300 | 1,320 | 1,340 | 1,360 | 1,390 |
| Department Watch Center immediate reports   | 2,818 | 2,870 | 2,910 | 2,960 | 3,010 | 3,060 | 3,110 |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

**Objective: Increase the effectiveness of the Pennsylvania Statewide Radio Network (PA-STARNet).**

**Public Safety Radio System**

|   |           |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Average monthly transmissions on PA-STARNet | 4,158,534 | 4,230,000 | 4,300,000 | 4,370,000 | 4,440,000 | 4,510,000 | 4,580,000 |
| Radios deployed statewide                   | 26,688    | 26,700    | 26,700    | 26,700    | 26,700    | 26,700    | 26,700    |
| High-profile site locations on air          | 254       | 255       | 255       | 255       | 255       | 255       | 255       |
| Microcell site locations on air             | 762       | 760       | 760       | 760       | 760       | 760       | 760       |



---

# DEPARTMENT OF TRANSPORTATION

*The mission of the Department of Transportation is to provide a sustainable transportation system and quality services that are embraced by our communities and add value to our customers.*

## **Programs and Goals**

**Transportation Support Services:** *To provide an effective administrative system supporting both non-highway and highway transportation programs.*

**Highways and Bridges:** *To provide a safe and efficient state-administered highway network through road and bridge improvements, as well as through ongoing maintenance activities including winter traffic services.*

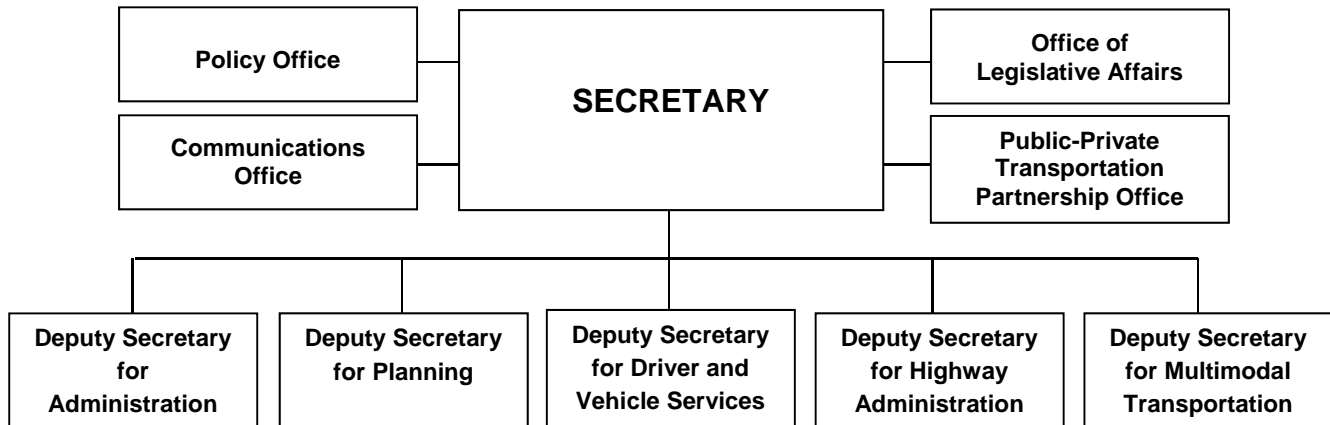
**Local Highway and Bridge Assistance:** *To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.*

**Multimodal Transportation:** *To support public transportation, intercity bus, intercity rail, rail freight, ports and aviation options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.*

**Driver and Vehicle Services:** *To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.*

---

## Organization Overview



- **Deputy Secretary for Administration** provides leadership and direction for the bureaus of Human Resources, Information Systems Technology Office, Transportation Innovations Office, Fiscal Management, Office Services, Equal Opportunity, and Tourism Services.
- **Deputy Secretary for Planning** is responsible for statewide transportation planning and programming activities and for developing and managing the commonwealth's multi-modal Twelve Year Transportation Program. Key to these activities is the management of federal highway and bridge funds which leverage a construction program of \$1.25 billion per year.
- **Deputy Secretary for Driver and Vehicle Services** oversees nearly 1,200 driver and vehicle services employees who provide quality customer service, while keeping the safety and security of the commonwealth's 8.7 million licensed drivers and 11.3 million registered vehicle owners a paramount focus.
- **Deputy Secretary for Highway Administration** directs a team of over 9,600 employees in Central Office and eleven Engineering Districts. Responsibilities include oversight of maintenance, operations, design and construction of Pennsylvania's Highways and Bridges.
- **Deputy Secretary for Multimodal Transportation** supports public transportation, intercity bus, intercity rail, rail freight, ports and aviation to improve the mobility and quality of life for all Pennsylvanians.

## Authorized Complement

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 11,876            | 11,876            | 11,876            | 11,876            | 11,883            |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET    |
|--|-------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>   |                   |                      |                      |
| <i>General Government:</i>                                       |                   |                      |                      |
| Rail Freight and Intermodal Coordination.....                    | \$ 363            | \$ 0 <sup>a</sup>    | \$ 0 <sup>a</sup>    |
| Vehicle Sales Tax Collections.....                               | 904               | 904                  | 1,024                |
| Voter Registration.....  | 504               | 504                  | 529                  |
| Photo ID Cards.....  | 6                 | 0                    | 0                    |
| PennPORTS-Philadelphia Regional Port Authority Debt Service..... | 4,605             | 4,605                | 4,607                |
| Total - General Government.....                                  | \$ 6,382          | \$ 6,013             | \$ 6,160             |
| <i>Grants and Subsidies:</i>                                     |                   |                      |                      |
| (F)FTA - Technical Studies.....                                  | \$ 2,065          | \$ 576               | \$ 0                 |
| (F)Title IV Rail Assistance.....                                 | 36                | 36                   | 36                   |
| (F)Magnetic Levitation.....                                      | 10,000            | 0                    | 0                    |
| (F)Surface Transportation Assistance.....                        | 750               | 750                  | 750                  |
| (F)FTA - Capital Improvement Grants.....                         | 21,000            | 32,000               | 32,000               |
| (F)TEA 21 - Access to Jobs.....                                  | 8,000             | 8,000                | 8,000                |
| (F)Surface Transportation - Operating.....                       | 18,000            | 18,000               | 16,000               |
| (F)Surface Transportation Assistance Capital.....                | 18,000            | 18,000               | 14,000               |
| (F)FTA - Safety Oversight.....                                   | 0                 | 1,500                | 1,500                |
| (F)FTA - Capital Improvements.....                               | 40,000            | 40,000               | 40,000               |
| (F)FTA - Hybrid Mass Transit Vehicles.....                       | 30,000            | 30,000               | 30,000               |
| (F)Rail Line Relocation.....                                     | 6,002             | 6,002                | 6,002                |
| (F)ARRA - Transit in Non-Urban Areas.....                        | 1,280             | 0                    | 0                    |
| (F)ARRA - National Railroad Passenger Corporation.....           | 50,000            | 20,000               | 20,000               |
| (F)ARRA - Supplemental Rail Freight Projects.....                | 22,000            | 22,000               | 22,000               |
| (F)ARRA - High Speed Rail.....                                   | 75,000            | 50,000               | 50,000               |
| Total - Grants and Subsidies.....                                | \$ 302,133        | \$ 246,864           | \$ 240,288           |
| STATE FUNDS.....   | \$ 6,382          | \$ 6,013             | \$ 6,160             |
| FEDERAL FUNDS.....   | 302,133           | 246,864              | 240,288              |
| <b>GENERAL FUND TOTAL.....</b>                                   | <b>\$ 308,515</b> | <b>\$ 252,877</b>    | <b>\$ 246,448</b>    |
| <b>MOTOR LICENSE FUND:</b>                                       |                   |                      |                      |
| <i>General Government:</i>                                       |                   |                      |                      |
| <b>General Government Operations.....</b>                        | <b>\$ 52,564</b>  | <b>\$ 55,119</b>     | <b>\$ 55,256</b>     |
| (A)Reimbursement - Other Agencies.....                           | 699               | 532                  | 532                  |
| (A)Duplicating Services.....                                     | 238               | 114                  | 114                  |
| (A)Aviation Restricted Revenue.....                              | 0                 | 161                  | 161                  |
| (A)Administrative Hearings.....                                  | 13                | 40                   | 40                   |
| (A)Litter Fine Receipts.....                                     | 9                 | 0                    | 0                    |
| (A)Drug & Alcohol Testing Reimbursement.....                     | 0                 | 60                   | 60                   |
| <b>Welcome Centers.....</b>                                      | <b>3,282</b>      | <b>3,480</b>         | <b>3,700</b>         |
| Subtotal.....  | \$ 56,805         | \$ 59,506            | \$ 59,863            |
| <b>Highway and Safety Improvements.....</b>                      | <b>105,000</b>    | <b>225,000</b>       | <b>225,000</b>       |
| (F)Highway Research, Planning and Construction.....              | 864,538           | 975,000              | 875,000              |
| (F)ARRA - Highway Infrastructure Improvement.....                | 204               | 0                    | 0                    |
| (A)Highway Construction Contributions.....                       | 10,606            | 13,000               | 13,000               |
| (A)Joint Use Leases.....   | 439               | 0                    | 0                    |
| (A)Intern Program - PHEAA Reimbursement.....                     | 123               | 0                    | 0                    |
| (A)Licensing Fees- Engineering Software.....                     | 154               | 0                    | 0                    |
| (A)Proceeds from Sale of Right-of-Way.....                       | 1,374             | 0                    | 0                    |
| (A)Proceeds from Bond Sales - Highway Projects.....              | 0                 | 145,000              | 195,000              |
| <b>Expanded Highway and Bridge Program.....</b>                  | <b>165,000</b>    | <b>0<sup>b</sup></b> | <b>0<sup>b</sup></b> |
| <b>Highway Capital Projects (EA).....</b>                        | <b>220,000</b>    | <b>220,000</b>       | <b>220,000</b>       |
| (R)Highway Capital Projects - Excise Tax (EA).....               | 69,544            | 210,230              | 301,530              |
| (R)Bridges - Excise Tax (EA).....                                | 66,011            | 92,553               | 114,271              |



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET    |
|---|-------------------|----------------------|----------------------|
| (R)Highway Bridge Projects (EA).....                          | 60,000            | 130,000              | 180,000              |
| (F)Federal Aid - Highway Bridge Projects.....                 | 496,027           | 500,000              | 500,000              |
| (F)Federal Disaster Reimbursement - FHWA.....                 | 13                | 0                    | 0                    |
| (A)Proceeds from Bond Sales - Bridge Projects.....            | 29,868            | 0                    | 0                    |
| (A)Bridge Construction Contributions.....                     | 2,326             | 2,800                | 2,800                |
| (A)Bridge Reimbursement from Local Governments.....           | 107               | 200                  | 200                  |
| Subtotal.....   | \$ 2,091,334      | \$ 2,513,783         | \$ 2,626,801         |
| <b>Highway Maintenance.....</b>                               | <b>780,000</b>    | <b>872,426</b>       | <b>860,000</b>       |
| (F)Highway Research, Planning and Construction.....           | 134,564           | 150,000              | 150,000              |
| (F)Disaster Recovery - FHWA.....                              | 13,345            | 12,500               | 12,500               |
| (F)Disaster Recovery - FEMA.....                              | 2,167             | 12,500               | 12,500               |
| (F)Highway Safety - Maintenance (EA).....                     | 4,000             | 4,000                | 4,000                |
| (A)Highway Maintenance Contributions.....                     | 6,770             | 18,087               | 20,000               |
| (A)Sale of Equipment.....                                     | 5,151             | 5,000                | 5,000                |
| (A)Heavy Hauling - Bonded Roads.....                          | 704               | 57                   | 0                    |
| (A)Sale of Signs.....   | 25                | 0                    | 0                    |
| (A)Accident Damage Claims.....                                | 6,404             | 1,144                | 0                    |
| (A)Litter Fine Receipts.....                                  | 11                | 100                  | 100                  |
| (A)Recovered Permit Compliance Cost.....                      | 249               | 85                   | 0                    |
| (A)Intern Program - PHEAA Reimbursement.....                  | 161               | 86                   | 0                    |
| (A)Reimbursement - Marcellus Shale Road Damage.....           | 3,008             | 541                  | 0                    |
| (R)Highway Maintenance - Excise Tax (EA).....                 | 225,614           | 204,817              | 221,652              |
| (R)Highway Maintenance Enhancement (EA).....                  | 239,781           | 241,984              | 248,655              |
| (R)Expanded Highway and Bridge Maintenance (EA).....          | 73,120            | 191,168              | 296,335              |
| <b>Secondary Road - Maintenance and Resurfacing (EA).....</b> | <b>61,547</b>     | <b>0<sup>b</sup></b> | <b>0<sup>b</sup></b> |
| <b>Reinvestment in Facilities.....</b>                        | <b>12,000</b>     | <b>16,000</b>        | <b>16,000</b>        |
| Subtotal.....   | \$ 1,568,621      | \$ 1,730,495         | \$ 1,846,742         |
| <b>Driver and Vehicle Services.....</b>                       | <b>125,071</b>    | <b>135,380</b>       | <b>146,548</b>       |
| (F)Motor Carrier Safety Improvement (EA).....                 | 2,510             | 2,510                | 1,000                |
| (F)REAL ID (EA).....  | 4,800             | 4,800                | 0                    |
| (F)Judicial Outreach Liaison (EA).....                        | 50                | 50                   | 50                   |
| (F)Pedestrian Safety (EA).....                                | 0                 | 525                  | 525                  |
| (A)Administrative Support.....                                | 204               | 191                  | 191                  |
| (A)Photo ID Program.....                                      | 27,341            | 28,000               | 28,000               |
| (A)Emission Mechanic Training Courses.....                    | 7                 | 35                   | 35                   |
| (A)Reimbursement - Data Line Charges.....                     | 3                 | 100                  | 100                  |
| (A)Reimbursements - Other Agencies.....                       | 17                | 25                   | 25                   |
| (A)Postage.....   | 468               | 474                  | 474                  |
| Subtotal.....   | \$ 160,471        | \$ 172,090           | \$ 176,948           |
| (R)Aviation Operations.....                                   | 4,104             | 4,104                | 4,104                |
| (F)Aviation Planning (EA).....                                | 516               | 516                  | 516                  |
| (F)Airport Inspections (EA).....                              | 30                | 30                   | 30                   |
| (A)Reimbursement - Flight Operations.....                     | 414               | 640                  | 640                  |
| (A)Airport Inspections and Licensing.....                     | 57                | 7                    | 7                    |
| (A)Reimbursement - Statewide Program.....                     | -3                | 60                   | 60                   |
| Subtotal.....   | \$ 5,118          | \$ 5,357             | \$ 5,357             |
| Subtotal - State Funds.....                                   | \$ 1,524,464      | \$ 1,527,405         | \$ 1,526,504         |
| Subtotal - Federal Funds.....                                 | 1,522,764         | 1,662,431            | 1,556,121            |
| Subtotal - Augmentations.....                                 | 96,947            | 216,539              | 266,539              |
| Subtotal - Restricted Revenues.....                           | 738,174           | 1,074,856            | 1,366,547            |
| Total - General Government.....                               | \$ 3,882,349      | \$ 4,481,231         | \$ 4,715,711         |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| <b>Grants and Subsidies:</b>                                     |                   |                      |                   |
| Local Road Maintenance and Construction Payments.....            | \$ 197,092        | \$ 207,191           | \$ 235,543        |
| Supplemental Local Road Maintenance & Construction Payments..... | 5,000             | 5,000                | 5,000             |
| Municipal Roads and Bridges.....                                 | 30,000            | 30,000               | 30,000            |
| Maintenance and Construction of County Bridges.....              | 5,000             | 5,000                | 5,000             |
| Municipal Traffic Signals.....                                   | 0                 | 10,000               | 25,000            |
| (A)Local Government Match.....                                   | 0                 | 1,800                | 0                 |
| Payment to Turnpike Commission (EA).....                         | 28,000            | 28,000               | 28,000            |
| (R)Local Road Payments - Excise Tax (EA).....                    | 69,160            | 84,876               | 105,406           |
| (R)Payments to Municipalities (EA).....                          | 44,768            | 58,248               | 73,953            |
| (R)Local Grants for Bridge Projects (EA).....                    | 28,000            | 25,000               | 25,000            |
| (F)Federal Aid - Local Grants for Bridge Projects.....           | 11,636            | 12,500               | 12,500            |
| (F)Federal Disaster Reimbursement - FHWA.....                    | 2                 | 0                    | 0                 |
| (A)Bridge Reimbursements From Local Governments.....             | 120               | 100                  | 100               |
| (R)Local Bridge Projects (EA).....                               | 1,900             | 10,710               | 20,100            |
| (R)County Bridges - Excise Tax (EA).....                         | 10,000            | 17,073               | 21,950            |
| (F)Federal Aid - County Bridges.....                             | 238               | 200                  | 200               |
| (R)County Bridge Projects - Marcellus Shale (EA).....            | 17,947            | 20,525               | 18,311            |
| (R)Toll Roads - Excise Tax (EA).....                             | 71,723            | 106,486              | 114,852           |
| (R)Annual Maintenance Payments - Highway Transfer (EA).....      | 18,924            | 18,992               | 19,032            |
| (R)Restoration Projects - Highway Transfer (EA).....             | 8,076             | 11,000               | 11,000            |
| (R)Airport Development.....                                      | 6,000             | 6,000                | 6,000             |
| (F)Airport Development (EA).....                                 | 21,000            | 21,000               | 21,000            |
| (R)Real Estate Tax Rebate.....                                   | 250               | 250                  | 250               |
| Subtotal.....  | \$ 574,836        | \$ 679,951           | \$ 778,197        |
| Subtotal - State Funds.....                                      | \$ 265,092        | \$ 285,191           | \$ 328,543        |
| Subtotal - Federal Funds.....                                    | 32,876            | 33,700               | 33,700            |
| Subtotal - Augmentations.....                                    | 120               | 1,900                | 100               |
| Subtotal - Restricted Revenues.....                              | 276,748           | 359,160              | 415,854           |
| Total - Grants and Subsidies.....                                | \$ 574,836        | \$ 679,951           | \$ 778,197        |
| <b>Refunds:</b>  |                   |                      |                   |
| Refunding Collected Monies (EA).....                             | \$ 1,500          | \$ 2,500             | \$ 2,500          |
| Subtotal.....  | \$ 1,500          | \$ 2,500             | \$ 2,500          |
| STATE FUNDS.....   | \$ 1,791,056      | \$ 1,815,096         | \$ 1,857,547      |
| FEDERAL FUNDS.....   | 1,555,640         | 1,696,131            | 1,589,821         |
| AUGMENTATIONS.....   | 97,067            | 218,439              | 266,639           |
| RESTRICTED REVENUES.....   | 1,014,922         | 1,434,016            | 1,782,401         |
| MOTOR LICENSE FUND TOTAL.....                                    | \$ 4,458,685      | \$ 5,163,682         | \$ 5,496,408      |
| <b>LOTTERY FUND:</b>   |                   |                      |                   |
| <b>Grants and Subsidies:</b>                                     |                   |                      |                   |
| Older Pennsylvanians Shared Rides (EA).....                      | \$ 80,975         | \$ 85,975            | \$ 85,975         |
| Transfer to Public Transportation Trust Fund (EA).....           | 0 c               | 0 c                  | 0 c               |
| Total - Grants and Subsidies.....                                | \$ 80,975         | \$ 85,975            | \$ 85,975         |
| LOTTERY FUND TOTAL.....  | \$ 80,975         | \$ 85,975            | \$ 85,975         |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL     | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET   |
|--|-----------------------|----------------------|---------------------|
| <b>OTHER FUNDS:</b>  |                       |                      |                     |
| <b>GENERAL FUND:</b>   |                       |                      |                     |
| Reimbursements to Municipalities - Vehicle Code Fines.....     | \$ 5,409 <sup>d</sup> | \$ 6,000             | \$ 6,800            |
| Federal Grants - Railroad Freight Rehabilitation.....          | 0                     | 200                  | 200                 |
| Child Passenger Restraint Fund.....                            | 557                   | 300                  | 300                 |
| <b>GENERAL FUND TOTAL.....</b>                                 | <b>\$ 5,966</b>       | <b>\$ 6,500</b>      | <b>\$ 7,300</b>     |
| <b>MOTOR LICENSE FUND:</b>                                     |                       |                      |                     |
| Federal Reimbursements - Highway Safety Program.....           | \$ 13,942             | \$ 15,000            | \$ 15,000           |
| Reimbursements to Municipalities - Vehicle Code Fines.....     | 1,491 <sup>d</sup>    | 0                    | 0                   |
| Reimbursements to Other States - Apportioned Registration..... | 14,319                | 18,000               | 18,000              |
| Federal Reimbursements - Local Bridge Projects.....            | 88,710                | 70,000               | 70,000              |
| Motorcycle Safety Education.....                               | 3,933                 | 5,000                | 5,000               |
| Federal Reimbursements - Political Subdivisions.....           | 137,596               | 140,000              | 140,000             |
| PA Unified Certification.....                                  | 4                     | 5                    | 5                   |
| CDL - Hazardous Material Fees.....                             | 386                   | 500                  | 500                 |
| Local Share - Highway & Bridge Projects.....                   | 1                     | 0                    | 0                   |
| Red Light Photo Enforcement.....                               | 5,143                 | 5,000                | 5,000               |
| <b>MOTOR LICENSE FUND TOTAL.....</b>                           | <b>\$ 265,525</b>     | <b>\$ 253,505</b>    | <b>\$ 253,505</b>   |
| <b>HIGHWAY BEAUTIFICATION FUND:</b>                            |                       |                      |                     |
| Control of Outdoor Advertising (EA).....                       | \$ 408                | \$ 408               | \$ 408              |
| <b>LIQUID FUELS TAX FUND:</b>                                  |                       |                      |                     |
| Payments to Counties.....                                      | \$ 30,266             | \$ 31,030            | \$ 31,187           |
| Auditor General's Audit Costs (EA).....                        | 500                   | 700                  | 700                 |
| <b>LIQUID FUELS TAX FUND TOTAL.....</b>                        | <b>\$ 30,766</b>      | <b>\$ 31,730</b>     | <b>\$ 31,887</b>    |
| <b>MOTOR VEHICLE TRANSACTION RECOVERY FUND:</b>                |                       |                      |                     |
| Reimbursement to Transportation.....                           | \$ 0                  | \$ 80                | \$ 80               |
| <b>MULTIMODAL TRANSPORTATION FUND:</b>                         |                       |                      |                     |
| Aviation Grants (EA).....                                      | \$ 4,378 <sup>e</sup> | \$ 6,000             | \$ 6,360            |
| Rail Freight Grants (EA).....                                  | 7,005 <sup>e</sup>    | 10,000               | 10,600              |
| Passenger Rail Grants (EA).....                                | 6,000                 | 8,000                | 8,480               |
| Ports and Waterways Grants (EA).....                           | 7,415 <sup>e</sup>    | 10,000               | 10,600              |
| Bicycle and Pedestrian Facilities Grants (EA).....             | 2,000                 | 2,000                | 2,120               |
| Statewide Programs Grants (EA).....                            | 0                     | 20,000               | 40,000              |
| Multimodal Administration and Oversight (EA).....              | 1,000                 | 2,200                | 2,100               |
| Transfer to Commonwealth Financing Authority (EA).....         | 0                     | 40,008               | 57,750              |
| <b>MULTIMODAL TRANSPORTATION FUND TOTAL.....</b>               | <b>\$ 27,798</b>      | <b>\$ 98,208</b>     | <b>\$ 138,010</b>   |
| <b>PENNSYLVANIA INFRASTRUCTURE BANK FUND:</b>                  |                       |                      |                     |
| Infrastructure Bank Loans (EA).....                            | \$ 35,000             | \$ 30,000            | \$ 30,000           |
| <b>PUBLIC TRANSPORTATION ASSISTANCE FUND:</b>                  |                       |                      |                     |
| Mass Transit (EA).....   | \$ 174,832            | \$ 176,652           | \$ 197,495          |
| Transfer to Public Transportation Trust Fund (EA).....         | 0 <sup>f</sup>        | 0 <sup>f</sup>       | 0 <sup>f</sup>      |
| <b>PUBLIC TRANSPORTATION ASSISTANCE FUND TOTAL.....</b>        | <b>\$ 174,832</b>     | <b>\$ 176,652</b>    | <b>\$ 197,495</b>   |
| <b>PUBLIC TRANSPORTATION TRUST FUND:</b>                       |                       |                      |                     |
| Mass Transit Operating (EA).....                               | \$ 745,361            | \$ 797,426           | \$ 956,034          |
| Asset Improvement (EA).....                                    | 73,000                | 310,663              | 310,156             |
| Capital Improvement (EA).....                                  | 22,035                | 19,500               | 0                   |
| Programs of Statewide Significance (EA).....                   | 92,268                | 82,717               | 89,547              |
| Transit Administration and Oversight (EA).....                 | 4,488                 | 4,488                | 4,488               |
| <b>PUBLIC TRANSPORTATION TRUST FUND TOTAL.....</b>             | <b>\$ 937,152</b>     | <b>\$ 1,214,794</b>  | <b>\$ 1,360,225</b> |
| <b>UNCONVENTIONAL GAS WELL FUND:</b>                           |                       |                      |                     |
| Rail Freight Assistance.....                                   | \$ 1,000              | \$ 1,000             | \$ 1,000            |

## Summary by Fund and Appropriation

### DEPARTMENT TOTAL - ALL FUNDS

|                             |                     |                     |                     |
|-----------------------------|---------------------|---------------------|---------------------|
| GENERAL FUND.....           | \$ 6,382            | \$ 6,013            | \$ 6,160            |
| SPECIAL FUNDS.....          | 1,872,031           | 1,901,071           | 1,943,522           |
| FEDERAL FUNDS.....          | 1,857,773           | 1,942,995           | 1,830,109           |
| AUGMENTATIONS.....          | 97,067              | 218,439             | 266,639             |
| RESTRICTED.....             | 1,014,922           | 1,434,016           | 1,782,401           |
| OTHER FUNDS.....            | 1,478,447           | 1,812,877           | 2,019,910           |
| <b>TOTAL ALL FUNDS.....</b> | <b>\$ 6,326,622</b> | <b>\$ 7,315,411</b> | <b>\$ 7,848,741</b> |

<sup>a</sup> Act 89 of 2013 established the Multimodal Transportation Fund which includes Rail Freight and Intermodal Coordination programs.

<sup>b</sup> Act 89 redirected the Pennsylvania Turnpike Commission rent payments and eliminated the flat gas tax.

<sup>c</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$92,956,000, 2014-15 Available is \$94,443,000 and 2015-16 Budget is \$95,907,000.

<sup>d</sup> Per Act 71 of 2013, Vehicle Code fines revenue and subsequent distribution are redirected from the Motor License Fund to the General Fund.

<sup>e</sup> Reflects lapses processed in September 2014 to align authorizations with actual revenues.

<sup>f</sup> Not added to the total to avoid double counting: 2013-14 Actual is \$18,038,000, 2014-15 Available is \$18,180,000, and 2015-16 Budget is \$20,139,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>TRANSPORTATION SUPPORT SERVICES</b>     |                     |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                          | \$ 0                | \$ 0                 | \$ 0                | \$ 0                 | \$ 0                 | \$ 0                 | \$ 0                 |
| SPECIAL FUNDS.....                         | 54,064              | 57,619               | 57,756              | 59,690               | 61,120               | 62,585               | 64,087               |
| FEDERAL FUNDS.....                         | 0                   | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| OTHER FUNDS.....                           | 1,520               | 1,212                | 1,212               | 1,212                | 1,212                | 1,212                | 1,212                |
| SUBCATEGORY TOTAL.....                     | <u>\$ 55,584</u>    | <u>\$ 58,831</u>     | <u>\$ 58,968</u>    | <u>\$ 60,902</u>     | <u>\$ 62,332</u>     | <u>\$ 63,797</u>     | <u>\$ 65,299</u>     |
| <b>HIGHWAYS AND BRIDGES</b>                |                     |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                          | \$ 0                | \$ 0                 | \$ 0                | \$ 0                 | \$ 0                 | \$ 0                 | \$ 0                 |
| SPECIAL FUNDS.....                         | 1,374,829           | 1,364,906            | 1,352,700           | 1,268,830            | 1,294,925            | 1,227,023            | 1,192,124            |
| FEDERAL FUNDS.....                         | 1,514,858           | 1,654,000            | 1,554,000           | 1,554,000            | 1,554,000            | 1,554,000            | 1,554,000            |
| OTHER FUNDS.....                           | 922,623             | 1,408,746            | 1,758,803           | 1,812,098            | 1,813,465            | 1,827,493            | 1,839,309            |
| SUBCATEGORY TOTAL.....                     | <u>\$ 3,812,310</u> | <u>\$ 4,427,652</u>  | <u>\$ 4,665,503</u> | <u>\$ 4,634,928</u>  | <u>\$ 4,662,390</u>  | <u>\$ 4,608,516</u>  | <u>\$ 4,585,433</u>  |
| <b>LOCAL HIGHWAY AND BRIDGE ASSISTANCE</b> |                     |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                          | \$ 0                | \$ 0                 | \$ 0                | \$ 0                 | \$ 0                 | \$ 0                 | \$ 0                 |
| SPECIAL FUNDS.....                         | 237,092             | 257,191              | 300,543             | 325,664              | 334,787              | 347,748              | 345,434              |
| FEDERAL FUNDS.....                         | 11,876              | 12,700               | 12,700              | 12,700               | 12,700               | 12,700               | 12,700               |
| OTHER FUNDS.....                           | 468,011             | 501,054              | 548,539             | 552,617              | 580,480              | 581,999              | 584,287              |
| SUBCATEGORY TOTAL.....                     | <u>\$ 716,979</u>   | <u>\$ 770,945</u>    | <u>\$ 861,782</u>   | <u>\$ 890,981</u>    | <u>\$ 927,967</u>    | <u>\$ 942,447</u>    | <u>\$ 942,421</u>    |
| <b>MULTIMODAL TRANSPORTATION</b>           |                     |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                          | \$ 4,968            | \$ 4,605             | \$ 4,607            | \$ 4,607             | \$ 4,607             | \$ 4,607             | \$ 4,607             |
| SPECIAL FUNDS.....                         | 80,975              | 85,975               | 85,975              | 85,975               | 85,975               | 85,975               | 85,975               |
| FEDERAL FUNDS.....                         | 323,679             | 268,410              | 261,834             | 261,834              | 261,834              | 261,834              | 261,834              |
| OTHER FUNDS.....                           | 1,151,990           | 1,502,415            | 1,708,491           | 1,811,684            | 1,918,717            | 1,944,151            | 1,979,865            |
| SUBCATEGORY TOTAL.....                     | <u>\$ 1,561,612</u> | <u>\$ 1,861,405</u>  | <u>\$ 2,060,907</u> | <u>\$ 2,164,100</u>  | <u>\$ 2,271,133</u>  | <u>\$ 2,296,567</u>  | <u>\$ 2,332,281</u>  |
| <b>DRIVER AND VEHICLE SERVICES</b>         |                     |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                          | \$ 1,414            | \$ 1,408             | \$ 1,553            | \$ 1,608             | \$ 1,647             | \$ 1,688             | \$ 1,731             |
| SPECIAL FUNDS.....                         | 125,071             | 135,380              | 146,548             | 153,492              | 155,193              | 156,517              | 159,889              |
| FEDERAL FUNDS.....                         | 7,360               | 7,885                | 1,575               | 1,000                | 1,000                | 1,000                | 1,000                |
| OTHER FUNDS.....                           | 46,292              | 51,905               | 51,905              | 51,905               | 51,905               | 51,905               | 51,905               |
| SUBCATEGORY TOTAL.....                     | <u>\$ 180,137</u>   | <u>\$ 196,578</u>    | <u>\$ 201,581</u>   | <u>\$ 208,005</u>    | <u>\$ 209,745</u>    | <u>\$ 211,110</u>    | <u>\$ 214,525</u>    |
| <b>ALL PROGRAMS:</b>                       |                     |                      |                     |                      |                      |                      |                      |
| GENERAL FUND.....                          | \$ 6,382            | \$ 6,013             | \$ 6,160            | \$ 6,215             | \$ 6,254             | \$ 6,295             | \$ 6,338             |
| SPECIAL FUNDS.....                         | 1,872,031           | 1,901,071            | 1,943,522           | 1,893,651            | 1,932,000            | 1,879,848            | 1,847,509            |
| FEDERAL FUNDS.....                         | 1,857,773           | 1,942,995            | 1,830,109           | 1,829,534            | 1,829,534            | 1,829,534            | 1,829,534            |
| OTHER FUNDS.....                           | 2,590,436           | 3,465,332            | 4,068,950           | 4,229,516            | 4,365,779            | 4,406,760            | 4,456,578            |
| DEPARTMENT TOTAL.....                      | <u>\$ 6,326,622</u> | <u>\$ 7,315,411</u>  | <u>\$ 7,848,741</u> | <u>\$ 7,958,916</u>  | <u>\$ 8,133,567</u>  | <u>\$ 8,122,437</u>  | <u>\$ 8,139,959</u>  |

## Program: Transportation Support Services

*Goal: To provide an effective administrative system supporting both non-highway and highway transportation programs.*

This program provides for administrative and overhead services that support the operation of activities necessary for the achievement of commonwealth transportation goals and objectives.

The General Government Operations appropriation within the Motor License Fund develops general guidelines for highway-related activities while directing and coordinating construction, maintenance and safety functions discussed under the Highways and Bridges program and the Driver and Vehicle Services program. Managerial responsibilities include providing support in legal, budgetary, accounting, personnel, procurement, information systems and public relations matters. A central

municipal services staff handles grant allocations to local governments and coordinates highway transfer activities which are discussed under the Local Highway and Bridge Assistance program. In addition, the State Transportation Commission and the Transportation Advisory Committee are funded within this appropriation.

Funding for direct supervision and oversight of aviation, mass transportation, rail freight and port activities is shown under the Multimodal Transportation program.

The Refunding Collected Monies appropriation provides for refunds of Motor License Fund overpayments associated with operator licenses, vehicle registrations, and safety inspection stickers.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**General Government Operations**  
\$ 137 —to continue current program.

Refunding Collected Monies (EA) is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                       | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>MOTOR LICENSE FUND:</b>            |                   |                      |                   |                      |                      |                      |                      |
| General Government Operations .....   | \$ 52,564         | \$ 55,119            | \$ 55,256         | \$ 57,190            | \$ 58,620            | \$ 60,085            | \$ 61,587            |
| Refunding Collected Monies (EA) ..... | 1,500             | 2,500                | 2,500             | 2,500                | 2,500                | 2,500                | 2,500                |
| <b>TOTAL MOTOR LICENSE FUND.....</b>  | <b>\$ 54,064</b>  | <b>\$ 57,619</b>     | <b>\$ 57,756</b>  | <b>\$ 59,690</b>     | <b>\$ 61,120</b>     | <b>\$ 62,585</b>     | <b>\$ 64,087</b>     |

## Program: Highways and Bridges

*Goal: To provide a safe and efficient state-administered highway network through road and bridge improvements, as well as through ongoing maintenance activities including winter traffic services.*

### Program Element: Highway and Bridge Construction/Reconstruction

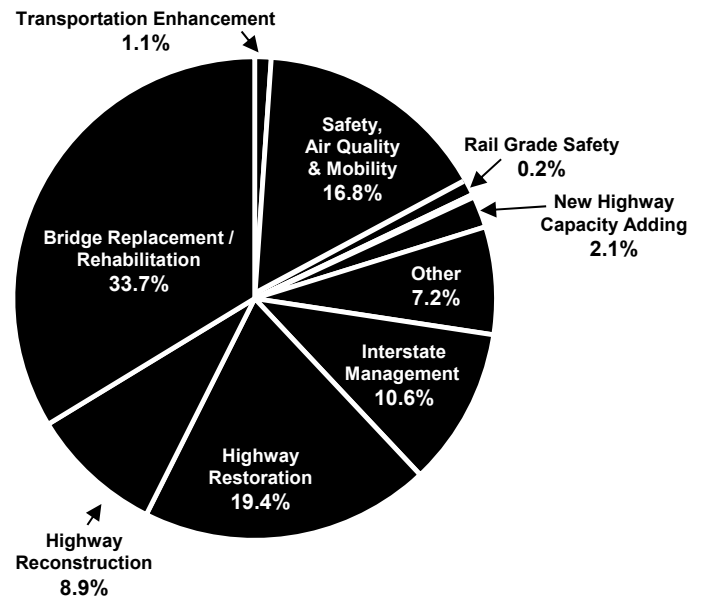
This program contributes to the economic vitality of the commonwealth and to the mobility of its residents through major reconstruction or construction of highways and bridges on the state-owned network. The commonwealth is responsible for nearly 40,000 miles of roadway and approximately 25,000 state-owned bridges that are more than eight feet in length.

Work is performed on heavily traveled interstate and primary routes, as well as on state roads and bridges that are not part of the federal aid system. With funding available from federal aid, local construction contributions and state revenues, the Department of Transportation has the responsibility of developing and executing a program that will correct the most critical deficiencies on the state-administered roadway network, including projects to enhance safety and mobility.

Decisions on regional allocations and project selection for construction and reconstruction investments are determined through two public processes. A Twelve-Year Transportation program is developed and updated every two years. The Twelve-Year program is divided into three four-year sections with projects in the first four years of the Twelve-Year program considered to be "active" projects. Federal surface transportation legislation authorizes grants to states and also addresses planning, program development and management. This federal legislation and its implementing regulations require regional Metropolitan and Rural Transportation Planning Organizations to be partners in the development of fiscally constrained transportation programs. The department, the State Transportation Commission and the Metropolitan and Rural Transportation Planning Organizations closely coordinate public input and public comment efforts during the biennial transportation program update. All regionally developed Transportation Improvement Programs are combined to form the federally mandated Statewide Transportation Improvement Program, which is then considered to be the first four-year segment of the commonwealth's Twelve-Year Transportation Program. This constitutes a mutually agreed upon list of priority projects for each region of Pennsylvania.

A base level of state highway and bridge improvement activity is funded by annual appropriations from the Motor License Fund. These appropriations are supplemented by a series of dedicated revenue sources.

### Current Four-Year Project Distribution (October 2014 – September 2018)



### Program Element: State Highway and Bridge Maintenance

Pennsylvania, with the fifth largest state-owned roadway network in the nation, experiences high volumes of interstate traffic and is subject to severe winter weather. The state highway and bridge maintenance program entails the following activities that prolong the useful life of existing infrastructure. This work is performed by the department or by private contractors. Roadway treatments range from crack sealing and patching to more extensive surface treatment that may include resurfacing, stabilization and lower-cost betterment projects. Bridge activity ranges from deck washing and cleaning drainage outlets to repair and preventive maintenance of deck surface and structural components.

The department emphasizes durable resurfacing of high-volume routes that serve interstate and regional commerce, intermodal transportation facilities and major population centers. Bridge activities focus on ensuring the safety of the motoring public and minimizing closures or weight restrictions by performing repairs and preservation work. Winter snow and ice control require considerable resources to keep routes under the jurisdiction of the department in a safe and passable condition. Other routine maintenance and betterment



## Program: Highways and Bridges (continued)

work includes safety improvements such as skid resistant pavement applications, left turn lanes, intersection sight improvements, shoulder and curve upgrades and guiderail updates. Maintenance work not directly involved with the roadway surface itself includes activities such as pipe replacement, ditch cleaning, mowing, vegetation control and tree trimming.

Unscheduled maintenance services must be performed in response to flooding, wind storms, landslides, sinkholes and similar acts of nature. These include clean-up and repair of storm damage, which can range from isolated low-cost work to significant restoration projects across many counties. An event that is declared a national disaster becomes eligible for federal assistance, which typically covers approximately half of the total costs incurred. Owners of motor vehicles that cause damage to bridges, guiderails or other transportation assets are required to reimburse the maintenance program for the costs incurred as a result of an accident.

The condition of highways and bridges is monitored on an ongoing basis to ensure safety and to assess needs. Highway pavement conditions on the National Highway System are typically reviewed each year while less traveled routes are evaluated every other year. Under the National Bridge Inspection Standards program, the commonwealth is responsible for reporting the status of all Pennsylvania highway bridges greater than 20 feet in length. Bridges must be inspected at least every two years, but more frequent inspections are scheduled as warranted by the

condition of individual structures. The department conducts a bridge inspection training and certification program while contracting with an external consultant to certify and enhance the quality of inspections. Some local bridges are inspected by the department, and the cost is deducted from Motor License Fund grants to these political subdivisions.

The department issues special hauling permits to truck operators with excess weight or size loads for the use of specific highways and bridges. By issuing these permits, the department is able to facilitate the movement of goods over Pennsylvania's roadways without adversely affecting the structural integrity of highways and bridges or the safe and convenient passage of traffic.

An accident analysis program uses computer software to identify those highway locations that have experienced more accidents than similar roads with similar traffic volumes. Another program identifies locations that have had an inordinate number of accidents in which vehicles run off the road or hit fixed objects. These programs provide a systematic means of selecting the highest priority sites for maintenance and reconstruction work.

A base level of state highway and bridge maintenance activity is funded by ongoing annual appropriations from the Motor License Fund. These appropriations are supplemented by a dedicated share of Oil Company Franchise Tax. In addition, special maintenance-related appropriations may be approved for accelerated restoration, preventive maintenance and emergency repair based on the financial status of the Motor License Fund.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**Welcome Centers**  
\$ 220 —to continue current program.

**Highway Maintenance**  
\$ -12,426 —to continue current program with distribution to all 67 counties through a needs-based formula. Additional funding for highway maintenance is available from restricted sources.

All other appropriations are recommended at the current year funding levels to support projects on the Statewide Transportation Improvement Program.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>MOTOR LICENSE FUND:</b>                                |                     |                      |                     |                      |                      |                      |                      |
| Welcome Centers.....                                      | \$ 3,282            | \$ 3,480             | \$ 3,700            | \$ 3,830             | \$ 3,925             | \$ 4,023             | \$ 4,124             |
| Highway and Safety Improvements.....                      | 105,000             | 225,000              | 225,000             | 116,000              | 192,000              | 133,000              | 98,000               |
| Expanded Highway and Bridge Program ..                    | 165,000             | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| Highway Capital Projects (EA) .....                       | 220,000             | 220,000              | 220,000             | 220,000              | 220,000              | 220,000              | 220,000              |
| Highway Maintenance .....                                 | 780,000             | 872,426              | 860,000             | 885,000              | 835,000              | 830,000              | 830,000              |
| Secondary Road - Maintenance and<br>Resurfacing (EA)..... | 61,547              | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    |
| Reinvestment in Facilities.....                           | 12,000              | 16,000               | 16,000              | 16,000               | 16,000               | 12,000               | 12,000               |
| Payment to Turnpike Commission (EA).....                  | 28,000              | 28,000               | 28,000              | 28,000               | 28,000               | 28,000               | 28,000               |
| <b>TOTAL MOTOR LICENSE FUND.....</b>                      | <b>\$ 1,374,829</b> | <b>\$ 1,364,906</b>  | <b>\$ 1,352,700</b> | <b>\$ 1,268,830</b>  | <b>\$ 1,294,925</b>  | <b>\$ 1,227,023</b>  | <b>\$ 1,192,124</b>  |



## Program: Local Highway and Bridge Assistance

*Goal: To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.*

The commonwealth provides a number of programs to assist municipal and county governments in the maintenance and construction of their approximately 78,000 miles of roadway and 6,400 bridges that are greater than twenty feet. The majority of state funds are distributed by statutory formula, while federal funds are allocated in partnership with the Metropolitan and Rural Transportation Planning Organizations.

A portion of the revenues from motor fuel taxes, certain Vehicle Code fines, and other sources are directed by law to municipal payments. The distribution of funds to the commonwealth's 2,562 municipalities is made in accordance with a statutory formula based on 50 percent road mileage and 50 percent population. Grants may be used for a broad range of highway and bridge activities. The department provides technical assistance to local governments and is responsible for assuring expenditures are made in accordance with the law.

The Highway, Railroad and Highway Bridge Capital Budget Act of 1982-1983 and subsequent amendments authorized improvements to both state and local bridges. Dedicated Motor License Fund revenues are received from a portion of the Oil Company Franchise Tax and annual registration fees of commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds. For the local program, both municipalities and counties are eligible for grants on approximately 6,300 bridges greater than 20 feet long owned by these political subdivisions. Projects are selected by the Metropolitan and Rural

Planning Organizations and must be approved in the commonwealth's capital budget.

The Highway Transfer program was created to restore and turn back local service roads. Dedicated Motor License Fund revenues are received from a portion of the Oil Company Franchise Tax receipts. At the onset of the program, approximately 12,000 miles of roads on the state-owned system were identified as candidates for return to local government control. This is a voluntary program in which the department pays to upgrade a road segment to acceptable standards, transfers ownership to the political subdivision and provides a \$4,000 per mile per year subsidy for future maintenance. Since the program's inception in 1983, approximately 4,700 miles of these roads have been returned to local government control.

There are three programs specifically directed toward county governments. The largest of these is funded from 4.17 percent of the additional Oil Company Franchise Tax from Act 89 of 2013, which replaced the 12 cent flat tax. About \$31 million is distributed to the 67 counties each fiscal year based on a statutory formula. A second program is funded from a share of the Oil Company Franchise Tax, to assist economically distressed counties in funding the local share of bridge improvement projects. A third program for maintenance and construction of county bridges specifies the distribution of the \$5 million annual appropriation be calculated based on the percentage of bridge deck area in each of the 67 counties compared to the total of all counties in the state.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| Local Road Maintenance and Construction Payments |  | Municipal Traffic Signals |  |
|--|--|---------------------------|--|
| \$ 28,352  | —increased transportation investment due to the passage of Act 89 of 2013. | \$ 15,000                 | —for traffic signal grant and synchronization program established by Act 89 of 2013. |

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>MOTOR LICENSE FUND:</b>  |                   |                      |                   |                      |                      |                      |                      |
| Local Road Maintenance and Construction Payments .....            | \$ 197,092        | \$ 207,191           | \$ 235,543        | \$ 245,664           | \$ 254,787           | \$ 267,748           | \$ 265,434           |
| Supplemental Local Road Maintenance & Construction Payments ..... | 5,000             | 5,000                | 5,000             | 5,000                | 5,000                | 5,000                | 5,000                |
| Municipal Roads and Bridges .....                                 | 30,000            | 30,000               | 30,000            | 30,000               | 30,000               | 30,000               | 30,000               |
| Maintenance and Construction of County Bridges .....              | 5,000             | 5,000                | 5,000             | 5,000                | 5,000                | 5,000                | 5,000                |
| Municipal Traffic Signals .....                                   | 0                 | 10,000               | 25,000            | 40,000               | 40,000               | 40,000               | 40,000               |
| <b>TOTAL MOTOR LICENSE FUND.....</b>                              | <b>\$ 237,092</b> | <b>\$ 257,191</b>    | <b>\$ 300,543</b> | <b>\$ 325,664</b>    | <b>\$ 334,787</b>    | <b>\$ 347,748</b>    | <b>\$ 345,434</b>    |

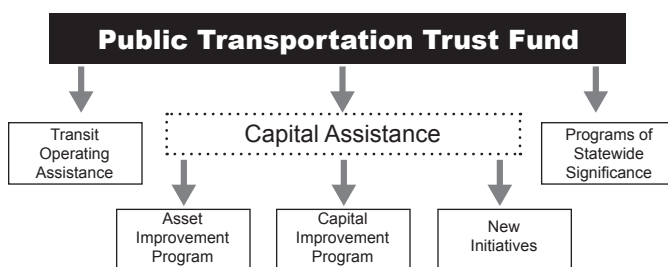
## Program: Multimodal Transportation

*Goal: To support public transportation, intercity bus, intercity rail, rail freight, ports and aviation options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.*

Multimodal Transportation provides support for the commonwealth's non-highway infrastructure that includes public transportation, aviation, bicycle, pedestrian, passenger and freight rail, and ports. Improvements and programs for non-highway transportation are funded through various sources.

The Multimodal Transportation Fund provides project funding either through competitive grants or restricted set asides. Revenues deposited into the Multimodal Transportation Fund include payments from the Pennsylvania Turnpike Commission, a portion of certain motor vehicle fees and penalties and, beginning in 2015-16, a portion of the Oil Company Franchise Tax.

The Public Transportation Trust Fund consists of five separate accounts which specifically funds public transportation services, programs and infrastructure. The Transit Operating Assistance account provides grants to service providers for transit operations. Three accounts authorize capital assistance: the Asset Improvement program through capital grants, the Alternative Energy Capital Investment program and New Initiatives for fixed guideway systems such as commuter rail or dedicated bus lanes. The Programs of Statewide Significance account supports a variety of programs including Rural Transportation for Persons with Disabilities, intercity bus and rail, Welfare to Work, technical assistance, demonstration projects and rail safety oversight.



Primary dedicated revenue sources for the Public Transportation Trust Fund are a 4.4 percent share of the state sales and use tax, payments from the Pennsylvania Turnpike Commission, transfers from the Lottery Fund, and the Public Transportation Assistance Fund, and certain motor vehicle fees, fines and surcharges. Transit agencies also receive additional state funds from Capital Facilities Fund bond proceeds. Urban systems receive federal funds directly from the Federal Transit Administration, while federal grants to rural service providers are administered by the department and are reflected in commonwealth budget totals.

### Program Element: Public Transportation

Public transportation service within Pennsylvania is provided by 37 transit systems. Operating grants to these organizations are determined by a base allocation equal to the prior year subsidy and supplemental funding distributed on four performance factors. The factors are total passengers, senior passengers, revenue vehicle miles and revenue vehicle hours. In order to be eligible for the full amount of state operating assistance, transit agencies eventually will be required to collect a local match equal to 15 percent of the state grant.

The Asset Improvement account provides public transportation capital funding to maintain and improve vehicles, communication equipment, technology and transit facilities. These funds require a local match equal to 3.33 percent of the state grant.

Through the Programs of Statewide Significance account the commonwealth supports affordable access to demographic groups whose mobility would otherwise be more limited. For instance, the Persons with Disabilities program provides discounted fares on shared ride services to individuals who do not have access to other publicly funded transportation. Philadelphia, with its extensive fixed route network and complementary paratransit service, is not eligible for this program. In 2013-14, individuals with disabilities scheduled close to 360,000 shared ride trips and paid only 15 percent of the fare. Intercity bus and rail passenger service and capital are also funded through Programs of Statewide Significance and are described below.

### Program Element: Older Pennsylvanians Transit

The commonwealth's older citizens have benefited from greater mobility through the implementation of the Free Transit and the Shared Ride programs. Both programs are funded from a portion of the revenues received from state lottery sales.

Pennsylvanians who are 65 years of age or older are eligible for free rides on participating local fixed route operations. Free service is now available during all operating hours. Proceeds from the Lottery Fund are transferred to the Public Transportation Trust Fund for distribution by the department to transit systems as part of their annual operating assistance grant.

The Shared Ride program for older Pennsylvanians enables senior citizens 65 years or older to use demand responsive service at a significant fare discount. The department grants lottery funds to shared-ride service providers who operate on a non-fixed route basis and allow senior citizens to ride at an 85 percent discount on the

## **Program: Multimodal Transportation (continued)**

general public fare. Senior citizen riders pay 15 percent of the applicable fare for their respective trips. This program continues to be administered directly from the Lottery Fund, which reimburses shared-ride transit operators the remaining 85 percent of the shared-ride fare.

The Free Transit and Shared Ride programs recognize the limited availability of private transportation for older Pennsylvanians and their reliance upon public transportation. In 2013-14, fixed route transportation systems provided approximately 34.6 million trips at no charge to senior citizens and shared-ride operators provided 3.9 million trips at an 85 percent discount to senior citizens. These programs enhance the ability of older Pennsylvanians to remain connected with local services and community life.

### ***Program Element: Intercity Transportation***

This program element includes intercity bus service operated by private bus companies and intercity rail passenger service operated by the National Railroad Passenger Corporation (Amtrak).

The commonwealth's intercity bus program supports operations on routes where, without state assistance, essential service would be terminated. In 2013-14, the commonwealth's subsidy resulted in more than 397,920 passengers on intercity bus services. As private operators propose termination of such services, the department evaluates the economic and social impacts of service termination and determines the merits of public subsidy. Federal funds also are used to support intercity bus operations and supplement the existing state-sponsored program.

Intercity rail passenger service in Pennsylvania, as distinguished from local or regional commuter service, is presently provided by Amtrak. The department has contracted with Amtrak to supplement Amtrak's national system schedule in the Harrisburg to Philadelphia Corridor (The Keystone) and to sustain service between Harrisburg and Pittsburgh (The Pennsylvanian). This financial assistance helps to support 26 weekday trains and 14 weekend day trains on The Keystone, with 1.35 million passenger trips made through this service in 2013-14. The commonwealth supports The Pennsylvanian, to provide two one-way trips per day between Philadelphia and Pittsburgh, which transported 228,480 passengers in 2013-14.

### ***Program Element: PennPORTS***

Pennsylvania's ports provide a competitive advantage for the commonwealth in attracting and retaining business and a cost effective method of freight movement. Pennsylvania boasts a deepwater port in Philadelphia, a busy, sprawling inland port in Pittsburgh, and a Great Lakes port in Erie with access to the world through the St. Lawrence Seaway, as well as a number of privately-owned

and operated terminals throughout the commonwealth.

The Port of Philadelphia is one of the busiest along the Atlantic Coast. It handles more than one-quarter of the entire North Atlantic District's annual tonnage and it is the fourth largest port in the United States for the handling of imported goods. The Port of Pittsburgh moves more than 36 million tons of cargo annually along its three major waterways, the Allegheny, Monongahela and Ohio Rivers, making it the second largest inland port in the United States and the origin for more tons of raw materials than any other port in the world. Midway between New York and Chicago, the Port of Erie handles more than 500,000 tons of cargo and is within a 300 mile radius of one-third of the population of the United States, making it easy to reach major markets such as Detroit, New York, Chicago, Washington D.C. and parts of Canada.

The PennPORTS program was transferred to the department in 2013-14 and is funded through the Multimodal Transportation Fund. PennPORTS supports the operation and maintenance of the ports of Erie, Pittsburgh and Philadelphia as well as strategic planning and policy development. The program also works with privately-owned and operated terminals engaged in waterborne commerce to increase jobs and cargo opportunities throughout the commonwealth. The funds are distributed among the ports based upon need demonstrated through a competitive application process. State funds aid in the development of port assets to facilitate the efficient, cost effective and environmentally sound movement of goods. These assets generate port and shipping-related jobs and assist Pennsylvania firms to better compete in the global marketplace.

### ***Program Element: Rail Freight***

Commonwealth involvement in rail freight began in the mid-1970's as a result of the bankruptcy of seven northeastern and midwestern railroad companies. Short line railroad corporations were formed to acquire and operate these lines so that businesses would continue to have access to low-cost, bulk commodity shipping. The department issues grants to these entities for acquisition, accelerated maintenance and new construction. Pennsylvania now has approximately 67 short line and regional railroad corporations, which is more than any other state.

To address the fact that many rail lines throughout the commonwealth were in a state of disrepair, two programs were initiated to assist railroad owners with infrastructure improvements. The Rail Freight Assistance Program is funded from the Multimodal Transportation Fund and the Transportation Assistance Program is funded from Capital Facilities Fund bond proceeds. Grants may be issued to private railroads, companies utilizing rail in their shipping process, and public authorities or municipalities that are

## Program: Multimodal Transportation (continued)

conduits for rail activities. The Rail Freight Assistance Program and Rail Transportation Assistance Program have been used to improve track, make acquisitions and construct new rail facilities. The benefits from these programs include economic development (private investment and associated jobs), environmental quality (fuel efficiency with low emissions), less congestion on the highways (an alternate mode for goods movement), and land use opportunities (redevelopment of existing commercial sites).

Beginning in 2012, the department receives \$1 million annually from the Unconventional Gas Well Fund that is used to fund rail freight grants for projects related to or directly benefitting the commonwealth's Marcellus Shale gas drilling industry.

### Program Element: Aviation

Aviation plays a major role in the movement of passengers and cargo throughout the commonwealth, with 132 public use airports and heliports. These include 15 with scheduled passenger service, all of which are operated by local governments or authorities. In addition to facilitating the movement of people and goods, aviation facilities

bring substantial economic benefits to the commonwealth. According to a 2011 study, aviation contributes over \$23 billion of economic benefits to Pennsylvania annually and is responsible for over 304,000 jobs, representing \$9.2 billion in payrolls to Pennsylvania workers.

The department provides programs to improve the safety and effectiveness of the commonwealth's aviation network, including an airport inspection and licensing program. The department administers state and federal grant programs that are available for the commonwealth's public use airports. Taxes on jet fuel and aviation fuel sold in the commonwealth fund two state grant programs – the Airport Development program and the Real Estate Tax Rebate program. The Airport Development grant program is used for public use airports to meet safety, security, capacity, environmental and planning needs. The Real Estate Tax Rebate program allows for private and public-use airports to receive rebates on real estate taxes for land that is essential for airport public use. In addition, capital bond funds are available through the Aviation Transportation Assistance program for airports that have a public sector sponsor.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

### GENERAL FUND

#### PennPORTS - Philadelphia Regional Port Authority Debt Service

\$ 2 —to continue current program.

### LOTTERY FUND

Older Pennsylvanians Shared Rides (EA) is recommended at the current year funding level.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>  |                   |                      |                   |                      |                      |                      |                      |
| Rail Freight and Intermodal Coordination..                        | \$ 363            | \$ 0                 | \$ 0              | \$ 0                 | \$ 0                 | \$ 0                 | \$ 0                 |
| PennPORTS-Philadelphia Regional Port Authority Debt Service ..... | 4,605             | 4,605                | 4,607             | 4,607                | 4,607                | 4,607                | 4,607                |
| <b>TOTAL GENERAL FUND .....</b>                                   | <b>\$ 4,968</b>   | <b>\$ 4,605</b>      | <b>\$ 4,607</b>   | <b>\$ 4,607</b>      | <b>\$ 4,607</b>      | <b>\$ 4,607</b>      | <b>\$ 4,607</b>      |
| <b>LOTTERY FUND:</b>  |                   |                      |                   |                      |                      |                      |                      |
| Older Pennsylvanians Shared Rides (EA)                            | \$ 80,975         | \$ 85,975            | \$ 85,975         | \$ 85,975            | \$ 85,975            | \$ 85,975            | \$ 85,975            |

## Program: Multimodal Transportation (continued)

### Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|-------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>PUBLIC TRANSPORTATION TRUST FUND:</b>                |                   |                      |                     |                      |                      |                      |                      |
| Mass Transit Operating (EA) .....                       | \$ 745,361        | \$ 797,426           | \$ 956,034          | \$ 1,005,157         | \$ 1,045,079         | \$ 1,062,449         | \$ 1,088,435         |
| Asset Improvement (EA) .....                            | 73,000            | 310,663              | 310,156             | 332,293              | 376,842              | 376,842              | 377,666              |
| Capital Improvement (EA) .....                          | 22,035            | 19,500               | 0                   | 0                    | 0                    | 0                    | 0                    |
| Programs of Statewide Significance (EA) ..              | 92,268            | 82,717               | 89,547              | 95,701               | 104,165              | 106,403              | 109,666              |
| Transit Administration and Oversight (EA)               | 4,488             | 4,488                | 4,488               | 4,488                | 4,488                | 4,488                | 4,488                |
| TOTAL PUBLIC TRANSPORTATION TRUST FUND .....            | <u>\$ 937,152</u> | <u>\$ 1,214,794</u>  | <u>\$ 1,360,225</u> | <u>\$ 1,437,639</u>  | <u>\$ 1,530,574</u>  | <u>\$ 1,550,182</u>  | <u>\$ 1,580,255</u>  |
| <b>MULTIMODAL TRANSPORTATION FUND:</b>                  |                   |                      |                     |                      |                      |                      |                      |
| Aviation Grants (EA) .....                              | \$ 4,378          | \$ 6,000             | \$ 6,360            | \$ 6,360             | \$ 6,742             | \$ 6,742             | \$ 7,147             |
| Rail Freight Grants (EA) .....                          | 7,005             | 10,000               | 10,600              | 10,600               | 11,236               | 11,236               | 11,910               |
| Passenger Rail Grants (EA) .....                        | 6,000             | 8,000                | 8,480               | 8,480                | 8,989                | 8,989                | 9,528                |
| Ports and Waterways Grants (EA) .....                   | 7,415             | 10,000               | 10,600              | 10,600               | 11,236               | 11,236               | 11,910               |
| Bicycle and Pedestrian Facilities Grants (EA) .....     | 2,000             | 2,000                | 2,120               | 2,120                | 2,247                | 2,247                | 2,382                |
| Statewide Programs Grants (EA) .....                    | 0                 | 20,000               | 40,000              | 40,000               | 40,000               | 40,000               | 40,000               |
| Multimodal Administration and Oversight (EA) .....      | 1,000             | 2,200                | 2,100               | 2,100                | 2,200                | 2,200                | 2,300                |
| Transfer to Commonwealth Financing Authority (EA) ..... | 0                 | 40,008               | 57,750              | 57,740               | 61,350               | 61,350               | 58,823               |
| TOTAL MULTIMODAL TRANSPORTATION FUND .....              | <u>\$ 27,798</u>  | <u>\$ 98,208</u>     | <u>\$ 138,010</u>   | <u>\$ 138,000</u>    | <u>\$ 144,000</u>    | <u>\$ 144,000</u>    | <u>\$ 144,000</u>    |



## Program: Driver and Vehicle Services

*Goal: To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.*

Driver and Vehicle Services is responsible for a number of front-line customer services that affect most of Pennsylvania's adult population. The department is responsible for processing applications and collecting fees for all vehicle registrations, titles and operator licenses. Pennsylvania has more than 11 million registered vehicles including individual automobiles, commercial vehicles, trailers and fleet vehicles, as well as fee-exempt vehicles owned by state and local governments and certain non-profit organizations. This total includes over 200,000 heavy trucks greater than 17,000 pounds and more than 205,000 trailers greater than 10,000 pounds. The number of licensed drivers has remained constant over the past few years at 8.9 million, including 435,000 commercial drivers. The Driver and Vehicle Services program oversees operator and vehicular licensing activities such as testing, inspections and revocations. The department also operates the Driver's License Examination program. Over 745,000 driving knowledge and skills tests were conducted in 2013-14 to certify applicants to operate passenger and commercial vehicles and motorcycles. A statewide network of facilities conducts written, oral and skills tests. Generally, around 300,000 new drivers are licensed each year, either as first-time drivers or drivers from other states.

The Vehicle Safety Inspection program for the commonwealth's more than 11 million motor vehicles is intended to minimize traffic accidents due to mechanical failure. The commonwealth operates an annual Vehicle Emissions Inspection program in 25 counties affecting approximately 7 million vehicles. In the remaining 42 counties not required to participate in the Vehicle Emissions Inspection program, the annual Vehicle Safety Inspection program incorporates a visual anti-tampering check for the presence of federally-required emission control components that were installed on the vehicle by the manufacturer.

Pennsylvania enforcement officials are responsible for the issuance of citations for Vehicle Code violations. Approximately 470,000 of the 1.4 million citations issued in 2013-14 resulted in the department having to take some action against a driver or vehicle record. In addition to assigning points for driver infractions, the department suspends or recalls driver's licenses for an accumulation of points. Commercial drivers may be sanctioned by having

their commercial driving privilege revoked for certain offenses. This program area also administers the Motor Voter program and the commonwealth's Organ Donor program.

The department processes cancellation notices received from insurance companies. Notification of cancellation prompts the department to have registrants revalidate proper insurance coverage for the vehicle. This process, combined with the authority granted to enforcement officials to cite motorists who do not have insurance, can result in a revocation or suspension of vehicle registration, or payment of a \$500 civil penalty. A total of 116,000 vehicle suspensions were imposed during 2013-14 for insurance infractions.

The department currently has 97 offices statewide offering driver examination and/or photo licensing services and is working with private business to further decentralize its driver and vehicle services to improve access. In 2013-14, 2.3 million customers visited driver license centers and over 3.1 million customers came to get their pictures taken for their photo license and photo identification cards. The computerized online messenger program, which connects private businesses with the department, has been the cornerstone of the decentralization effort. There are currently 254 messenger sites, processing a million driver's license and motor vehicle transactions annually. Other efforts to improve service include more efficient linkage between the department and automobile dealers, leasing and rental agencies, and fleet owners for the immediate processing of registration and titling transactions. Customers can also process transactions on the department's Internet renewal system. During 2013-14, approximately 4.4 million customers renewed their non-commercial driver's license, photo identification card or vehicle registration via the Internet.

Beginning December 31, 2016, vehicle owners may elect to renew their vehicle registration for one or two years, and vehicle registration stickers will no longer be issued.

## Program: Driver and Vehicle Services (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| GENERAL FUND                  |                               | MOTOR LICENSE FUND          |   |
|-------------------------------|-------------------------------|-----------------------------|---|
| Vehicle Sales Tax Collections |                               | Driver and Vehicle Services |   |
| \$                            | 120                           | \$                          | 6,967   |
|                               | —to continue current program. |                             | 4,201   |
|                               |                               |                             | —Initiative-enhanced driver and vehicle services. |
| \$                            | 25                            | \$                          | 11,168  |
|                               | Voter Registration            |                             | <i>Appropriation Increase</i>                     |
|                               | —to continue current program. |                             |   |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                    | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>               |                   |                      |                   |                      |                      |                      |                      |
| Vehicle Sales Tax Collections..... | \$ 904            | \$ 904               | \$ 1,024          | \$ 1,060             | \$ 1,086             | \$ 1,113             | \$ 1,141             |
| Voter Registration.....            | 504               | 504                  | 529               | 548                  | 561                  | 575                  | 590                  |
| Photo ID Cards.....                | 6                 | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| TOTAL GENERAL FUND .....           | <u>\$ 1,414</u>   | <u>\$ 1,408</u>      | <u>\$ 1,553</u>   | <u>\$ 1,608</u>      | <u>\$ 1,647</u>      | <u>\$ 1,688</u>      | <u>\$ 1,731</u>      |
| <b>MOTOR LICENSE FUND:</b>         |                   |                      |                   |                      |                      |                      |                      |
| Driver and Vehicle Services.....   | <u>\$ 125,071</u> | <u>\$ 135,380</u>    | <u>\$ 146,548</u> | <u>\$ 153,492</u>    | <u>\$ 155,193</u>    | <u>\$ 156,517</u>    | <u>\$ 159,889</u>    |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Transportation Support Services

**Objective: Maintain low overhead costs while providing timely, quality service in order to create the best value for all customers.**

|   |       |       |    |    |    |    |    |
|---|-------|-------|----|----|----|----|----|
| Overhead costs as a percentage of department budget (state funds) | 1.28% | 1.13% | 1% | 1% | 1% | 1% | 1% |
|---|-------|-------|----|----|----|----|----|

### Program: Highways and Bridges

**Objective: Increase the percentage of highway system in good or excellent condition, and decrease the number of structurally deficient bridges through the modernization of assets; effective use of complement; and streamlining of processes.**

#### Highway and Bridge Construction/Reconstruction

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Miles of new highway construction  | 11     | 12     | 19     | 18     | 16     | 13     | 11     |
| Miles of Interstate reconstruction or restoration                              | 74     | 47     | 78     | 68     | 68     | 68     | 68     |
| Miles of non-Interstate reconstruction or restoration                          | 56     | 179    | 211    | 197    | 197    | 197    | 195    |
| Interstate Highway System in good or excellent condition                       | 83.10% | 83.20% | 83.50% | 83.70% | 83.80% | 84%    | 84.10% |
| Interstate Highway System in poor condition                                    | 3.20%  | 3.10%  | 3%     | 2.90%  | 2.80%  | 2.70%  | 2.70%  |
| National Highway System non-Interstate highways in good or excellent condition | 62.70% | 64.40% | 66.20% | 67.90% | 69.60% | 71.40% | 72.90% |
| National Highway System non-Interstate highways in poor condition              | 14.70% | 14.40% | 14.10% | 13.80% | 13.50% | 13.20% | 13.10% |
| Bridges replaced/repared   | 270    | 450    | 660    | 660    | 660    | 470    | 470    |
| Structurally deficient bridges by deck area                                    | 11.10% | 10.60% | 10.30% | 10%    | 9.70%  | 9.30%  | 9.20%  |
| Variance of final cost of construction versus original contract amount         | 4.20%  | 3%     | 3%     | 3%     | 3%     | 3%     | 3%     |
| Number of bridges preserved  | 200    | 230    | 210    | 210    | 210    | 210    | 210    |

#### Highway and Bridge Maintenance

Miles of state maintained highways improved:

|                            |       |       |       |       |       |       |       |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|
| Structural restoration     | 158   | 290   | 331   | 318   | 312   | 280   | 248   |
| Structural resurfacing     | 229   | 359   | 364   | 340   | 325   | 309   | 301   |
| Non-structural resurfacing | 344   | 523   | 562   | 547   | 546   | 508   | 470   |
| Surface Repairs            | 3,223 | 3,590 | 3,697 | 3,902 | 4,178 | 4,418 | 4,590 |
| Total:                     | 3,954 | 4,762 | 4,954 | 5,107 | 5,361 | 5,515 | 5,609 |



## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|

### Program: Local Highway and Bridge Assistance

**Objective:** Maintain locally administered highways and bridges through continuous improvement and innovation with a special focus on delivery of projects, department wide operations, asset management and mobility.

|   |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
| Percentage of Pennsylvania highways locally maintained            | 66.20% | 66.30% | 66.30% | 66.40% | 66.40% | 66.40% | 66.50% |
| Local bridges brought up to standard through state bridge program | 40     | 48     | 55     | 55     | 75     | 100    | 125    |

### Program: Multimodal Transportation

**Objective:** Increase the use, safety and economic impact of Pennsylvania's public transit, rail and aviation systems through integrated land use and local, regional, state, and federal transportation planning.

#### Mass Transportation

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Passengers carried by state-assisted operators (millions annually) | 426.90 | 428.60 | 428.60 | 428.60 | 428.60 | 428.60 | 428.60 |
| Passengers per vehicle hour  | 39.30  | 39.50  | 39.50  | 39.50  | 39.50  | 39.50  | 39.50  |

Percentage share of average income of mass transit trips:

|                         |        |        |        |        |        |        |        |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|
| From revenue            | 37.50% | 35.70% | 35.70% | 35.70% | 35.70% | 35.70% | 35.70% |
| From commonwealth       | 47.50% | 49.10% | 49.10% | 49.10% | 49.10% | 49.10% | 49.10% |
| From federal government | 7.70%  | 8%     | 8%     | 8%     | 8%     | 8%     | 8%     |
| From local government   | 7.30%  | 7.20%  | 7.20%  | 7.20%  | 7.20%  | 7.20%  | 7.20%  |

#### Older Pennsylvanians Transit

|  |       |      |       |       |       |       |       |
|--|-------|------|-------|-------|-------|-------|-------|
| Free transit trips (millions annually)                           | 34.65 | 35   | 35.34 | 35.70 | 36.05 | 36.41 | 36.78 |
| Trips on state assisted shared ride vehicles (millions annually) | 3.90  | 4.14 | 4.18  | 4.22  | 4.26  | 4.31  | 4.35  |

Cost to the commonwealth per trip:

|                                     |         |         |         |         |         |         |        |
|-------------------------------------|---------|---------|---------|---------|---------|---------|--------|
| Free Transit                        | \$2.68  | \$2.70  | \$2.72  | \$2.74  | \$2.76  | \$2.78  | \$2.80 |
| State assisted shared ride vehicles | \$17.78 | \$18.13 | \$18.50 | \$18.87 | \$19.24 | \$19.63 | \$20   |

#### Intercity Transportation

Intercity Bus:

|                            |         |         |         |         |         |         |         |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|
| Passengers handled         | 397,920 | 398,032 | 398,032 | 398,032 | 398,032 | 398,032 | 398,032 |
| Subsidy per passenger trip | \$5     | \$5     | \$5     | \$5     | \$5     | \$5     | \$5     |

Intercity Rail:

|                            |           |           |           |           |           |           |           |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Passengers handled         | 1,518,624 | 1,584,000 | 1,623,600 | 1,664,190 | 1,705,795 | 1,748,440 | 1,792,151 |
| Subsidy per passenger mile | \$0.11    | \$0.09    | \$0.12    | \$0.12    | \$0.13    | \$0.13    | \$0.13    |

## Program Measures

|  | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
| <b>Rail Freight:</b>   |         |         |         |         |         |         |         |
| Miles of rail lines, state assisted  | 275     | 300     | 300     | 300     | 300     | 300     | 300     |
| Direct and indirect jobs created by state-supported rail freight improvements  | 48,626  | 50,000  | 50,000  | 50,000  | 50,000  | 50,000  | 50,000  |
| Additional trucks that would be needed without rail freight bulk cargo service | 287,072 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| <b>Aviation:</b>   |         |         |         |         |         |         |         |
| Airport development grants   | 92      | 75      | 75      | 75      | 75      | 75      | 75      |
| Projects receiving federal priority  | 87%     | 86%     | 90%     | 90%     | 90%     | 90%     | 90%     |
| Runways with a pavement condition index of fair or better                      | 94%     | 96%     | 96%     | 96%     | 96%     | 96%     | 96%     |

### Program: Driver and Vehicle Services

**Objective: Maintain a high level of customer service and maximize the effectiveness of transportation products and services.**

|  |            |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|------------|
| <b>Vehicles inspected:</b>                             |            |            |            |            |            |            |            |
| Safety inspections                                     | 11,359,850 | 11,500,000 | 11,500,000 | 11,500,000 | 11,500,000 | 11,500,000 | 11,500,000 |
| Emission inspections                                   | 6,608,762  | 6,800,000  | 6,800,000  | 6,800,000  | 6,800,000  | 6,800,000  | 6,800,000  |
| <b>Registrations:</b>                                  |            |            |            |            |            |            |            |
| New vehicle registrations                              | 1,630,861  | 1,630,000  | 1,630,000  | 1,630,000  | 1,630,000  | 1,630,000  | 1,630,000  |
| Renewed vehicle registrations                          | 9,729,191  | 9,730,000  | 9,730,000  | 9,730,000  | 8,972,500  | 8,972,500  | 8,972,500  |
| <b>Licensed drivers:</b>                               |            |            |            |            |            |            |            |
| New drivers licensed                                   | 292,604    | 310,000    | 310,000    | 310,000    | 310,000    | 310,000    | 310,000    |
| Renewed drivers licenses                               | 2,160,824  | 2,161,000  | 2,161,000  | 2,161,000  | 2,161,000  | 2,161,000  | 2,161,000  |
| New commercial drivers licensed                        | 15,902     | 17,000     | 17,000     | 17,000     | 17,000     | 17,000     | 17,000     |
| Photo identification cards issued (non-driver photos)  | 365,097    | 365,000    | 365,000    | 365,000    | 365,000    | 365,000    | 365,000    |
| Service center customers served within 30 minutes      | 87%        | 90.50%     | 90.50%     | 90.50%     | 90.50%     | 90.50%     | 90.50%     |
| Access rate of driver and vehicle services call center | 99.40%     | 99.50%     | 99.50%     | 99.50%     | 99.50%     | 99.50%     | 99.50%     |

Per Act 89 of 2013, voluntary biennial vehicle registration becomes effective December 31, 2016.

– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# LEGISLATURE

*The mission of the General Assembly of Pennsylvania is to formulate and enact the public policy of the commonwealth.*

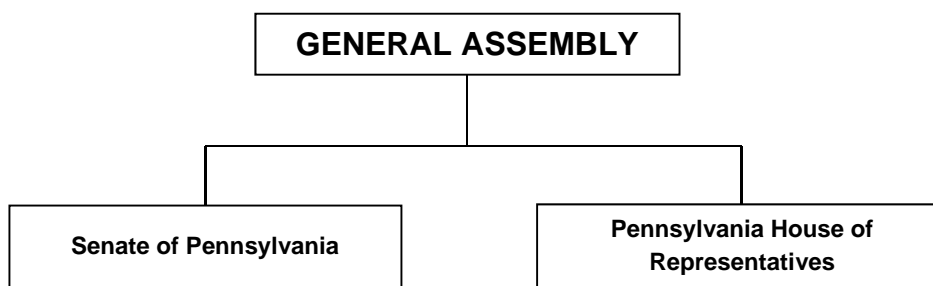
Through legislation and resolution, the General Assembly defines the functions of state government, provides for revenue for the commonwealth and appropriates money for the operation of state agencies and other purposes.

The General Assembly is composed of two bodies – the Senate and the House of Representatives. Its sessions begin on the first Tuesday of each year unless otherwise convened by proclamation of the governor.

## **Programs and Goals**

**Legislature:** *To formulate and enact the public policy of the commonwealth, to define the functions of state government, to provide revenue for the commonwealth and to appropriate money for the operation of state agencies and for other purposes.*

## Organization Overview



- **Senate of Pennsylvania** has 50 members who are elected by district. Senators are elected for four-year terms, staggered every two years such that half of the seats are contested at each election. Even-numbered seats and odd-numbered seats are contested in separate election years. Senators have office staff at the state capitol in Harrisburg and in their district offices.
- **Pennsylvania House of Representatives** has 203 members, elected for two-year terms from single member districts. Representatives have office staff at the state capitol in Harrisburg and in their district offices.

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|--|-------------------|----------------------|-------------------|
| <b>GENERAL FUND:</b>   |                   |                      |                   |
| <i>General Government:</i>                                   |                   |                      |                   |
| Senate:  |                   |                      |                   |
| Senators' Salaries.....                                      | \$ 7,292 *        | \$ 7,365             | \$ 7,365          |
| Senate President - Expenses.....                             | 305               | 308                  | 308               |
| Employees of Chief Clerk.....                                | 2,578             | 784                  | 2,604             |
| Salaried Officers and Employees.....                         | 10,810            | 10,418               | 10,918            |
| Incidental Expenses.....                                     | 2,711             | 688                  | 2,738             |
| Expenses - Senators.....                                     | 1,257             | 320                  | 1,270             |
| Legislative Printing and Expenses.....                       | 6,818             | 1,726                | 6,886             |
| Committee on Appropriations (R).....                         | 1,268             | 895                  | 0                 |
| Committee on Appropriations (D).....                         | 1,268             | 895                  | 0                 |
| Committee on Appropriations (R) and (D).....                 | 0                 | 0                    | 2,560             |
| Caucus Operations (R) and (D).....                           | 0                 | 0                    | 61,304            |
| Caucus Operations (R).....                                   | 31,356            | 21,291               | 0                 |
| Caucus Operations (D).....                                   | 29,341            | 19,923               | 0                 |
| Subtotal.....  | \$ 95,004         | \$ 64,613            | \$ 95,953         |
| House of Representatives:                                    |                   |                      |                   |
| Members' Salaries, Speaker's Extra Compensation.....         | \$ 27,389         | \$ 27,663            | \$ 27,663         |
| Caucus Operations (R) and (D).....                           | 0                 | 0                    | 98,927            |
| Caucus Operations (R).....                                   | 52,892            | 48,696               | 0                 |
| Caucus Operations (D).....                                   | 45,056            | 41,481               | 0                 |
| Speaker's Office.....  | 1,740             | 437                  | 1,757             |
| Bi-Partisan Committee, Chief Clerk, Comptroller and EMS..... | 14,210            | 14,232               | 14,402            |
| Mileage - Representatives, Officers and Employees.....       | 357               | 311                  | 361               |
| Chief Clerk and Legislative Journal.....                     | 2,635             | 2,682                | 2,712             |
| Speaker.....   | 20                | 20                   | 0                 |
| Chief Clerk.....   | 514               | 560                  | 0                 |
| Floor Leader (R).....  | 7                 | 7                    | 0                 |
| Floor Leader (D).....  | 7                 | 7                    | 0                 |
| Whip (R).....  | 6                 | 6                    | 0                 |
| Whip (D).....  | 6                 | 6                    | 0                 |
| Chairman - Caucus (R).....                                   | 3                 | 3                    | 0                 |
| Chairman - Caucus (D).....                                   | 3                 | 3                    | 0                 |
| Secretary - Caucus (R).....                                  | 3                 | 3                    | 0                 |
| Secretary - Caucus (D).....                                  | 3                 | 3                    | 0                 |
| Chairman - Appropriations Committee (R).....                 | 6                 | 6                    | 0                 |
| Chairman - Appropriations Committee (D).....                 | 6                 | 6                    | 0                 |
| Chairman - Policy Committee (R).....                         | 2                 | 2                    | 0                 |
| Chairman - Policy Committee (D).....                         | 2                 | 2                    | 0                 |
| Caucus Administrator (R).....                                | 2                 | 2                    | 0                 |
| Caucus Administrator (D).....                                | 2                 | 2                    | 0                 |
| Administrator for Staff (R).....                             | 20                | 20                   | 0                 |
| Administrator for Staff (D).....                             | 20                | 20                   | 0                 |
| Contingent Expenses (R) and (D).....                         | 0                 | 0                    | 688               |
| Incidental Expenses.....                                     | 4,872             | 1,531                | 4,921             |
| Expenses - Representatives.....                              | 4,086             | 1,177                | 4,127             |
| Legislative Printing and Expenses.....                       | 10,260            | 9,833                | 10,363            |
| National Legislative Conference - Expenses.....              | 491               | 146                  | 496               |
| Committee on Appropriations (R).....                         | 3,098             | 2,659                | 3,129             |
| Committee on Appropriations (D).....                         | 3,098             | 1,869                | 3,129             |
| Special Leadership Account (R).....                          | 5,811             | 5,029                | 5,869             |
| Special Leadership Account (D).....                          | 5,811             | 5,869                | 5,869             |
| Subtotal.....  | \$ 182,438        | \$ 164,293           | \$ 184,413        |
| Total - General Government.....                              | \$ 277,442        | \$ 228,906           | \$ 280,366        |

# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|                         | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|-------------------------|-------------------|----------------------|-------------------|
| GENERAL FUND TOTAL..... | <u>\$ 277,442</u> | <u>\$ 228,906</u>    | <u>\$ 280,366</u> |

---

\* This budget presents the Government Support Agencies appropriations on page E46-1.

## Program Funding Summary

(Dollar Amounts in Thousands)

|                        | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>LEGISLATURE</b>     |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....      | \$ 277,442               | \$ 228,906               | \$ 280,366               | \$ 280,366               | \$ 280,366               | \$ 280,366               | \$ 280,366               |
| SPECIAL FUNDS.....     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....       | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| SUBCATEGORY TOTAL..... | <u>\$ 277,442</u>        | <u>\$ 228,906</u>        | <u>\$ 280,366</u>        | <u>\$ 280,366</u>        | <u>\$ 280,366</u>        | <u>\$ 280,366</u>        | <u>\$ 280,366</u>        |
| <b>ALL PROGRAMS:</b>   |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....      | \$ 277,442               | \$ 228,906               | \$ 280,366               | \$ 280,366               | \$ 280,366               | \$ 280,366               | \$ 280,366               |
| SPECIAL FUNDS.....     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| OTHER FUNDS.....       | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| DEPARTMENT TOTAL.....  | <u><u>\$ 277,442</u></u> | <u><u>\$ 228,906</u></u> | <u><u>\$ 280,366</u></u> | <u><u>\$ 280,366</u></u> | <u><u>\$ 280,366</u></u> | <u><u>\$ 280,366</u></u> | <u><u>\$ 280,366</u></u> |



## Program: Legislature

*Goal: To formulate and enact the public policy of the commonwealth, to define the functions of state government, to provide revenue for the commonwealth and to appropriate money for the operation of state agencies and for other purposes.*

This program provides for the operation of the General Assembly, which consists of a 50 member Senate and a 203 member House of Representatives, funded

by numerous General Fund appropriations. These appropriations are detailed in the Summary by Fund and Appropriation portion of this presentation.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND**  
**Legislature**  
 \$ 51,460 —restoration of line-item veto cuts made during 2014-15.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                          | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| TOTAL GENERAL FUND ..... | \$ 277,442        | \$ 228,906           | \$ 280,366        | \$ 280,366           | \$ 280,366           | \$ 280,366           | \$ 280,366           |



---

# JUDICIARY

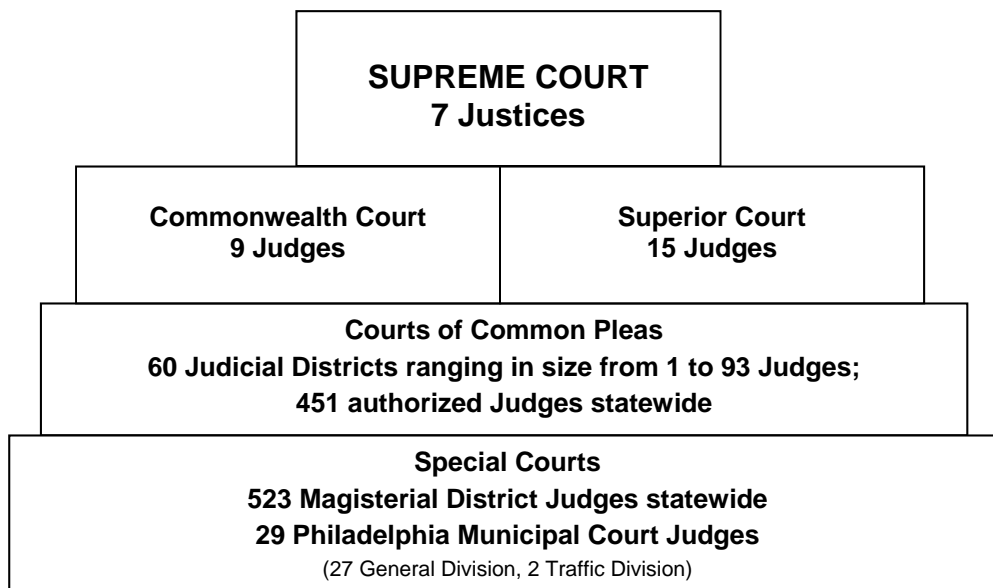
*The mission of the judicial system of the commonwealth is to provide citizens with prompt and equitable justice under the law.*

The court system includes the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas and community courts including Philadelphia Municipal Court, Pittsburgh Municipal Court and magisterial district judges.

## **Programs and Goals**

**State Judicial System:** *To provide the citizens of the commonwealth with prompt and equitable justice under the law.*

## Organization Overview



- **Supreme Court** is the commonwealth's court of last resort. The judiciary's administrative powers and jurisdictional responsibilities are vested with the seven-member court by the Pennsylvania State Constitution and a collection of statutes known as the Judicial Code. The Administrative Office of Pennsylvania Courts carries out the majority of the Supreme Court's administrative duties. The Supreme Court has various committees and boards responsible for advising the court on procedural rules for judges, attorneys and litigants to ensure an efficient and fair judicial review.
- **Commonwealth Court** is one of Pennsylvania's two statewide intermediate appellate courts. The Commonwealth Court is primarily responsible for matters involving state and local governments and regulatory agencies. It also acts as a trial court when lawsuits are filed by or against the commonwealth.
- **Superior Court** is one of Pennsylvania's two statewide intermediate appellate courts. The Superior Court is responsible for appeals in criminal and civil cases from the Courts of Common Pleas and appeals on matters involving children and families. In such matters, it is often the final arbiter of legal disputes.
- **Courts of Common Pleas** are the general trial courts of Pennsylvania. These courts are responsible for appeals from the minor courts, appeals not exclusively assigned to another court, and matters involving children and families.
- **Special Courts** are the first level of Pennsylvania's judiciary. They are responsible for determining whether serious criminal cases go to the Court of Common Pleas, preliminary arraignments and preliminary hearings, and setting and accepting bail.

## Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

| 2009-10<br>Actual | 2010-11<br>Actual | 2011-12<br>Actual | 2012-13<br>Actual | 2013-14<br>Actual |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2,221             | 2,203             | 2,198             | 2,199             | 2,198             |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|   | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET  |
|---|-------------------|----------------------|--------------------|
| <b>GENERAL FUND:</b>                            |                   |                      |                    |
| <i>General Government:</i>                      |                   |                      |                    |
| <b>Supreme Court:</b>                           |                   |                      |                    |
| Supreme Court.....                              | \$ 13,636         | \$ 13,636            | \$ 13,636          |
| Justices Expenses.....                          | 118               | 118                  | 118                |
| Judicial Center Operations.....                 | 675               | 675                  | 675                |
| Judicial Council.....                           | 141               | 141                  | 141                |
| District Court Administrators.....              | 17,276            | 17,276               | 17,276             |
| Interbranch Commission.....                     | 308               | 308                  | 308                |
| Court Management Education.....                 | 73                | 73                   | 73                 |
| Rules Committees.....                           | 1,491             | 1,491                | 1,491              |
| Court Administrator.....                        | 9,953             | 9,953                | 9,953              |
| (F)Court Improvement Project.....               | 1,100             | 1,130                | 1,130              |
| (F)STOP Violence Against Women (EA).....        | 0                 | 222                  | 0                  |
| (F)Veterans Court Process Evaluation.....       | 200               | 197                  | 0                  |
| (F)PA Weighted Caseload Project.....            | 80                | 80                   | 0                  |
| (F)ARRA - Specialty Courts IT Project (EA)..... | 136               | 0                    | 0                  |
| <b>Integrated Criminal Justice System.....</b>  | <b>2,372</b>      | <b>2,372</b>         | <b>2,372</b>       |
| (R)Judicial Computer System.....                | 57,048            | 57,048               | 57,048             |
| <b>Unified Judicial System Security.....</b>    | <b>2,002</b>      | <b>2,002</b>         | <b>2,002</b>       |
| Subtotal.....                                   | \$ 106,609        | \$ 106,722           | \$ 106,223         |
| <b>Superior Court:</b>                          |                   |                      |                    |
| Superior Court.....                             | \$ 27,024         | \$ 27,024            | \$ 27,024          |
| Judges Expenses.....                            | 183               | 183                  | 183                |
| Subtotal.....                                   | \$ 27,207         | \$ 27,207            | \$ 27,207          |
| <b>Commonwealth Court:</b>                      |                   |                      |                    |
| Commonwealth Court.....                         | \$ 16,404         | \$ 16,404            | \$ 16,404          |
| Judges Expenses.....                            | 132               | 132                  | 132                |
| Subtotal.....                                   | \$ 16,536         | \$ 16,536            | \$ 16,536          |
| <b>Courts of Common Pleas:</b>                  |                   |                      |                    |
| Courts of Common Pleas.....                     | \$ 100,636        | \$ 100,636           | \$ 100,636         |
| Senior Judges.....                              | 3,715             | 3,715                | 3,715              |
| Judicial Education.....                         | 1,138             | 1,138                | 1,138              |
| Ethics Committee.....                           | 57                | 57                   | 57                 |
| Problem-Solving Courts.....                     | 103               | 103                  | 103                |
| Subtotal.....                                   | \$ 105,649        | \$ 105,649           | \$ 105,649         |
| <b>Magisterial District Judges:</b>             |                   |                      |                    |
| Magisterial District Judges.....                | \$ 73,522         | \$ 73,522            | \$ 73,522          |
| Magisterial District Judge Education.....       | 671               | 671                  | 671                |
| Subtotal.....                                   | \$ 74,193         | \$ 74,193            | \$ 74,193          |
| <b>Philadelphia Courts:</b>                     |                   |                      |                    |
| Traffic Court.....                              | \$ 939            | \$ 0 <sup>a</sup>    | \$ 0 <sup>a</sup>  |
| Municipal Court.....                            | 5,918             | 6,857 <sup>a</sup>   | 6,857 <sup>a</sup> |
| Subtotal.....                                   | \$ 6,857          | \$ 6,857             | \$ 6,857           |

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|                                       | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET |
|---------------------------------------|-------------------|----------------------|-------------------|
| <b>Judicial Conduct:</b>              |                   |                      |                   |
| Judicial Conduct Board.....           | \$ 1,577          | \$ 1,577             | \$ 1,577          |
| Court of Judicial Discipline.....     | 468               | 468                  | 468               |
| Subtotal.....                         | \$ 2,045          | \$ 2,045             | \$ 2,045          |
| Subtotal - State Funds.....           | \$ 280,532        | \$ 280,532           | \$ 280,532        |
| Subtotal - Federal Funds.....         | 1,516             | 1,629                | 1,130             |
| Subtotal - Restricted Revenues.....   | 57,048            | 57,048               | 57,048            |
| Total - General Government.....       | \$ 339,096        | \$ 339,209           | \$ 338,710        |
| <b>Grants and Subsidies:</b>          |                   |                      |                   |
| <b>Reimbursement of County Costs:</b> |                   |                      |                   |
| Jurors Cost Reimbursement.....        | \$ 1,118          | \$ 1,118             | \$ 1,118          |
| County Courts Reimbursement.....      | 34,407            | 34,407               | 34,407            |
| Senior Judge Reimbursement.....       | 1,375             | 1,375                | 1,375             |
| Subtotal.....                         | \$ 36,900         | \$ 36,900            | \$ 36,900         |
| Total - Grants and Subsidies.....     | \$ 36,900         | \$ 36,900            | \$ 36,900         |
| STATE FUNDS.....                      | \$ 317,432        | \$ 317,432           | \$ 317,432        |
| FEDERAL FUNDS.....                    | 1,516             | 1,629                | 1,130             |
| RESTRICTED REVENUES.....              | 57,048            | 57,048               | 57,048            |
| <b>GENERAL FUND TOTAL.....</b>        | <b>\$ 375,996</b> | <b>\$ 376,109</b>    | <b>\$ 375,610</b> |

<sup>a</sup> Transition of Traffic Court functions and judges to Municipal Court in accordance with Act 17 of 2013.

## Program Funding Summary

(Dollar Amounts in Thousands)

|                              | 2013-14<br>Actual        | 2014-15<br>Available     | 2015-16<br>Budget        | 2016-17<br>Estimated     | 2017-18<br>Estimated     | 2018-19<br>Estimated     | 2019-20<br>Estimated     |
|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>STATE JUDICIAL SYSTEM</b> |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....            | \$ 317,432               | \$ 317,432               | \$ 317,432               | \$ 317,432               | \$ 317,432               | \$ 317,432               | \$ 317,432               |
| SPECIAL FUNDS.....           | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....           | 1,516                    | 1,629                    | 1,130                    | 1,130                    | 1,130                    | 1,130                    | 1,130                    |
| OTHER FUNDS.....             | 57,048                   | 57,048                   | 57,048                   | 57,048                   | 57,048                   | 57,048                   | 57,048                   |
| SUBCATEGORY TOTAL.....       | <u>\$ 375,996</u>        | <u>\$ 376,109</u>        | <u>\$ 375,610</u>        | <u>\$ 375,610</u>        | <u>\$ 375,610</u>        | <u>\$ 375,610</u>        | <u>\$ 375,610</u>        |
| <b>ALL PROGRAMS:</b>         |                          |                          |                          |                          |                          |                          |                          |
| GENERAL FUND.....            | \$ 317,432               | \$ 317,432               | \$ 317,432               | \$ 317,432               | \$ 317,432               | \$ 317,432               | \$ 317,432               |
| SPECIAL FUNDS.....           | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| FEDERAL FUNDS.....           | 1,516                    | 1,629                    | 1,130                    | 1,130                    | 1,130                    | 1,130                    | 1,130                    |
| OTHER FUNDS.....             | 57,048                   | 57,048                   | 57,048                   | 57,048                   | 57,048                   | 57,048                   | 57,048                   |
| DEPARTMENT TOTAL.....        | <u><u>\$ 375,996</u></u> | <u><u>\$ 376,109</u></u> | <u><u>\$ 375,610</u></u> | <u><u>\$ 375,610</u></u> | <u><u>\$ 375,610</u></u> | <u><u>\$ 375,610</u></u> | <u><u>\$ 375,610</u></u> |

## Program: State Judicial System

*Goal: To provide the citizens of the commonwealth with prompt and equitable justice under the law.*

Pennsylvania's Unified Judicial System is a layered court system consisting of the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas, the Magisterial District Courts statewide, and the two Philadelphia municipal courts--Philadelphia Municipal Court, and Traffic Court of Philadelphia (pending anticipated action by the legislature and the electorate to amend the PA Constitution to abolish it).

In counties other than Philadelphia, courts at the first level of the system are presided over by Magisterial District Judges who have jurisdiction over summary criminal cases, landlord-tenant matters and other civil actions where the amount claimed does not exceed \$12,000. They also have jurisdiction to issue warrants, hold arraignments and preliminary hearings in all criminal cases and accept guilty pleas under certain circumstances.

In Philadelphia, the Municipal Court, with its Traffic Division created by Act 17 of 2013 to assume the functions of the Traffic Court, is the initial level of the court system. Municipal Court is a court of record whose judges must be lawyers. Its limited jurisdiction is analogous to that of the Magisterial District Judges. The judges of the Traffic Division need not be lawyers but must complete an education course and pass the qualifying examination.

The second level in the court system is the Courts of Common Pleas, which are courts of general trial jurisdiction. They have original jurisdiction over all cases not exclusively assigned to another court. Appellate jurisdiction extends to appeals from final orders of the lower courts and appeals from certain state and most local government agencies.

Appeals from the Courts of Common Pleas are generally handled by one of the two intermediate-level appellate courts: Commonwealth Court and Superior Court. Commonwealth Court has jurisdiction over appeals involving government agencies and officials and not-for-profit corporations as well as original jurisdiction over Election Code matters and cases involving state officials. Superior Court has jurisdiction over all direct appeals not within the specific statutory jurisdiction of another appellate court.

The Supreme Court is Pennsylvania's court of last resort and is responsible for administration of the entire Unified Judicial System.

As defined by the state constitution, statute and court rule, the Administrative Office of Pennsylvania Courts

(AOPC) is the administrative arm of the Supreme Court, in the court's oversight responsibility of the Unified Judicial System.

The Supreme Court has initiated a number of programs in recent years. Among the more recent of these are the creation within AOPC of the Office for Children and Families in the Court, which assists courts statewide in providing neglected and abused children with safe and permanent homes in as brief a time as possible, and a program to assist judicial districts in establishing, expanding or maintaining special problem-solving courts, such as drug courts, mental health and veterans courts. A long-standing automation program has been underway since the mid-1980s, with the goal of computerization of the entire Judiciary, most notably through the development and operation of an integrated case and financial management system to allow the seamless transfer of cases from the first level of the Judiciary through the court of last resort. Among the first of its scope nationally, the Judicial Computer System (JCS) has been an unqualified success in each of its stages, beginning with the Magisterial District Judge System, the Pennsylvania Appellate Courts Case Management System, and the Common Pleas Criminal Case Management System which automated the criminal courts statewide. They also enable the Judiciary to be a keystone in providing the commonwealth's multi-agency Integrated Criminal Justice Network (commonly known as JNET) with important case data. Future stages of the computerization project will automate orphans and family courts followed by civil courts.

Through exercise of its statutory realignment responsibilities over the magisterial districts, the Supreme Court has eliminated 19 districts to date as a cost-cutting measure. By the end of the process in January 2018, the Supreme Court will have reduced the count of magisterial districts by 29, from 545 districts at the start of the process in January 2010, to 516 by January 2018, saving an estimated \$4.1 million annually at current costs.

Finally, the Unified Judicial System contains a two-tiered, independent judicial disciplinary system, consisting of the Judicial Conduct Board which investigates complaints regarding the conduct of judges, and Court of Judicial Discipline, which conducts hearings to determine whether a sanction should be imposed upon a member of the Judiciary.

## Program: State Judicial System (continued)

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Judiciary is recommended at the current year funding level.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>                       |                   |                      |                   |                      |                      |                      |                      |
| Supreme Court .....                        | \$ 13,636         | \$ 13,636            | \$ 13,636         | \$ 13,636            | \$ 13,636            | \$ 13,636            | \$ 13,636            |
| Justices Expenses .....                    | 118               | 118                  | 118               | 118                  | 118                  | 118                  | 118                  |
| Judicial Center Operations .....           | 675               | 675                  | 675               | 675                  | 675                  | 675                  | 675                  |
| Judicial Council .....                     | 141               | 141                  | 141               | 141                  | 141                  | 141                  | 141                  |
| District Court Administrators .....        | 17,276            | 17,276               | 17,276            | 17,276               | 17,276               | 17,276               | 17,276               |
| Interbranch Commission .....               | 308               | 308                  | 308               | 308                  | 308                  | 308                  | 308                  |
| Court Management Education .....           | 73                | 73                   | 73                | 73                   | 73                   | 73                   | 73                   |
| Rules Committees .....                     | 1,491             | 1,491                | 1,491             | 1,491                | 1,491                | 1,491                | 1,491                |
| Court Administrator .....                  | 9,953             | 9,953                | 9,953             | 9,953                | 9,953                | 9,953                | 9,953                |
| Integrated Criminal Justice System .....   | 2,372             | 2,372                | 2,372             | 2,372                | 2,372                | 2,372                | 2,372                |
| Unified Judicial System Security .....     | 2,002             | 2,002                | 2,002             | 2,002                | 2,002                | 2,002                | 2,002                |
| Superior Court .....                       | 27,024            | 27,024               | 27,024            | 27,024               | 27,024               | 27,024               | 27,024               |
| Judges Expenses .....                      | 183               | 183                  | 183               | 183                  | 183                  | 183                  | 183                  |
| Commonwealth Court .....                   | 16,404            | 16,404               | 16,404            | 16,404               | 16,404               | 16,404               | 16,404               |
| Judges Expenses .....                      | 132               | 132                  | 132               | 132                  | 132                  | 132                  | 132                  |
| Courts of Common Pleas .....               | 100,636           | 100,636              | 100,636           | 100,636              | 100,636              | 100,636              | 100,636              |
| Senior Judges .....                        | 3,715             | 3,715                | 3,715             | 3,715                | 3,715                | 3,715                | 3,715                |
| Judicial Education .....                   | 1,138             | 1,138                | 1,138             | 1,138                | 1,138                | 1,138                | 1,138                |
| Ethics Committee .....                     | 57                | 57                   | 57                | 57                   | 57                   | 57                   | 57                   |
| Problem-Solving Courts .....               | 103               | 103                  | 103               | 103                  | 103                  | 103                  | 103                  |
| Magisterial District Judges .....          | 73,522            | 73,522               | 73,522            | 73,522               | 73,522               | 73,522               | 73,522               |
| Magisterial District Judge Education ..... | 671               | 671                  | 671               | 671                  | 671                  | 671                  | 671                  |
| Traffic Court .....                        | 939               | 0                    | 0                 | 0                    | 0                    | 0                    | 0                    |
| Municipal Court .....                      | 5,918             | 6,857                | 6,857             | 6,857                | 6,857                | 6,857                | 6,857                |
| Judicial Conduct Board .....               | 1,577             | 1,577                | 1,577             | 1,577                | 1,577                | 1,577                | 1,577                |
| Court of Judicial Discipline .....         | 468               | 468                  | 468               | 468                  | 468                  | 468                  | 468                  |
| Jurors Cost Reimbursement .....            | 1,118             | 1,118                | 1,118             | 1,118                | 1,118                | 1,118                | 1,118                |
| County Courts Reimbursement .....          | 34,407            | 34,407               | 34,407            | 34,407               | 34,407               | 34,407               | 34,407               |
| Senior Judge Reimbursement .....           | 1,375             | 1,375                | 1,375             | 1,375                | 1,375                | 1,375                | 1,375                |
| <b>TOTAL GENERAL FUND .....</b>            | <b>\$ 317,432</b> | <b>\$ 317,432</b>    | <b>\$ 317,432</b> | <b>\$ 317,432</b>    | <b>\$ 317,432</b>    | <b>\$ 317,432</b>    | <b>\$ 317,432</b>    |



– THIS PAGE INTENTIONALLY LEFT BLANK –



---

# GOVERNMENT SUPPORT AGENCIES

*The mission of the Government Support Agencies is to serve the members of the legislature, legislative committees, the governor, heads of state agencies and, in certain cases, citizens of the commonwealth, by providing research, fiscal and regulatory review, and administrative and operational support.*

## **Programs and Goals**

**Government Support Agencies:** *To provide research, fiscal and regulatory review, and administrative and operational support.*

## Organization Overview

- **Legislative Reference Bureau** prepares requested legislative bills and resolutions for introduction in the General Assembly; advises members of the legislature and legislative committees; and, from time to time, prepares proposed codifications of existing general statutes for adoption or rejection by the General Assembly.
- **Legislative Budget and Finance Committee** conducts studies and makes recommendations aimed at eliminating unnecessary expenditures, promoting economy in the government of the commonwealth and assuring that state funds are being expended in accordance with legislative intent and law.
- **Legislative Data Processing Center** establishes and operates computer systems capable of storing and retrieving all of the financial, factual, procedural and legal information necessary to serve all of the committees, officers and agencies of the Pennsylvania General Assembly.
- **Joint State Government Commission** is the primary non-partisan research organization that serves the General Assembly. It provides the legislature with a readily available mechanism for conducting interdisciplinary studies.
- **Local Government Commission** is a bipartisan legislative service agency affording research assistance to propose legislation that will enable local governments to be more effective and efficient in providing services.
- **Joint Legislative Air and Water Pollution Control Committee** conducts studies, holds hearings and makes recommendations to the General Assembly on environmental issues. It also makes recommendations with regard to the custodianship and care of our land, water and air to determine where there are problems, what solutions are found and what can be done to bring about positive change.
- **Legislative Audit Advisory Commission** plans and performs the audit of the General Assembly's financial transactions.
- **Independent Regulatory Review Commission** reviews commonwealth agency regulations to make certain that the agency has the statutory authority to enact the regulation and determine whether the regulation is consistent with legislative intent. The commission then considers other criteria, such as economic impact, public health and safety, reasonableness, impact on small businesses and clarity. It also acts as a clearinghouse for complaints, comments and other input from the General Assembly and the public regarding proposed and final regulations.
- **Capitol Preservation Committee** serves the citizens of the commonwealth by restoring and preserving the art, architecture and history of the Pennsylvania State Capitol and Capitol Complex.
- **Commission on Sentencing** is charged with creating and maintaining a consistent and rational statewide sentencing policy through the adoption of guidelines that promote fairer and more uniform sentencing throughout the commonwealth.
- **Center for Rural Pennsylvania** is a bipartisan, bicameral legislative agency that serves as a resource for rural policy within the Pennsylvania General Assembly. The center works with the legislature, educators, state and federal executive branch agencies and national, statewide, regional and local organizations to maximize resources and strategies that can better serve Pennsylvania's nearly 3.5 million rural residents.
- **Commonwealth Mail Processing Center** receives and performs a security scan of all incoming mail, overnight packages, and parcels and delivers to offices of the legislature, departments under the governor's jurisdiction and the judiciary.
- **Legislative Reapportionment Commission**, in accordance with the Pennsylvania Constitution, redistricts the state Senate and the state House in the year following the federal decennial census.
- **Independent Fiscal Office** provides revenue projections for use in the state budget process along with impartial and timely analysis of fiscal, economic and budgetary issues to assist commonwealth residents and the General Assembly in their evaluation of policy decisions.

# Government Support Agencies

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

|  | 2013-14<br>ACTUAL | 2014-15<br>AVAILABLE | 2015-16<br>BUDGET   |
|--|-------------------|----------------------|---------------------|
| <b>GENERAL FUND:</b>   |                   |                      |                     |
| <i>General Government:</i>                                       |                   |                      |                     |
| Legislative Reference Bureau - Salaries and Expenses.....        | \$ 8,365          | \$ 8,449             | \$ 8,449            |
| Printing of PA Bulletin and PA Code.....                         | 803               | 801                  | 811                 |
| Subtotal.....  | \$ 9,168          | \$ 9,250             | \$ 9,260            |
| Legislative Budget and Finance Committee.....                    | 1,775             | 1,413                | 1,750               |
| Legislative Data Processing Center.....                          | 16,969            | 9,163                | 21,043              |
| Joint State Government Commission.....                           | 1,416             | 1,010                | 1,430               |
| Local Government Commission.....                                 | 1,074             | 965                  | 1,111               |
| Local Government Codes.....                                      | 89                | 20                   | 20                  |
| Joint Legislative Air and Water Pollution Control Committee..... | 510               | 405                  | 515                 |
| Legislative Audit Advisory Commission.....                       | 245               | 127                  | 247                 |
| Independent Regulatory Review Commission.....                    | 1,850             | 1,869                | 1,869               |
| Capitol Preservation Committee.....                              | 710               | 717                  | 717                 |
| Capitol Restoration.....   | 1,850             | 1,869                | 1,869               |
| Commission on Sentencing.....                                    | 1,800             | 1,818                | 1,818               |
| (F)JAG - Consolidated Project Grants (EA).....                   | 1,280             | 1,280                | 1,280               |
| Center for Rural Pennsylvania.....                               | 875               | 884                  | 884                 |
| Commonwealth Mail Processing Center.....                         | 2,894             | 2,923                | 2,923               |
| Legislative Reapportionment Commission.....                      | 700               | 177                  | 707                 |
| Independent Fiscal Office.....                                   | 1,675             | 1,692                | 1,692               |
| Public Employees Retirement Commission.....                      | 769 <sup>a</sup>  | 914 <sup>a</sup>     | 914 <sup>a</sup>    |
| Subtotal.....  | \$ 36,481         | \$ 27,246            | \$ 40,789           |
| Subtotal - State Funds.....                                      | \$ 44,369         | \$ 35,216            | \$ 48,769           |
| Subtotal - Federal Funds.....                                    | 1,280             | 1,280                | 1,280               |
| Total - General Government.....                                  | \$ 45,649         | \$ 36,496            | \$ 50,049           |
| STATE FUNDS.....   | \$ 44,369         | \$ 35,216            | \$ 48,769           |
| FEDERAL FUNDS.....   | 1,280             | 1,280                | 1,280               |
| <b>GENERAL FUND TOTAL.....</b>                                   | <b>\$ 45,649</b>  | <b>\$ 36,496</b>     | <b>\$ 50,049</b>    |
| <b>OTHER FUNDS:</b>  |                   |                      |                     |
| <b>JUSTICE REINVESTMENT FUND:</b>                                |                   |                      |                     |
| Commission on Sentencing.....                                    | \$ 12             | \$ 283 <sup>b</sup>  | \$ 400 <sup>c</sup> |
| DEPARTMENT TOTAL - ALL FUNDS                                     |                   |                      |                     |
| GENERAL FUND.....  | \$ 44,369         | \$ 35,216            | \$ 48,769           |
| SPECIAL FUNDS.....   | 0                 | 0                    | 0                   |
| FEDERAL FUNDS.....   | 1,280             | 1,280                | 1,280               |
| OTHER FUNDS.....   | 12                | 283                  | 400                 |
| <b>TOTAL ALL FUNDS.....</b>                                      | <b>\$ 45,661</b>  | <b>\$ 36,779</b>     | <b>\$ 50,449</b>    |

<sup>a</sup> Appropriated in Executive Offices in 2013-14 and 2014-15. The 2015-16 budget moves Public Employee Retirement Commission to Government Support Agencies.

<sup>b</sup> 2014-15 Available includes recommended increase to executive authorization of \$164,000.

<sup>c</sup> Act 196 of 2012 requires that funding be appropriated beginning in 2015-16.

## Program Funding Summary

(Dollar Amounts in Thousands)

|                                    | 2013-14<br>Actual       | 2014-15<br>Available    | 2015-16<br>Budget       | 2016-17<br>Estimated    | 2017-18<br>Estimated    | 2018-19<br>Estimated    | 2019-20<br>Estimated    |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>GOVERNMENT SUPPORT AGENCIES</b> |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....                  | \$ 44,369               | \$ 35,216               | \$ 48,769               | \$ 48,769               | \$ 48,769               | \$ 48,769               | \$ 48,769               |
| SPECIAL FUNDS.....                 | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....                 | 1,280                   | 1,280                   | 1,280                   | 1,280                   | 1,280                   | 1,280                   | 1,280                   |
| OTHER FUNDS.....                   | 12                      | 283                     | 400                     | 400                     | 400                     | 0                       | 0                       |
| SUBCATEGORY TOTAL.....             | <u>\$ 45,661</u>        | <u>\$ 36,779</u>        | <u>\$ 50,449</u>        | <u>\$ 50,449</u>        | <u>\$ 50,449</u>        | <u>\$ 50,049</u>        | <u>\$ 50,049</u>        |
| <b>ALL PROGRAMS:</b>               |                         |                         |                         |                         |                         |                         |                         |
| GENERAL FUND.....                  | \$ 44,369               | \$ 35,216               | \$ 48,769               | \$ 48,769               | \$ 48,769               | \$ 48,769               | \$ 48,769               |
| SPECIAL FUNDS.....                 | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       | 0                       |
| FEDERAL FUNDS.....                 | 1,280                   | 1,280                   | 1,280                   | 1,280                   | 1,280                   | 1,280                   | 1,280                   |
| OTHER FUNDS.....                   | 12                      | 283                     | 400                     | 400                     | 400                     | 0                       | 0                       |
| DEPARTMENT TOTAL.....              | <u><u>\$ 45,661</u></u> | <u><u>\$ 36,779</u></u> | <u><u>\$ 50,449</u></u> | <u><u>\$ 50,449</u></u> | <u><u>\$ 50,449</u></u> | <u><u>\$ 50,049</u></u> | <u><u>\$ 50,049</u></u> |

# Government Support Agencies

## Program: Government Support Agencies

*Goal: To provide research, fiscal and regulatory review, and administrative and operational support.*

This program primarily supports state government legislative operations by providing research, fiscal and regulatory review, and administrative and operational support.

The Legislative Reference Bureau prepares requested legislative bills and resolutions for introduction in the General Assembly; advises members of the Legislature and legislative committees; and, from time to time, prepares proposed codifications of existing general statutes for adoption or rejection by the General Assembly.

The Legislative Budget and Finance Committee is a bipartisan, bicameral legislative service agency that conducts studies and makes recommendations aimed at eliminating unnecessary expenditures, promoting economy in the government of the commonwealth and assuring that state funds are being expended in accordance with legislative intent and law.

The Legislative Data Processing Center establishes and operates computer systems capable of storing and retrieving all of the financial, factual, procedural and legal information necessary to serve all of the committees, officers and agencies of the General Assembly.

The Joint State Government Commission serves as the bipartisan and bicameral research agency of the General Assembly.

The Local Government Commission is a bipartisan legislative service agency affording research assistance on proposed legislation that will enable local governments to be more effective and efficient in providing services.

The Joint Legislative Air and Water Pollution Control Committee conducts studies regarding air, water and mining practices in the state and makes recommendations to the General Assembly.

The Legislative Audit Advisory Commission plans and performs the audit of the General Assembly's financial transactions.

The Independent Regulatory Review Commission reviews commonwealth agency regulations to ensure that they are in the public interest.

The Capitol Preservation Committee works to preserve the art, architecture and history of the Pennsylvania Capitol Building and Complex.

The Commission on Sentencing adopts statewide sentencing guidelines. Act 196 of 2012 distributed funds to the commission in 2013-14 and 2014-15 from the Justice Reinvestment Fund to establish models for risk assessment.

The Center for Rural Pennsylvania serves as a resource for rural policy within the General Assembly.

The Commonwealth Mail Processing Center screens and dispatches correspondence, packages and parcels.

The Legislative Reapportionment Commission receives the Census Bureau redistricting data in each year following the year of the federal decennial census. It is used as a basis for apportioning seats in the U.S. House of Representatives. Census data is also used to redraw legislative districts for the House of Representatives and the State Senate.

The Independent Fiscal Office provides nonpartisan budget information and analysis.

The Public Employee Retirement Commission monitors public employee retirement systems to assure their actuarial viability, and studies the retirement needs of public employees in order to formulate principles, develop objectives and recommend legislation.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

| GENERAL FUND                |  |
|-----------------------------|--|
| Government Support Agencies |  |
| \$ 13,553                   | —restoration of line-item veto cuts made during 2014-15 for all appropriations except Legislative Budget and Finance Committee, Local Government Commission and Local Government Codes, which are recommended at the requested funding levels. |

### Appropriations within this Program:

(Dollar Amounts in Thousands)

|                                  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Budget | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|----------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND:</b>             |                   |                      |                   |                      |                      |                      |                      |
| Government Support Agencies..... | \$ 44,369         | \$ 35,216            | \$ 48,769         | \$ 48,769            | \$ 48,769            | \$ 48,769            | \$ 48,769            |

– THIS PAGE INTENTIONALLY LEFT BLANK –



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *CAPITAL BUDGET*



– THIS PAGE INTENTIONALLY LEFT BLANK –

## Program Summary

This section presents the 2015-16 Capital Budget and Five Year Capital Program. The proposed funding sources and amounts needed to support capital programs are projected for five fiscal years.

All projects are grouped by categories regardless of the source of funding. The six categories, as explained below, are consistently used for projects which are to be funded by commonwealth debt obligations, current revenues and funds received from other jurisdictions. Funding source distinctions are clearly noted throughout the section which itemizes the recommended capital program.

**Public Improvement Projects** — this category includes various types of renovation projects and new buildings, nonstructural improvements and the acquisition of land. The Department of General Services administers design and construction for the majority of these projects. However, Keystone Recreation, Park and Conservation and Environmental Stewardship projects are administered by the Department of Conservation and Natural Resources.

**Public Improvement—Original Furniture and Equipment Projects** — this category provides for the equipping of newly completed public improvement projects by purchasing original movable furniture and equipment through the Department of General Services. Replacement furniture and equipment to be used in existing buildings are purchased as fixed assets through agency operating budgets.

**Transportation Assistance Projects** — this category of projects include: the purchase of rolling stock and construction or improvement of facilities operated by mass transportation agencies throughout the commonwealth; the acquisition, construction and equipping of rural and intercity common carrier surface transportation systems or any components thereof; and air transportation systems. These projects are administered by the Department of Transportation.

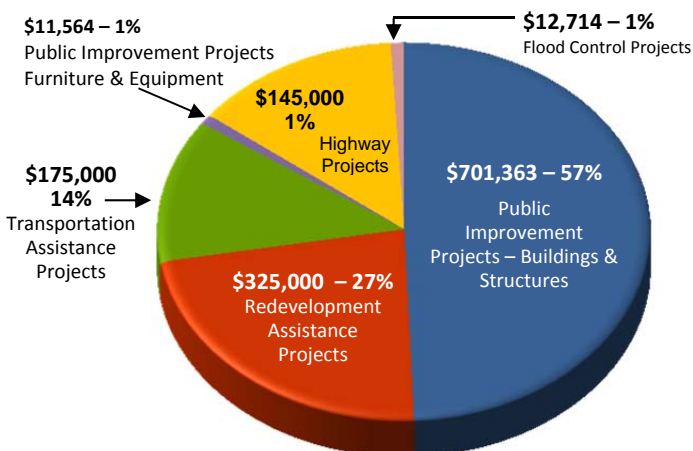
**Redevelopment Assistance Projects** — this category provides grants for the acquisition of land and the construction of buildings and other property appurtenances for municipal agencies and authorities for economic development and the prevention and elimination of blight.

**Flood Control Projects** — this category provides the state's share of federal flood control works and improvements to prevent floods and to preserve, control and regulate the flow of rivers and streams in the commonwealth. These projects are administered by the Department of Environmental Protection.

**Highway Projects** — this category includes the design, purchase of rights-of-way, construction, reconstruction and other improvements to highways and bridges on the state highway system. These projects are designed and constructed by the Department of Transportation.

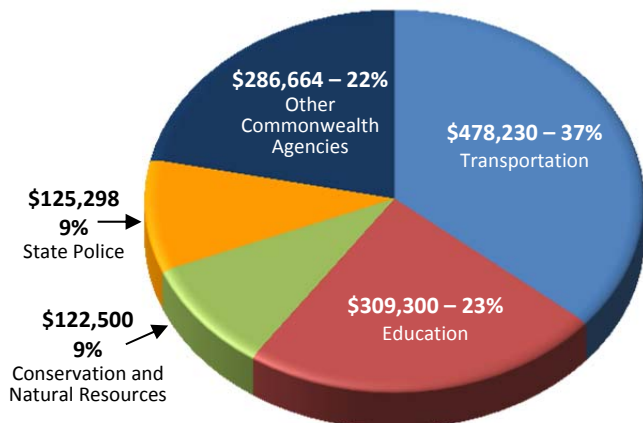
**2015-16 Estimated Capital Expenditures  
Capital Facilities Bond Fund**

(Dollar Amounts in Thousands)



**Recommended 2015-16 New Project Authorizations  
Capital Facilities Bond Fund**

(Dollar Amounts in Thousands)



**Capital Budget Financing.** Most project authorizations recommended in the capital budget are debt financed by General Obligation Bonds. However, other capital projects are financed by current revenues either from dedicated sources or appropriations through operating budgets. An additional \$859.8 million in 2015-16 new project authorizations (mostly highway projects) is financed by current revenues.

The Capital Budget section consists of the following three subsections.

**2015-16 New Project Authorizations** — this section itemizes and describes the new capital projects recommended for authorization in 2015-16 and their proposed source of funding. The projects are listed by department and capital project category.

**Impact on Operating Costs.** The description of each recommended capital project contains a statement concerning the impact on program operating costs expected from the implementation of the capital project. With certain exceptions, the statement indicates little or no effect on operating costs. This is due to the fact that most capital projects involve the renovation or replacement of existing facilities. Consequently, any operating cost impact is derived from such items as efficiencies in energy consumption and avoided maintenance. These items, when viewed in terms of the total agency or program budget, generally tend to be negligible.

An exception is when a large-scale project is implemented which will dramatically change efficiencies and other components of an operating budget. In this case, the expected change in operating expenses is quantified. The net change in operating cost also is quantified when new construction will result in a significant increase in the capital asset base. A more precise figure will be recommended in the agency's operating budget when the project has been completed, which is usually several years after a capital project is authorized.

There are several categories of capital authorizations for which no estimate of operating cost impact is provided. Among these are Redevelopment Assistance, Flood Control, Transportation Assistance and flood protection projects undertaken as part of

the Public Improvement category. These projects constitute improvements to the property of other entities, primarily local jurisdictions such as cities, boroughs, townships and universities, among others. Any change in operating costs will, therefore, be borne by an entity other than the commonwealth.

Finally, the Highway Projects category also will not provide a statement of operating cost impact. This is because the bulk of capital spending in this category is for the rehabilitation of the existing highway network rather than the addition of new mileage. As rehabilitation takes place, previously high maintenance costs are avoided. These avoided maintenance costs are then shifted to other segments of roadway where repair needs are relatively significant. As a result, the total highway operating budget experiences little net change.

**Future New Project Authorizations** — this section contains a dollar forecast of new capital projects requested during each of the fiscal years 2016-17 through 2019-20. The projections are grouped by department and capital project category.

**Estimated Capital Project Expenditures** — this section provides an estimate of expenditures for capital projects during each of the next five fiscal years. Since design, acquisition and construction of a project are not generally completed during the fiscal year in which the project is initiated, actual expenditures usually occur over several fiscal years. The estimated expenditures determine the amount of bonds which must be issued or the current revenue appropriations required in each fiscal year. The projections are listed by capital project category and agency and are further subdivided by currently authorized projects, new projects proposed for 2015-16 and projects which will be authorized in the future (through 2019-20).

## ESTIMATED CAPITAL EXPENDITURES State Funds

This table presents summary data on the source of funding and use for currently authorized and proposed capital projects. Detailed information on debt issued for capital projects is contained in the Public Debt section of this budget document.

(Dollar Amounts in Thousands)

|   | 2015-16<br>Estimated       | 2016-17<br>Estimated       | 2017-18<br>Estimated       | 2018-19<br>Estimated       | 2019-20<br>Estimated       |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>GENERAL OBLIGATION BOND FUNDING</b>  |                            |                            |                            |                            |                            |
| <b>Revenues</b>   |                            |                            |                            |                            |                            |
| Capital Facilities Bonds:   |                            |                            |                            |                            |                            |
| Public Improvement Projects - Buildings and Structures.....   | \$ 750,000                 | \$ 765,000                 | \$ 780,000                 | \$ 796,000                 | \$ 812,000                 |
| Public Improvement Projects - Furniture and Equipment.....  | 20,000                     | 20,000                     | 20,000                     | 20,000                     | 20,000                     |
| Redevelopment Assistance Projects.....  | 335,000                    | 342,000                    | 349,000                    | 356,000                    | 363,000                    |
| Flood Control Projects.....   | 10,000                     | 10,000                     | 10,000                     | 10,000                     | 10,000                     |
| Transportation Assistance Projects.....   | 175,000                    | 175,000                    | 175,000                    | 175,000                    | 175,000                    |
| Less: Costs of Issue.....   | -5,000                     | -5,000                     | -5,000                     | -5,000                     | -5,000                     |
| Miscellaneous Revenue.....  | 11,230                     | 5,615                      | 5,615                      | 5,615                      | 5,615                      |
| Change in Available Cash.....   | -70,589                    | -23,825                    | -162,056                   | 18,662                     | -169,174                   |
| Total.....  | <u>\$ 1,225,641</u>        | <u>\$ 1,288,790</u>        | <u>\$ 1,172,559</u>        | <u>\$ 1,376,277</u>        | <u>\$ 1,211,441</u>        |
| <b>Expenditures</b>   |                            |                            |                            |                            |                            |
| Capital Facilities Fund:  |                            |                            |                            |                            |                            |
| Public Improvement Projects - Buildings and Structures.....   | \$ 701,363                 | \$ 672,351                 | \$ 674,505                 | \$ 870,376                 | \$ 838,253                 |
| Public Improvement Projects - Furniture and Equipment.....  | 11,564                     | 35,249                     | 6,865                      | 14,712                     | 14,712                     |
| Redevelopment Assistance Projects.....  | 325,000                    | 385,000                    | 295,000                    | 295,000                    | 175,000                    |
| Flood Control Projects.....   | 12,714                     | 21,189                     | 21,189                     | 21,189                     | 8,476                      |
| Transportation Assistance Projects.....   | 175,000                    | 175,000                    | 175,000                    | 175,000                    | 175,000                    |
| Total - General Obligation Bonds.....   | <u>\$ 1,225,641</u>        | <u>\$ 1,288,790</u>        | <u>\$ 1,172,559</u>        | <u>\$ 1,376,277</u>        | <u>\$ 1,211,441</u>        |
| <b>FROM CURRENT REVENUES</b>  |                            |                            |                            |                            |                            |
| Public Improvement Projects - Fish and Boat Fund.....   | \$ 750                     | \$ 750                     | \$ 750                     | \$ 750                     | \$ 750                     |
| Acquisition, Improvement and Restoration Projects -<br>Keystone Recreation, Park and Conservation Fund..... | 17,677                     | 18,325                     | 18,325                     | 11,801                     | 17,495                     |
| Acquisition, Rehabilitation and Development Projects<br>Environmental Stewardship Fund.....                 | 7,905                      | 11,761                     | 12,173                     | 12,599                     | 13,040                     |
| Highway Projects - Motor License Fund.....  | 481,869                    | 409,059                    | 409,623                    | 422,687                    | 434,245                    |
| Total Current Revenues.....   | <u>\$ 508,201</u>          | <u>\$ 439,895</u>          | <u>\$ 440,871</u>          | <u>\$ 447,837</u>          | <u>\$ 465,530</u>          |
| <b>TOTAL - ALL FUNDS .....</b>  | <u><u>\$ 1,733,842</u></u> | <u><u>\$ 1,728,684</u></u> | <u><u>\$ 1,613,430</u></u> | <u><u>\$ 1,824,114</u></u> | <u><u>\$ 1,676,970</u></u> |

## FORECAST OF NEW PROJECT AUTHORIZATIONS State Funds

This table provides a summary of the budget recommendations and potential future authorizations by department.

(Dollar Amounts in Thousands)

|   | 2015-16             | 2016-17             | 2017-18             | 2018-19           | 2019-20           | Total               |
|---|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|
| Agriculture.....                        | \$ 8,750            | \$ 8,750            | \$ 8,750            | \$ 8,750          | \$ 8,750          | \$ 43,750           |
| Conservation and Natural Resources..... | 143,040             | 33,800              | 69,500              | 80,500            | 122,550           | 449,390             |
| Corrections.....                        | 95,780              | 95,880              | 0                   | 0                 | 0                 | 191,660             |
| Education.....                          | 279,300             | 449,400             | 290,000             | 241,750           | 206,500           | 1,466,950           |
| Environmental Protection.....           | 0                   | 6,990               | 21,064              | 49,752            | 20,425            | 98,231              |
| General Services.....                   | 6,900               | 18,500              | 16,750              | 0                 | 0                 | 42,150              |
| Historical and Museum Commission.....   | 29,380              | 29,380              | 36,000              | 28,775            | 28,380            | 151,915             |
| Human Services.....                     | 33,430              | 33,100              | 24,870              | 0                 | 0                 | 91,400              |
| Labor and Industry.....                 | 0                   | 0                   | 0                   | 0                 | 0                 | 0                   |
| Military and Veterans Affairs.....      | 149,830             | 0                   | 0                   | 0                 | 0                 | 149,830             |
| State Police.....                       | 125,298             | 125,298             | 0                   | 0                 | 0                 | 250,596             |
| Transportation.....                     | 1,267,048           | 859,020             | 575,000             | 575,000           | 575,000           | 3,851,068           |
| <b>TOTAL.....</b>                       | <b>\$ 2,138,756</b> | <b>\$ 1,660,118</b> | <b>\$ 1,041,934</b> | <b>\$ 984,527</b> | <b>\$ 961,605</b> | <b>\$ 6,786,940</b> |

## RECOMMENDED 2015-16 NEW PROJECT AUTHORIZATIONS STATE FUNDS

This table provides a summary of new project authorizations by department and capital program category within bond and current revenue sources.

(Dollar Amounts in Thousands)

|   | Capital Facilities<br>Bond Funds  |                                      |  |                              |
|---|-----------------------------------|--------------------------------------|--|------------------------------|
|   | Public<br>Improvement<br>Projects | Original<br>Furniture &<br>Equipment | Transportation<br>Assistance<br>Projects | Flood<br>Control<br>Projects |
| Agriculture.....                        | \$ 8,750                          | \$ 0                                 | \$ 0                                     | \$ 0                         |
| Conservation and Natural Resources..... | 111,500                           | 0                                    | 0  | 0                            |
| Corrections.....                        | 95,780                            | 0                                    | 0  | 0                            |
| Education.....                          | 262,500                           | 16,800                               | 0  | 0                            |
| Emergency Management Agency.....        | 0                                 | 0                                    | 0  | 0                            |
| Environmental Protection.....           | 0                                 | 0                                    | 0  | 0                            |
| Executive Offices.....                  | 0                                 | 0                                    | 0  | 0                            |
| Fish and Boat Commission.....           | 0                                 | 0                                    | 0  | 0                            |
| Game Commission.....                    | 0                                 | 0                                    | 0  | 0                            |
| General Services.....                   | 6,900                             | 0                                    | 0  | 0                            |
| Human Services.....                     | 33,430                            | 0                                    | 0  | 0                            |
| Historical and Museum Commission.....   | 26,680                            | 2,700                                | 0  | 0                            |
| Labor and Industry.....                 | 0                                 | 0                                    | 0  | 0                            |
| Military and Veterans Affairs.....      | 110,424                           | 0                                    | 0  | 0                            |
| State Police.....                       | 125,298                           | 0                                    | 0  | 0                            |
| Transportation.....                     | 75,000                            | 0                                    | 404,230                                  | 0                            |
| <b>TOTAL.....</b>                       | <b>\$ 856,262</b>                 | <b>\$ 19,500</b>                     | <b>\$ 404,230</b>                        | <b>\$ 0</b>                  |

|   | Current Revenues    |                                   | All<br>Funds        |
|---|---------------------|-----------------------------------|---------------------|
|   | Highway<br>Projects | Public<br>Improvement<br>Projects |                     |
| Agriculture.....                        | \$ 0                | \$ 0                              | \$ 8,750            |
| Conservation and Natural Resources..... | 0                   | 31,540                            | 143,040             |
| Corrections.....                        | 0                   | 0                                 | 95,780              |
| Education.....                          | 0                   | 0                                 | 279,300             |
| Emergency Management Agency.....        | 0                   | 0                                 | 0                   |
| Environmental Protection.....           | 0                   | 0                                 | 0                   |
| Executive Offices.....                  | 0                   | 0                                 | 0                   |
| Fish and Boat Commission.....           | 0                   | 0                                 | 0                   |
| Game Commission.....                    | 0                   | 0                                 | 0                   |
| General Services.....                   | 0                   | 0                                 | 6,900               |
| Historical and Museum Commission.....   | 0                   | 0                                 | 29,380              |
| Human Services.....                     | 0                   | 0                                 | 33,430              |
| Labor and Industry.....                 | 0                   | 0                                 | 0                   |
| Military and Veterans Affairs.....      | 0                   | 39,406                            | 149,830             |
| State Police.....                       | 0                   | 0                                 | 125,298             |
| Transportation.....                     | 787,818             | 0                                 | 1,267,048           |
| <b>TOTAL.....</b>                       | <b>\$ 787,818</b>   | <b>\$ 70,946</b>                  | <b>\$ 2,138,756</b> |

## DEPARTMENT OF AGRICULTURE

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b>2015-16 PUBLIC IMPROVEMENT PROJECTS</b>                 |                         |              |                           |                          |
| Protection and Development of Agricultural Industries..... | \$ 8,750                | \$ 0         | \$ 0                      | \$ 8,750                 |
| TOTAL.....   | <u>\$ 8,750</u>         | <u>\$ 0</u>  | <u>\$ 0</u>               | <u>\$ 8,750</u>          |

### SOURCE OF FUNDS

#### General Obligation Bond Issues

|   |                 |             |             |                 |
|---|-----------------|-------------|-------------|-----------------|
| Capital Facilities Fund - Buildings and Structures..... | \$ 8,750        | \$ 0        | \$ 0        | \$ 8,750        |
| TOTAL.....  | <u>\$ 8,750</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 8,750</u> |

## Department of Agriculture 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Protection and Development of Agricultural Industries

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b>DAUPHIN COUNTY</b>   |                         |              |                           |                          |
| <b>Farm Show Complex</b>  | \$ 3,750                | \$ 0         | \$ 0                      | \$ 3,750                 |
| UPGRADE INFORMATION TECHNOLOGY INFRASTRUCTURE:  |                         |              |                           |                          |
| This project will provide for upgrades to the information technology infrastructure including security and linking improvements to meet current needs.                            |                         |              |                           |                          |
| <b>Farm Show Complex</b>  | 2,700                   | 0            | 0                         | 2,700                    |
| UPGRADE INFRASTRUCTURE: This project will provide for upgrades to the subsurface water and utility lines.   |                         |              |                           |                          |
| <b>Vetinary Laboratory</b>  | 2,300                   | 0            | 0                         | 2,300                    |
| DISSEMBLE ALKALINE DIGESTER: This project will provide for the disassembly of an alkaline digester at the Vetinary Laboratory that is no longer in use and reconfigure lab space. |                         |              |                           |                          |
| PROGRAM TOTAL.....  | <u>\$ 8,750</u>         | <u>\$ 0</u>  | <u>\$ 0</u>               | <u>\$ 8,750</u>          |



## DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b>2015-16 PUBLIC IMPROVEMENT PROJECTS</b> |                         |              |                           |                          |
| Parks and Forest Management.....           | \$ 130,440              | \$ 0         | \$ 12,600                 | \$ 143,040               |
| TOTAL.....                                 | <u>\$ 130,440</u>       | <u>\$ 0</u>  | <u>\$ 12,600</u>          | <u>\$ 143,040</u>        |

### SOURCE OF FUNDS

#### General Obligation Bond Issues

|   |           |      |           |            |
|---|-----------|------|-----------|------------|
| Capital Facilities Fund - Buildings and Structures..... | \$ 98,900 | \$ 0 | \$ 12,600 | \$ 111,500 |
|---|-----------|------|-----------|------------|

#### Current Revenues

|  |                   |             |                  |                   |
|--|-------------------|-------------|------------------|-------------------|
| Keystone Recreation, Park and Conservation Fund -<br>Improvements and Rehabilitation.....              | \$ 3,775          | \$ 0        | \$ 0             | \$ 3,775          |
| Growing Greener 'Environmental Stewardship Fund -<br>Acquisition, Improvements and Rehabilitation..... | 6,350             | 0           | 0                | 6,350             |
| State Forestry Bridge - Parks and Forest Management.....   | 6,710             | 0           | 0                | 6,710             |
| ATV/Snowmobile Funds - Parks and Forest Management.....  | 180               | 0           | 0                | 180               |
| Dirt and Gravel Funds -<br>Acquisition, Improvements and Rehabilitation.....                           | 500               | 0           | 0                | 500               |
| Oil & Gas Lease Funds - Parks and Forest Management.....   | 5,225             | 0           | 0                | 5,225             |
| Commonwealth Finance Authority Grants -<br>Parks and Forest Management.....                            | 8,800             | 0           | 0                | 8,800             |
| Subtotal Current Revenues.....   | <u>\$ 31,540</u>  | <u>\$ 0</u> | <u>\$ 0</u>      | <u>\$ 31,540</u>  |
| TOTAL.....   | <u>\$ 130,440</u> | <u>\$ 0</u> | <u>\$ 12,600</u> | <u>\$ 143,040</u> |

## Department of Conservation and Natural Resources 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

| (Dollar Amounts in Thousands)   |                         |              |                           |                          |
|---|-------------------------|--------------|---------------------------|--------------------------|
|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
| <b><u>BUCKS COUNTY</u></b>  |                         |              |                           |                          |
| <b>Delaware Canal State Park</b>  | \$ 25,200               | \$ 0         | \$ 2,800                  | \$ 28,000                |
| REHABILITATE CANAL STRUCTURES: This project will rehabilitate canal structures, buildings, roads, bridges, parking lots, walls, tow paths and comfort facilities. |                         |              |                           |                          |
| <b><u>CAMERON COUNTY</u></b>  |                         |              |                           |                          |
| <b>Elk State Forest</b>   | 2,800                   | 0            | 700                       | 3,500                    |
| REPLACE HEADQUARTERS: This project will provide for the replacement of Brooks Run Maintenance Headquarters and a storage building.                                |                         |              |                           |                          |
| <b><u>CLINTON COUNTY</u></b>  |                         |              |                           |                          |
| <b>Sproul State Forest</b>  | 2,400                   | 0            | 600                       | 3,000                    |
| CONSTRUCT HEADQUARTERS: This project will provide for the construction of Snow Shoe Run Maintenance Headquarters.   |                         |              |                           |                          |
| <b><u>ELK COUNTY</u></b>  |                         |              |                           |                          |
| <b>Elk State Forest</b>   | 2,400                   | 0            | 600                       | 3,000                    |
| REPLACE HEADQUARTERS: This project will provide for the replacement of Hick Run Maintenance Headquarters complex.   |                         |              |                           |                          |
| <b><u>ERIE COUNTY</u></b>   |                         |              |                           |                          |
| <b>Presque Island State Park</b>  | 30,000                  | 0            | 0                         | 30,000                   |
| UPDATE MASTER PLAN: This project will provide for the update of the master plan including replacement or rehabilitation of facilities.                            |                         |              |                           |                          |
| <b><u>FOREST COUNTY</u></b>   |                         |              |                           |                          |
| <b>Cornplanter State Forest</b>   | 6,400                   | 0            | 1,600                     | 8,000                    |
| CONSTRUCT RESOURCE CENTER: This project will provide for the construction of a new resource management center and storage building.                               |                         |              |                           |                          |
| <b><u>FRANKLIN COUNTY</u></b>   |                         |              |                           |                          |
| <b>Michaux State Forest</b>   | 6,400                   | 0            | 1,600                     | 8,000                    |
| CONSTRUCT RESOURCE CENTER: This project will provide for the construction of a new resource management center and storage building.                               |                         |              |                           |                          |
| <b><u>FULTON COUNTY</u></b>   |                         |              |                           |                          |
| <b>Cowans Gap State Park</b>  | 5,400                   | 0            | 600                       | 6,000                    |
| CONSTRUCT NEW VISITORS' CENTER: This project will provide for the construction of a new visitors' center and office for information and park administration.      |                         |              |                           |                          |
| <b><u>LACKAWANNA COUNTY</u></b>   |                         |              |                           |                          |
| <b>Lackawanna State Forest</b>  | 2,400                   | 0            | 600                       | 3,000                    |
| REMOVE DAM: This project will provide for the the breach and removal of Edgerton Dam, and remediation.  |                         |              |                           |                          |

## Department of Conservation and Natural Resources 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS (continued)

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>LUZERNE COUNTY</u></b>   |                         |              |                           |                          |
| <b>Hazleton Air Operations</b>   | \$ 2,400                | \$ 0         | \$ 600                    | \$ 3,000                 |
| REBUILD OPERATIONS BUILDING: This project will provide for the razing and rebuilding of the Air Operations Building to meet current needs and codes.   |                         |              |                           |                          |
| <b><u>LYCOMING COUNTY</u></b>  |                         |              |                           |                          |
| <b>Tiadaghton State Forest</b>   | 8,000                   | 0            | 2,000                     | 10,000                   |
| CONSTRUCT FISHWAY: This project will provide for the construction of the Hepburn Street Fishway on the West Branch of the Susquehanna River to allow fish passage over the existing dam.                       |                         |              |                           |                          |
| <b><u>NORTHUMBERLAND COUNTY</u></b>  |                         |              |                           |                          |
| <b>Shikellamy State Park</b>   | 2,700                   | 0            | 300                       | 3,000                    |
| REHABILITATE MARINA: This project will provide for the rehabilitation of the Marina Building Complex including building, bulkhead, launch parking, boat rental and storage areas, and shoreline stabilization. |                         |              |                           |                          |
| <b><u>UNION COUNTY</u></b>   |                         |              |                           |                          |
| <b>Bald Eagle State Forest</b>   | 2,400                   | 0            | 600                       | 3,000                    |
| REMOVE DAM: This project will provide for the the breach and removal of Stoney Run Dam, and remediation.   |                         |              |                           |                          |
| PROGRAM TOTAL.....   | <u>\$ 98,900</u>        | <u>\$ 0</u>  | <u>\$ 12,600</u>          | <u>\$ 111,500</u>        |

## Department of Conservation and Natural Resources 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>BEDFORD COUNTY</u></b>  |                         |              |                           |                          |
| <b>Park Region #3</b>   | \$ 275                  | \$ 0         | \$ 0                      | \$ 275                   |
| REPLACE HVAC: This project will replace the park's HVAC and upgrade the regional office to comply with ADA requirements.                                    |                         |              |                           |                          |
| <b><u>BERKS COUNTY</u></b>  |                         |              |                           |                          |
| <b>French Creek State Park</b>  | 300                     | 0            | 0                         | 300                      |
| REHABILITATE SEWAGE TREATMENT FACILITY: This project will rehabilitate the sewage treatment facility to meet current needs and code compliance.             |                         |              |                           |                          |
| <b><u>CAMBRIA COUNTY</u></b>  |                         |              |                           |                          |
| <b>Gallitzan State Park</b>   | 200                     | 0            | 0                         | 200                      |
| REMEDiate SKEET RANGE: This project will remediate the skeet range to meet current needs.   |                         |              |                           |                          |
| <b><u>CENTRE COUNTY</u></b>   |                         |              |                           |                          |
| <b>Bald Eagle State Park</b>  | 250                     | 0            | 0                         | 250                      |
| REHABILITATE ENVIRONMENTAL LEARNING CENTER: This project will rehabilitate the Environmental Learning Center.   |                         |              |                           |                          |
| <b>Black Moshannon State Park</b>   | 400                     | 0            | 0                         | 400                      |
| REMEDiate SHOOTING RANGE: This project will remediate the shooting range to meet current needs.   |                         |              |                           |                          |
| <b><u>CLINTON COUNTY</u></b>  |                         |              |                           |                          |
| <b>Sproul State Forest</b>  | 200                     | 0            | 0                         | 200                      |
| EXPLORE GEOTHERMAL HEATING SYSTEM: This project will provide for the exploratory investigation of using a Geothermal Heating System.                        |                         |              |                           |                          |
| <b><u>CRAWFORD COUNTY</u></b>   |                         |              |                           |                          |
| <b>Pymatuning State Park</b>  | 300                     | 0            | 0                         | 300                      |
| REHABILITATE WATER SYSTEM: This project will provide for the rehabilitation of water systems within the Jamestown Cabins.                                   |                         |              |                           |                          |
| <b><u>FOREST COUNTY</u></b>   |                         |              |                           |                          |
| <b>Cook Forest State Park</b>   | 200                     | 0            | 0                         | 200                      |
| REMOVE UNDERGROUND STORAGE TANK: This project will provide for the removal of an underground storage tank and replace it with an above ground storage tank. |                         |              |                           |                          |
| <b><u>FRANKLIN COUNTY</u></b>   |                         |              |                           |                          |
| <b>Michaux State Forest</b>   | 300                     | 0            | 0                         | 300                      |
| REHABILITATE SHOOTING RANGE: This project will rehabilitate the shooting target range to meet current needs.  |                         |              |                           |                          |

## Department of Conservation and Natural Resources 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES (continued)

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>HUNTINGDON COUNTY</u></b>   |                         |              |                           |                          |
| <b>Rothrock State Forest</b>  | \$ 250                  | \$ 0         | \$ 0                      | \$ 250                   |
| CONSTRUCT POLE BUILDING: This project will provide for the construction of a pole building at Greenwood Headquarters. |                         |              |                           |                          |
| <b><u>PERRY COUNTY</u></b>  |                         |              |                           |                          |
| <b>Tuscarora State Forest</b>   | 250                     | 0            | 0                         | 250                      |
| CONSTRUCT POLE BUILDING: This project will provide for the construction of a pole building at East Licking Creek.     |                         |              |                           |                          |
| <b><u>TIOGA COUNTY</u></b>  |                         |              |                           |                          |
| <b>Hills Creek State Park</b>   | 250                     | 0            | 0                         | 250                      |
| REPLACE CULVERT: This project will provide for the replacement of a culvert on the main park road.                    |                         |              |                           |                          |
| <b><u>WESTMORELAND COUNTY</u></b>   |                         |              |                           |                          |
| <b>Forbes State Park</b>  | 600                     | 0            | 0                         | 600                      |
| CONSTRUCT POLE BUILDING: This project will provide for the construction of a pole building.                           |                         |              |                           |                          |
| PROGRAM TOTAL.....  | <u>\$ 3,775</u>         | <u>\$ 0</u>  | <u>\$ 0</u>               | <u>\$ 3,775</u>          |

## Department of Conservation and Natural Resources 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM GROWING GREENER ENVIRONMENTAL STEWARDSHIP FUND CURRENT REVENUES

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

|  | (Dollar Amounts in Thousands) |              |                           |                          |
|--|-------------------------------|--------------|---------------------------|--------------------------|
|  | Base<br>Project<br>Cost       | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
| <b><u>BUCKS COUNTY</u></b>   |                               |              |                           |                          |
| <b>Delaware Canal State Park</b>   | \$ 400                        | \$ 0         | \$ 0                      | \$ 400                   |
| REPLACE BRIDGE: This project will replace Bridge #4 at Smithtown.  |                               |              |                           |                          |
| <b>Delaware Canal State Park</b>   | 450                           | 0            | 0                         | 450                      |
| REPLACE STRUCTURE: This project will replace superstructure of Redfield Road Bridge.   |                               |              |                           |                          |
| <b>Nockamixon State Park</b>   | 1,500                         | 0            | 0                         | 1,500                    |
| REPAVE ROADWAYS: This project will provide for the repavement of roadways throughout the park.   |                               |              |                           |                          |
| <b><u>CARBON COUNTY</u></b>  |                               |              |                           |                          |
| <b>Lehigh Gorge State Park</b>   | 575                           | 0            | 0                         | 575                      |
| REPAIR STRUCTURE: This project will repair the Glen Onoko Bridge bearings.   |                               |              |                           |                          |
| <b><u>ERIE COUNTY</u></b>  |                               |              |                           |                          |
| <b>Presque Isle State Park</b>   | 400                           | 0            | 0                         | 400                      |
| CONNECT SEWAGE LINE: This project will provide for the connection of Beach #1 to municipal sewage treatment facilities.                  |                               |              |                           |                          |
| <b><u>HUNTINGDON COUNTY</u></b>  |                               |              |                           |                          |
| <b>Rothrock State Park</b>   | 250                           | 0            | 0                         | 250                      |
| CONSTRUCT POLE BUILDING: This project will provide for the construction of a pole building at Whipple Dam.                               |                               |              |                           |                          |
| <b><u>LANCASTER COUNTY</u></b>   |                               |              |                           |                          |
| <b>Susquehannock State Park</b>  | 250                           | 0            | 0                         | 250                      |
| REPAVE ROADWAYS: This project will provide for the repavement of roadways throughout the park.   |                               |              |                           |                          |
| <b><u>LUZERNE COUNTY</u></b>   |                               |              |                           |                          |
| <b>Frances Slocum State Park</b>   | 1,600                         | 0            | 0                         | 1,600                    |
| REHABILITATE RESOURCE CENTER: This project will provide for the rehabilitation of the Environmental Education Resource Center.           |                               |              |                           |                          |
| <b><u>MIFFLIN COUNTY</u></b>   |                               |              |                           |                          |
| <b>Reed Gap State Park</b>   | 375                           | 0            | 0                         | 375                      |
| DEMOLISH SEWAGE SYSTEM: This project will provide for the demolition of the sewage treatment plant and construction of an on-lot system. |                               |              |                           |                          |
| <b><u>POTTER COUNTY</u></b>  |                               |              |                           |                          |
| <b>Cherry Springs State Park</b>   | 200                           | 0            | 0                         | 200                      |
| CONSTRUCT WATER FACILITY: This project will provide for the construction of a water treatment and storage facility.                      |                               |              |                           |                          |
| <b><u>UNION COUNTY</u></b>   |                               |              |                           |                          |
| <b>Bald Eagle State Forest</b>   | 350                           | 0            | 0                         | 350                      |
| CONSTRUCT BUILDING: This project will provide for the construction of a pole building for the Bald Eagle Maintenance Headquarters.       |                               |              |                           |                          |
| PROGRAM TOTAL.....   | <u>\$ 6,350</u>               | <u>\$ 0</u>  | <u>\$ 0</u>               | <u>\$ 6,350</u>          |

## Department of Conservation and Natural Resources 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM STATE FORESTRY BRIDGE CURRENT REVENUES

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

| (Dollar Amounts in Thousands)   |                         |              |                           |                          |
|---|-------------------------|--------------|---------------------------|--------------------------|
|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
| <b><u>BEDFORD COUNTY</u></b>  |                         |              |                           |                          |
| <b>Buchanan State Forest</b>  | \$ 320                  | \$ 0         | \$ 0                      | \$ 320                   |
| REHABILITATE BRIDGE: This project will provide for the rehabilitation of Abey Road Bridge over Town Creek - Georgetown Branch.                |                         |              |                           |                          |
| <b><u>CAMBRIA COUNTY</u></b>  |                         |              |                           |                          |
| <b>Gallitzan State Park</b>   | 200                     | 0            | 0                         | 200                      |
| REPLACE BRIDGE: This project will replace Babcock Creek Road Bridge over Babcock Creek.   |                         |              |                           |                          |
| <b><u>CAMERON COUNTY</u></b>  |                         |              |                           |                          |
| <b>Elk State Forest</b>   | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace Bridge No 13-9008 over Sand Spring Run.  |                         |              |                           |                          |
| <b>Elk State Forest</b>   | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace Dents Run Road over Dents Run.   |                         |              |                           |                          |
| <b>Elk State Forest</b>   | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace structure at Fee Hollow Road over West Cowley Run.   |                         |              |                           |                          |
| <b>Elk State Forest</b>   | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace structure at Hicks Run Road over Beldin Hollow.  |                         |              |                           |                          |
| <b>Elk State Forest</b>   | 600                     | 0            | 0                         | 600                      |
| REPLACE STRUCTURE: This project will replace structure No. 13-9016, 13-9019 and 9021, at Naval Hollow Road over Naval Hollow Creek.           |                         |              |                           |                          |
| <b><u>CLEARFIELD COUNTY</u></b>   |                         |              |                           |                          |
| <b>Moshannon State Forest</b>   | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace Bridge No 09-0038 at Gordon Road over Whitney Run.   |                         |              |                           |                          |
| <b>Moshannon State Forest</b>   | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace Bridge No 09-0039, at Harley Dean Road over Laurel Run.  |                         |              |                           |                          |
| <b>Moshannon State Forest</b>   | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace Bridge No 09-0040, at Blackwell Road over tributary to Laurel Run.                               |                         |              |                           |                          |
| <b><u>CLINTON COUNTY</u></b>  |                         |              |                           |                          |
| <b>Sproul State Forest</b>  | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace structure at Barney Ridge Road over Barneys Run.   |                         |              |                           |                          |
| <b>Sproul State Forest</b>  | 400                     | 0            | 0                         | 400                      |
| REPLACE STRUCTURE: This project will replace Bridge A No. 10-0069, at Cole Run Road over Camp Run, and Bridge B No. 10-0068 at Cole Run Road. |                         |              |                           |                          |

## Department of Conservation and Natural Resources 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM STATE FORESTRY BRIDGE CURRENT REVENUES (continued)

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

| (Dollar Amounts in Thousands)   |                         |              |                           |                          |
|---|-------------------------|--------------|---------------------------|--------------------------|
|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
| <b><u>FRANKLIN COUNTY</u></b>   |                         |              |                           |                          |
| <b>Buchanan State Forest</b>  | \$ 600                  | \$ 0         | \$ 0                      | \$ 600                   |
| REHABILITATE BRIDGES: This project will provide for the rehabilitation of Bridge No. 3 over Conodoquinet Creek and Bridge No. 4 over Trout Run. |                         |              |                           |                          |
| <b><u>HUNTINGDON COUNTY</u></b>   |                         |              |                           |                          |
| <b>Rothrock State Forest</b>  | 400                     | 0            | 0                         | 400                      |
| REPLACE CULVERTS: This project will provide for the replacement of two box culverts at Boal Gap Road and Krise Valley Road over Boal Gap Run.   |                         |              |                           |                          |
| <b>Rothrock State Forest</b>  | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace Bridge No. 05-0029, at Spruce Mountain Road over unnamed tributary.                                |                         |              |                           |                          |
| <b>Rothrock State Forest</b>  | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace Bridge No. 05-0030, at Cinklin Road over Lingle Creek.   |                         |              |                           |                          |
| <b><u>LYCOMING COUNTY</u></b>   |                         |              |                           |                          |
| <b>Tiadaghton State Forest</b>  | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace Browns Run Road structure over Browns Run.   |                         |              |                           |                          |
| <b><u>MONROE COUNTY</u></b>   |                         |              |                           |                          |
| <b>Delaware State Forest</b>  | 400                     | 0            | 0                         | 400                      |
| REPLACE CULVERTS: This project will provide for the replacement of two box culverts at Five Mile Meadow Road.                                   |                         |              |                           |                          |
| <b><u>PERRY COUNTY</u></b>  |                         |              |                           |                          |
| <b>Tuscarora State Forest</b>   | 350                     | 0            | 0                         | 350                      |
| REPLACE STRUCTURE: This project will replace a structure at Steizer Road over Black Log Creek and Spectacle Gap Road over Spectacle Run.        |                         |              |                           |                          |
| <b><u>POTTER COUNTY</u></b>   |                         |              |                           |                          |
| <b>Susquehannock State Forest</b>   | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace Bridge No. 15-9000, at Lebo Road over Big Spring Branch of Lebo Run.                               |                         |              |                           |                          |
| <b><u>SULLIVAN COUNTY</u></b>   |                         |              |                           |                          |
| <b>Loyalsock State Forest</b>   | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace a structure at McCarty Road over Dutters Run.  |                         |              |                           |                          |
| <b><u>UNION COUNTY</u></b>  |                         |              |                           |                          |
| <b>Bald Eagle State Forest</b>  | 320                     | 0            | 0                         | 320                      |
| REPLACE STRUCTURE: This project will replace Bridge No. 07-0001, at Havice Valley Road over Havice Creek.                                       |                         |              |                           |                          |



## Department of Conservation and Natural Resources 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM STATE FORESTRY BRIDGE CURRENT REVENUES (continued)

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b>Bald Eagle State Forest</b>  | \$ 320                  | \$ 0         | \$ 0                      | \$ 320                   |
| REPLACE STRUCTURE: This project will replace Bridge No. 07-0025, at Swift Run Road over Swift Run.    |                         |              |                           |                          |
| <b>Bald Eagle State Forest</b>  | 200                     | 0            | 0                         | 200                      |
| REPLACE STRUCTURE: This project will replace Bridge No. 07-9006, at Engle Road over White Deer Creek. |                         |              |                           |                          |
| PROGRAM TOTAL.....  | <u>\$ 6,710</u>         | <u>\$ 0</u>  | <u>\$ 0</u>               | <u>\$ 6,710</u>          |

## Department of Conservation and Natural Resources 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM ATV/SNOWMOBILE FUNDS CURRENT REVENUES

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>POTTER COUNTY</u></b>  |                         |              |                           |                          |
| <b>Susquehannock State Forest</b>  |                         |              |                           |                          |
| REPLACE CULVERT: This project provides for the replacement of a culvert over the West Branch of Pine Creek on the ATV Trail. | \$ 180                  | \$ 0         | \$ 0                      | \$ 180                   |
| PROGRAM TOTAL.....   | <u>\$ 180</u>           | <u>\$ 0</u>  | <u>\$ 0</u>               | <u>\$ 180</u>            |

## Department of Conservation and Natural Resources 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM DIRT AND GRAVEL ROAD FUNDS CURRENT REVENUES

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>HUNTINGDON COUNTY</u></b>   |                         |              |                           |                          |
| <b>Rothrock State Forest</b>  | \$ 250                  | \$ 0         | \$ 0                      | \$ 250                   |
| ROAD RECLAMATION: This project will provide for the reclamation of Stoney Creek Road.               |                         |              |                           |                          |
| <b><u>SOMERSET COUNTY</u></b>   |                         |              |                           |                          |
| <b>Kooser State Park</b>  | 250                     | 0            | 0                         | 250                      |
| REHABILITATE ROAD: This project will provide for the rehabilitation of a dirt road within the park. |                         |              |                           |                          |
| PROGRAM TOTAL.....  | <u>\$ 500</u>           | <u>\$ 0</u>  | <u>\$ 0</u>               | <u>\$ 500</u>            |

## Department of Conservation and Natural Resources 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM OIL AND GAS FUNDS CURRENT REVENUES

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>CLEARFIELD COUNTY</u></b>  |                         |              |                           |                          |
| <b>Moshannon State Forest</b>  | \$ 225                  | \$ 0         | \$ 0                      | \$ 225                   |
| REPLACE HVAC: This project provides for the replacement of the HVAC in the district office to meet current requirements.                     |                         |              |                           |                          |
| <b><u>DAUPHIN COUNTY</u></b>   |                         |              |                           |                          |
| <b>Topographic and Geology Survey Office</b>   | 5,000                   | 0            | 0                         | 5,000                    |
| REHABILITATE OFFICES: This project will provide for the rehabilitation and/or acquisition of office facilities to meet current requirements. |                         |              |                           |                          |
| PROGRAM TOTAL.....   | <u>\$ 5,225</u>         | <u>\$ 0</u>  | <u>\$ 0</u>               | <u>\$ 5,225</u>          |

## Department of Conservation and Natural Resources 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM COMMONWEALTH FINANCING AUTHORITY GRANTS CURRENT REVENUES

#### Program: Parks and Forest Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>MERCER COUNTY</u></b>  |                         |              |                           |                          |
| <b>Pymatuning State Park</b>   |                         |              |                           |                          |
| REHABILITATE CONTROLS: This project provides for the rehabilitation of the dam controls and control tower. | \$ 8,800                | \$ 0         | \$ 0                      | \$ 8,800                 |
| PROGRAM TOTAL.....   | <u>\$ 8,800</u>         | <u>\$ 0</u>  | <u>\$ 0</u>               | <u>\$ 8,800</u>          |

## DEPARTMENT OF CORRECTIONS

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b>2015-16 PUBLIC IMPROVEMENT PROJECTS</b> |                         |              |                           |                          |
| Institutionalization of Offenders.....     | \$ 76,604               | \$ 0         | \$ 19,176                 | \$ 95,780                |
| TOTAL.....                                 | <u>\$ 76,604</u>        | <u>\$ 0</u>  | <u>\$ 19,176</u>          | <u>\$ 95,780</u>         |

### SOURCE OF FUNDS

#### General Obligation Bond Issues

|   |                  |             |                  |                  |
|---|------------------|-------------|------------------|------------------|
| Capital Facilities Fund - Buildings and Structures..... | \$ 76,604        | \$ 0        | \$ 19,176        | \$ 95,780        |
| TOTAL.....  | <u>\$ 76,604</u> | <u>\$ 0</u> | <u>\$ 19,176</u> | <u>\$ 95,780</u> |

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Institutionalization of Offenders

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>ALLEGHENY COUNTY</u></b>   |                         |              |                           |                          |
| <b>State Correctional Institution at Pittsburgh</b>  | \$ 360                  | \$ 0         | \$ 90                     | \$ 450                   |
| REPLACE POWER PLANT ROOF: This project will provide for the replacement of the roof decking and other associated work on the power plant.                          |                         |              |                           |                          |
| <b><u>CLEARFIELD COUNTY</u></b>  |                         |              |                           |                          |
| <b>State Correctional Institution at Houtzdale</b>   | 8,000                   | 0            | 2,000                     | 10,000                   |
| REPLACE UNDERGROUND PIPING: This project will provide for the replacement of a hot and chilled piping distribution system.   |                         |              |                           |                          |
| <b>State Correctional Institution at Houtzdale</b>   | 2,400                   | 0            | 600                       | 3,000                    |
| REPLACE ROOFS: This project will provide for the replacement of roofs on various buildings throughout the institution.   |                         |              |                           |                          |
| <b>State Correctional Institution at Houtzdale</b>   | 960                     | 0            | 240                       | 1,200                    |
| REPLACE TOILETS: This project will provide for the replacement of toilets throughout the institution.  |                         |              |                           |                          |
| <b>State Correctional Institution at Houtzdale</b>   | 420                     | 0            | 105                       | 525                      |
| REPLACE SHOWER STALLS: This project will provide for the replacement of shower stall throughout the institution.   |                         |              |                           |                          |
| <b><u>CUMBERLAND COUNTY</u></b>  |                         |              |                           |                          |
| <b>State Correctional Institution at Camp Hill</b>   | 4,800                   | 0            | 1,200                     | 6,000                    |
| REPLACE ROOFS: This project will provide for the replacement of roofs on various buildings throughout the institution.   |                         |              |                           |                          |
| <b>State Correctional Institution at Camp Hill</b>   | 384                     | 0            | 96                        | 480                      |
| REPLACE HVAC SYSTEM: This project will provide for the replacement of the HVAC in various buildings.   |                         |              |                           |                          |
| <b>State Correctional Institution at Camp Hill</b>   | 4,800                   | 0            | 1,200                     | 6,000                    |
| REPLACE SEWER SYSTEM: This project will provide for the replacement of the sewer distribution system including sewer lines, access ports, and lateral connections. |                         |              |                           |                          |
| <b><u>FAYETTE COUNTY</u></b>   |                         |              |                           |                          |
| <b>State Correctional Institution at Fayette</b>   | 2,400                   | 0            | 600                       | 3,000                    |
| REPLACE ROOFS: This project will provide for the replacement of roofs on various buildings throughout the institution.   |                         |              |                           |                          |
| <b>State Correctional Institution at Fayette</b>   | 600                     | 0            | 175                       | 775                      |
| REPLACE POWER INVERTERS: This project will provide for the replacement of power inverter systems in various buildings.   |                         |              |                           |                          |
| <b>State Correctional Institution at Fayette</b>   | 520                     | 0            | 130                       | 650                      |
| REPAVE FACILITY ROADWAYS: This project will provide for the repaving of facility roadways, parking areas and other associated repair work.                         |                         |              |                           |                          |

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Institutionalization of Offenders

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>LANCASTER COUNTY</u></b>   |                         |              |                           |                          |
| <b>Elizabethtown Training Academy</b>  | \$ 360                  | \$ 0         | \$ 90                     | \$ 450                   |
| REPLACE HVAC SYSTEM: This project will provide for the replacement of the HVAC throughout the facility.  |                         |              |                           |                          |
| <b><u>LUZERNE COUNTY</u></b>   |                         |              |                           |                          |
| <b>State Correctional Institution at Retreat</b>   | 1,040                   | 0            | 260                       | 1,300                    |
| RENOVATE BOILER PLANT: This project will provide for the renovation of the boiler plant including conversion to natural gas, installation of new boilers, emergency connections and new controls.  |                         |              |                           |                          |
| <b>State Correctional Institution at Retreat</b>   | 380                     | 0            | 95                        | 475                      |
| REPLACE GATES: This project will provide for the replacement of sallyport gates, operators, control systems.   |                         |              |                           |                          |
| <b><u>LYCOMING COUNTY</u></b>  |                         |              |                           |                          |
| <b>State Correctional Institution at Muncy</b>   | 1,000                   | 0            | 250                       | 1,250                    |
| RENOVATION WATER PLANT: This project will provide for the renovation and upgrade to the water filtration system including control systems, and water tank.   |                         |              |                           |                          |
| <b><u>MERCER COUNTY</u></b>  |                         |              |                           |                          |
| <b>State Correctional Institution at Mercer</b>  | 3,000                   | 0            | 750                       | 3,750                    |
| ADDITIONAL FUNDING: This project will provide additional funding to DGS project 1572-14 to expand kitchen preparation and dining areas.  |                         |              |                           |                          |
| <b>State Correctional Institution at Mercer</b>  | 400                     | 0            | 100                       | 500                      |
| REPLACE CONTROLS: This project will provide for the replacement of the automatic temperature control system throughout the institution.  |                         |              |                           |                          |
| <b><u>MONTGOMERY COUNTY</u></b>  |                         |              |                           |                          |
| <b>State Correctional Institution at Graterford</b>  | 940                     | 0            | 235                       | 1,175                    |
| RENOVATE BOILER PLANT: This project will provide for the renovation of the boiler plant including conversion to natural gas, installation of new boilers, emergency connections, and new controls. |                         |              |                           |                          |
| <b>State Correctional Institution at Graterford</b>  | 37,600                  | 0            | 9,400                     | 47,000                   |
| DEMOLISH OBSOLETE BUILDINGS: This project will provide for the demolition of obsolete buildings and structures and remediate the land within the perimeter fencing.                                |                         |              |                           |                          |
| <b><u>NORTHUMBERLAND COUNTY</u></b>  |                         |              |                           |                          |
| <b>State Correctional Institution at Coal</b>  | 2,400                   | 0            | 600                       | 3,000                    |
| ADDITIONAL FUNDING: This project will provide additional funding to DGS project 375-6 to replace roofs.  |                         |              |                           |                          |
| <b>State Correctional Institution at Coal</b>  | 2,240                   | 0            | 560                       | 2,800                    |
| ADDITIONAL FUNDING: This project will provide additional funding to DGS project 375-1 to replace hot and chilled water piping.   |                         |              |                           |                          |



### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Institutionalization of Offenders

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>SCHUYLKILL COUNTY</u></b>   |                         |              |                           |                          |
| <b>State Correctional Institution at Frackville</b>   | \$ 400                  | \$ 0         | \$ 100                    | \$ 500                   |
| REPLACE SEWAGE TANK: This project will provide for the replacement of sewage holding tank, bar screen building, and control systems.  |                         |              |                           |                          |
| <b><u>SOMERSET COUNTY</u></b>   |                         |              |                           |                          |
| <b>State Correctional Institution at Somerset</b>   | 1,200                   | 0            | 300                       | 1,500                    |
| RENOVATE BOILER PLANT: This project will provide for the renovation of the boiler plant including conversion to natural gas, installation of new boilers, emergency connections and new controls. |                         |              |                           |                          |
| PROGRAM TOTAL.....  | <u>\$ 76,604</u>        | <u>\$ 0</u>  | <u>\$ 19,176</u>          | <u>\$ 95,780</u>         |

## DEPARTMENT OF EDUCATION

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b>2015-16 PUBLIC IMPROVEMENT PROJECTS</b>               |                         |              |                           |                          |
| Higher Education - State-Related Universities.....       | \$ 31,800               | \$ 0         | \$ 7,000                  | \$ 38,800                |
| Higher Education - State System of Higher Education..... | 203,700                 | 0            | 36,800                    | 240,500                  |
| TOTAL.....   | <u>\$ 235,500</u>       | <u>\$ 0</u>  | <u>\$ 43,800</u>          | <u>\$ 279,300</u>        |
| <b>SOURCE OF FUNDS</b>                                   |                         |              |                           |                          |
| <b>General Obligation Bond Issues</b>                    |                         |              |                           |                          |
| Capital Facilities Fund - Buildings and Structures.....  | \$ 218,700              | \$ 0         | \$ 43,800                 | \$ 262,500               |
| Capital Facilities Fund - Furniture and Equipment.....   | 16,800                  | 0            | 0                         | 16,800                   |
| TOTAL.....   | <u>\$ 235,500</u>       | <u>\$ 0</u>  | <u>\$ 43,800</u>          | <u>\$ 279,300</u>        |

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Higher Education - State-Related Universities

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>ALLEGHENY COUNTY</u></b>  |                         |              |                           |                          |
| <b>University of Pittsburgh</b>   | \$ 12,000               | \$ 0         | \$ 3,000                  | \$ 15,000                |
| RENOVATE LIBRARY ADDITIONAL FUNDING: This project will provide for additional funding for project 1103-67 to renovate Hillman Library.  |                         |              |                           |                          |
| <b><u>DELAWARE COUNTY</u></b>   |                         |              |                           |                          |
| <b>Pennsylvania State University</b>  | 10,000                  | 0            | 2,000                     | 12,000                   |
| RENOVATE VAIRO LIBRARY: This project will provide for the renovation of the Vairo Library on the Brandywine Campus to meet current needs and codes. When completed, this project will not increase operating costs since the university, not the Department of Education, is responsible for maintenance. |                         |              |                           |                          |
| <b>Pennsylvania State University</b>  | 1,800                   | 0            | 0                         | 1,800                    |
| ORIGINAL FURNITURE AND EQUIPMENT VAIRO LIBRARY: This project will provide for original furniture and equipment at the Vairo Library.  |                         |              |                           |                          |
| <b><u>PHILADELPHIA COUNTY</u></b>   |                         |              |                           |                          |
| <b>Temple University</b>  | 8,000                   | 0            | 2,000                     | 10,000                   |
| DEMOLISH BUILDING: This project will provide for the demolition of the old William Penn High School.  |                         |              |                           |                          |
| PROGRAM TOTAL.....  | <u>\$ 31,800</u>        | <u>\$ 0</u>  | <u>\$ 7,000</u>           | <u>\$ 38,800</u>         |

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Higher Education - State System of Higher Education

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

|  | (Dollar Amounts in Thousands) |              |                           |                          |
|--|-------------------------------|--------------|---------------------------|--------------------------|
|  | Base<br>Project<br>Cost       | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
| <b><u>BERKS COUNTY</u></b>   |                               |              |                           |                          |
| <b>Kutztown University</b>   | \$ 1,000                      | \$ 0         | \$ 0                      | \$ 1,000                 |
| RENOVATE DEFRANCESCO BUILDING ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the DeFrancesco Building.   |                               |              |                           |                          |
| <b><u>BUTLER COUNTY</u></b>  |                               |              |                           |                          |
| <b>Slippery Rock University</b>  | 3,000                         | 0            | 0                         | 3,000                    |
| RENOVATE STUDENT SUCCESS CENTER ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Student Success Center.   |                               |              |                           |                          |
| <b><u>CHESTER COUNTY</u></b>   |                               |              |                           |                          |
| <b>West Chester University</b>   | 16,700                        | 0            | 3,300                     | 20,000                   |
| RENOVATE LAWRENCE HALL: This project will provide additional funding for the renovation of the Lawrence Hall.  |                               |              |                           |                          |
| <b>West Chester University</b>   | 4,000                         | 0            | 0                         | 4,000                    |
| ORIGINAL FURNITURE AND EQUIPMENT HEALTH SCIENCE CENTER: This project will provide for original furniture and equipment at the Sturzebecker Health Science Center.  |                               |              |                           |                          |
| <b><u>CLINTON COUNTY</u></b>   |                               |              |                           |                          |
| <b>Lock Haven University</b>   | 16,700                        | 0            | 3,300                     | 20,000                   |
| RENOVATE ROBINSON LEARNING CENTER: This project will provide for the renovation of the Robinson Learning Center to meet current needs and code requirements. When completed, this project will not increase operating costs since the university, not the Department of Education, is responsible for maintenance. |                               |              |                           |                          |
| <b>Lock Haven University</b>   | 20,800                        | 0            | 4,200                     | 25,000                   |
| RENOVATE STEVENSON LIBRARY: This project will provide for the renovation of the Stevenson Library to meet current needs and code requirements. When completed, this project will not increase operating costs since the university, not the Department of Education, is responsible for maintenance.               |                               |              |                           |                          |
| <b><u>COLUMBIA COUNTY</u></b>  |                               |              |                           |                          |
| <b>Bloomsburg University</b>   | 2,000                         | 0            | 500                       | 2,500                    |
| RENOVATE MCCORMICK CENTER ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the McCormick Center.   |                               |              |                           |                          |
| <b><u>CUMBERLAND COUNTY</u></b>  |                               |              |                           |                          |
| <b>Shippensburg University</b>   | 29,200                        | 0            | 5,800                     | 35,000                   |
| RENOVATE FRANKLIN SCIENCE CENTER ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Franklin Science Center.   |                               |              |                           |                          |
| <b>Shippensburg University</b>   | 9,000                         | 0            | 0                         | 9,000                    |
| ORIGINAL FURNITURE AND EQUIPMENT FRANKLIN SCIENCE CENTER: This project will provide original furniture and equipment at the Franklin Science Center.   |                               |              |                           |                          |

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Higher Education - State System of Higher Education

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>DAUPHIN COUNTY</u></b>   |                         |              |                           |                          |
| <b>Department of Education</b>   | \$ 1,000                | \$ 0         | \$ 0                      | \$ 1,000                 |
| RENOVATE DEPARTMENT HEADQUARTERS: This project will provide for the renovation of two floors of the Department Headquarters.   |                         |              |                           |                          |
| <b><u>ERIE COUNTY</u></b>  |                         |              |                           |                          |
| <b>Edinboro University</b>   | 25,000                  | 0            | 5,000                     | 30,000                   |
| RENOVATE LIBRARY: This project will provide for the renovation of B-F Library to meet current needs and codes. When completed, this project will not increase operating costs since the university, not the Department of Education, is responsible for maintenance.                     |                         |              |                           |                          |
| <b>Edinboro University</b>   | 2,000                   | 0            | 0                         | 2,000                    |
| ORIGINAL FURNITURE AND EQUIPMENT B-F LIBRARY: This project will provide for original furniture and equipment at the B-F Library.   |                         |              |                           |                          |
| <b><u>INDIANA COUNTY</u></b>   |                         |              |                           |                          |
| <b>Indiana University</b>  | 2,500                   | 0            | 500                       | 3,000                    |
| DEMOLISH FOSTER HALL: This project will provide for the demolition of Foster Hall including remediation.   |                         |              |                           |                          |
| <b><u>LANCASTER COUNTY</u></b>   |                         |              |                           |                          |
| <b>Millersville University</b>   | 20,800                  | 0            | 4,200                     | 25,000                   |
| CONSTRUCT ACADEMIC BUILDING: This project will provide for the construction of a new academic building for the School of Business. When completed, this project will not increase operating costs since the university, not the Department of Education, is responsible for maintenance. |                         |              |                           |                          |
| <b><u>WASHINGTON COUNTY</u></b>  |                         |              |                           |                          |
| <b>California University</b>   | 37,500                  | 0            | 7,500                     | 45,000                   |
| RENOVATE SCIENCE BUILDING ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Science Building.   |                         |              |                           |                          |
| <b>California University</b>   | 12,500                  | 0            | 2,500                     | 15,000                   |
| RENOVATE MORGAN HALL: This project will provide for the renovation of Morgan Hall to meet current needs and codes. When completed, this project will not increase operating costs since the university, not the Department of Education, is responsible for maintenance.                 |                         |              |                           |                          |
| PROGRAM TOTAL.....   | <u>\$ 203,700</u>       | <u>\$ 0</u>  | <u>\$ 36,800</u>          | <u>\$ 240,500</u>        |

## DEPARTMENT OF ENVIRONMENTAL PROTECTION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b>2015-16 PUBLIC IMPROVEMENT PROJECTS</b>              |                         |              |                           |                          |
| Environmental Protection and Management.....            | \$ 39,700               | \$ 0         | \$ 0                      | \$ 39,700                |
| TOTAL.....  | <u>\$ 39,700</u>        | <u>\$ 0</u>  | <u>\$ 0</u>               | <u>\$ 39,700</u>         |
| <b>SOURCE OF FUNDS</b>                                  |                         |              |                           |                          |
| <b>General Obligation Bond Issues</b>                   |                         |              |                           |                          |
| Capital Facilities Fund - Buildings and Structures..... | \$ 39,700               | \$ 0         | \$ 0                      | \$ 39,700                |
| TOTAL.....  | <u>\$ 39,700</u>        | <u>\$ 0</u>  | <u>\$ 0</u>               | <u>\$ 39,700</u>         |

## Department of Environmental Protection 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Environmental Protection and Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>CAMBRIA COUNTY</u></b>   |                         |              |                           |                          |
| <b>Little Conemaugh AMD Treatment Plant</b>  | \$ 12,000               | \$ 0         | \$ 0                      | \$ 12,000                |
| CONSTRUCT ACID MINE TREATMENT PLANT: This project will provide for the design and construction of an acid mine treatment plant along the Little Conemaugh River.   |                         |              |                           |                          |
| <b><u>JEFFERSON COUNTY</u></b>   |                         |              |                           |                          |
| <b>Weisner Hollow Drainage Project</b>   | 11,200                  | 0            | 0                         | 11,200                   |
| FLOOD PROTECTION PROJECT: This project will provide for the regrading of a stream channel; it also closes off a coal refuse channel and constructs two overflow channels.  |                         |              |                           |                          |
| <b><u>LACKAWANNA COUNTY</u></b>  |                         |              |                           |                          |
| <b>Dolph Underground Fire Remediation</b>  | 16,500                  | 0            | 0                         | 16,500                   |
| ELIMINATE DOLPH UNDERGROUND FIRE HAZARD: This project will provide for the elimination of the public health and safety hazards associated with an abandoned coal mine fire including remediating the land and water. |                         |              |                           |                          |
| PROGRAM TOTAL.....   | <u>\$ 39,700</u>        | <u>\$ 0</u>  | <u>\$ 0</u>               | <u>\$ 39,700</u>         |

## DEPARTMENT OF GENERAL SERVICES

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b>2015-16 PUBLIC IMPROVEMENT PROJECTS</b>       |                         |              |                           |                          |
| Facility, Property and Commodity Management..... | \$ 5,000                | \$ 0         | \$ 1,900                  | \$ 6,900                 |
| TOTAL.....                                       | <u>\$ 5,000</u>         | <u>\$ 0</u>  | <u>\$ 1,900</u>           | <u>\$ 6,900</u>          |

### SOURCE OF FUNDS

#### General Obligation Bond Issues

|   |                 |             |                 |                 |
|---|-----------------|-------------|-----------------|-----------------|
| Capital Facilities Fund - Buildings and Structures..... | \$ 5,000        | \$ 0        | \$ 1,900        | \$ 6,900        |
| TOTAL.....  | <u>\$ 5,000</u> | <u>\$ 0</u> | <u>\$ 1,900</u> | <u>\$ 6,900</u> |



## Department of General Services 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Facility, Property and Commodity Management

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>DAUPHIN COUNTY</u></b>  |                         |              |                           |                          |
| <b>Arsenal Building</b>   | \$ 1,000                | \$ 0         | \$ 200                    | \$ 1,200                 |
| RENOVATE ELEVATOR: This project will provide for the renovation of the elevators in the Arsenal Building including cab, shaft, mechanical and controls to meet current codes. |                         |              |                           |                          |
| <b>Capitol Complex - Forum Building</b>   | 1,000                   | 0            | 500                       | 1,500                    |
| REPLACE FIRE ALARM SYSTEM: This project will provide for the replacement and upgrade of the current fire alarm system to meet current codes.                                  |                         |              |                           |                          |
| <b>Capitol Complex - Judicial Center</b>  | 1,000                   | 0            | 500                       | 1,500                    |
| WATER ELIMINATION: This project will provide for the elimination of water intrusion within the building and removal of mineral deposits.                                      |                         |              |                           |                          |
| <b>Capitol Complex - Main Capitol Plaza</b>   | 250                     | 0            | 50                        | 300                      |
| REPLACE CONCRETE: This project will provide for the replacement of concrete on the Main Capitol Plaza level on the 3rd Street side of the Main Capitol Building.              |                         |              |                           |                          |
| <b>Governor's Residence</b>   | 250                     | 0            | 50                        | 300                      |
| REPLACE BRICKS: This project will provide for the replacement of bricks and repair all walk surfaces at the Governor's Residence.   |                         |              |                           |                          |
| <b>Rachel Carson Building</b>   | 1,000                   | 0            | 500                       | 1,500                    |
| REPLACE FIRE ALARM SYSTEM: This project will provide for the replacement and upgrade of the current fire alarm system to meet current codes.                                  |                         |              |                           |                          |
| <b>Tent Building</b>  | 500                     | 0            | 100                       | 600                      |
| RENOVATE ELEVATOR: This project will provide for the renovation of the elevators in the Tent Building including cab, shaft, mechanical and controls to meet current codes.    |                         |              |                           |                          |
| PROGRAM TOTAL.....  | <u>\$ 5,000</u>         | <u>\$ 0</u>  | <u>\$ 1,900</u>           | <u>\$ 6,900</u>          |

## HISTORICAL AND MUSEUM COMMISSION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b>2015-16 PUBLIC IMPROVEMENT PROJECTS</b>              |                         |              |                           |                          |
| State Historic Preservation.....                        | \$ 24,900               | \$ 0         | \$ 4,480                  | \$ 29,380                |
| TOTAL.....  | <u>\$ 24,900</u>        | <u>\$ 0</u>  | <u>\$ 4,480</u>           | <u>\$ 29,380</u>         |
| <b>SOURCE OF FUNDS</b>                                  |                         |              |                           |                          |
| <b>General Obligation Bond Issues</b>                   |                         |              |                           |                          |
| Capital Facilities Fund - Buildings and Structures..... | \$ 22,200               | \$ 0         | \$ 4,480                  | \$ 26,680                |
| Capital Facilities Fund - Furniture and Equipment.....  | 2,700                   | 0            | 0                         | 2,700                    |
| TOTAL.....  | <u>\$ 24,900</u>        | <u>\$ 0</u>  | <u>\$ 4,480</u>           | <u>\$ 29,380</u>         |

## Historical and Museum Commission 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: State Historic Preservation

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>BERKS COUNTY</u></b>   |                         |              |                           |                          |
| <b>Conrad Weiser Homestead</b>   | \$ 3,000                | \$ 0         | \$ 600                    | \$ 3,600                 |
| RENOVATE BUILDINGS: This project will provide for the renovation of exterior and interior components of various buildings including infrastructure, HVAC, water and sewage, and other systems.   |                         |              |                           |                          |
| <b><u>CENTRE COUNTY</u></b>  |                         |              |                           |                          |
| <b>Pennsylvania Military Museum</b>  | 1,500                   | 0            | 300                       | 1,800                    |
| RESTORATION OF MONUMENTS: This project will provide for the restoration of monuments and memorials including landscape and hardscape features.   |                         |              |                           |                          |
| <b>Pennsylvania Military Museum</b>  | 400                     | 0            | 80                        | 480                      |
| INSTALL FIRE SUPPRESSION EQUIPMENT: This project will provide for the installation of a fire suppression system in vehicle storage and maintenance buildings. When completed, it is expected to increase operating costs by \$3,000 annually.                |                         |              |                           |                          |
| <b><u>DAUPHIN COUNTY</u></b>   |                         |              |                           |                          |
| <b>State Archives Building</b>   | 2,700                   | 0            | 0                         | 2,700                    |
| PURCHASE NEW EQUIPMENT: This project will provide for original furniture, fixtures and equipment for a new addition to State Records Center.   |                         |              |                           |                          |
| <b><u>LACKAWANNA COUNTY</u></b>  |                         |              |                           |                          |
| <b>Anthracite Heritage Museum</b>  | 5,000                   | 0            | 1,000                     | 6,000                    |
| DESIGN NEW EXHIBITS: This project will provide for the design, fabrication and installation of new exhibits in the museum building.  |                         |              |                           |                          |
| <b><u>LANCASTER COUNTY</u></b>   |                         |              |                           |                          |
| <b>Ephrata Cloister Museum</b>   | 8,000                   | 0            | 1,600                     | 9,600                    |
| RENOVATE AND EXPAND VISITOR CENTER: This project will provide for the renovation and expansion of the visitors' center including HVAC, water and sewage, and other systems. When completed, it is expected to increase operating costs by \$10,000 annually. |                         |              |                           |                          |
| <b><u>SOMERSET COUNTY</u></b>  |                         |              |                           |                          |
| <b>Somerset Historical Center</b>  | 1,000                   | 0            | 200                       | 1,200                    |
| RENOVATE BUILDINGS: This project will provide for the renovation of exterior and interior components of various buildings including infrastructure and other operating systems.  |                         |              |                           |                          |

## Historical and Museum Commission 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: State Historic Preservation

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>VENANGO COUNTY</u></b>  |                         |              |                           |                          |
| <b>Drake Well Museum</b>  | \$ 3,300                | \$ 0         | \$ 700                    | \$ 4,000                 |
| RENOVATE BUILDING: This project will provide for the renovation of the entrance building including expansion of functionality and underground infrastructure. When completed, it is expected to increase operating costs by \$5,000 annually. |                         |              |                           |                          |
| PROGRAM TOTAL.....  | <u>\$ 24,900</u>        | <u>\$ 0</u>  | <u>\$ 4,480</u>           | <u>\$ 29,380</u>         |

## DEPARTMENT OF HUMAN SERVICES

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b>2015-16 PUBLIC IMPROVEMENT PROJECTS</b>              |                         |              |                           |                          |
| Human Services.....                                     | \$ 29,700               | \$ 0         | \$ 3,730                  | \$ 33,430                |
| TOTAL.....  | <u>\$ 29,700</u>        | <u>\$ 0</u>  | <u>\$ 3,730</u>           | <u>\$ 33,430</u>         |
| <b>SOURCE OF FUNDS</b>                                  |                         |              |                           |                          |
| <b>General Obligation Bond Issues</b>                   |                         |              |                           |                          |
| Capital Facilities Fund - Buildings and Structures..... | \$ 29,700               | \$ 0         | \$ 3,730                  | \$ 33,430                |
| TOTAL.....  | <u>\$ 29,700</u>        | <u>\$ 0</u>  | <u>\$ 3,730</u>           | <u>\$ 33,430</u>         |

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Human Services

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>CAMBRIA COUNTY</u></b>  |                         |              |                           |                          |
| <b>Ebensburg Center</b>   | \$ 2,200                | \$ 0         | \$ 0                      | \$ 2,200                 |
| ELECTRICAL UPGRADE ADDITIONAL FUNDING: This project will provide additional funds to upgrade the existing electrical system.  |                         |              |                           |                          |
| <b><u>FRANKLIN COUNTY</u></b>   |                         |              |                           |                          |
| <b>South Mountain Secure Treatment Unit</b>   | 3,500                   | 0            | 0                         | 3,500                    |
| CONSTRUCT BUILDING ADDITIONAL FUNDING: This project will provide additional funding for project 577-49 Phase 2 to complete construction of a multi-purpose building.            |                         |              |                           |                          |
| <b>South Mountain Secure Treatment Unit</b>   | 500                     | 0            | 100                       | 600                      |
| REPLACE ROOFS ON BUILDINGS: This project will provide for the replacement of roofs on various buildings.  |                         |              |                           |                          |
| <b><u>HUNTINGDON COUNTY</u></b>   |                         |              |                           |                          |
| <b>Youth Forestry Camp #3</b>   | 950                     | 0            | 190                       | 1,140                    |
| REPLACE ELECTRICAL EQUIPMENT: This project will provide for the replacement of current electrical distribution equipment including panels, substations and switches.            |                         |              |                           |                          |
| <b><u>LUZERNE COUNTY</u></b>  |                         |              |                           |                          |
| <b>White Haven Center</b>   | 800                     | 0            | 0                         | 800                      |
| ELECTRICAL UPGRADE ADDITIONAL FUNDING: This project will provide additional funds to upgrade the existing electrical system.  |                         |              |                           |                          |
| <b><u>MONTGOMERY COUNTY</u></b>   |                         |              |                           |                          |
| <b>Norristown State Hospital</b>  | 1,200                   | 0            | 240                       | 1,440                    |
| REPLACE WINDOWS: This project will provide for the replacement of current windows for security and efficiency.  |                         |              |                           |                          |
| <b><u>SNYDER COUNTY</u></b>   |                         |              |                           |                          |
| <b>Selinsgrove Center</b>   | 550                     | 0            | 0                         | 550                      |
| REPLACE ELEVATORS ADDITIONAL FUNDING: This project will provide additional funding for the replacement of elevators and controls throughout the facility.                       |                         |              |                           |                          |
| <b><u>VENANGO COUNTY</u></b>  |                         |              |                           |                          |
| <b>Polk Center</b>  | 4,000                   | 0            | 0                         | 4,000                    |
| UPGRADE FIRE ALARM SYSTEM ADDITIONAL FUNDING: This project will provide additional funding for project 552-28 for the upgrade of the fire alarm system throughout the facility. |                         |              |                           |                          |

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Human Services

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>WARREN COUNTY</u></b>  |                         |              |                           |                          |
| <b>Warren State Hospital</b>   | \$ 6,000                | \$ 0         | \$ 1,200                  | \$ 7,200                 |
| REPLACE BOILERS: This project will replace existing boilers that have exceeded their useful life with more efficient boilers.  |                         |              |                           |                          |
| <b><u>WESTMORELAND COUNTY</u></b>  |                         |              |                           |                          |
| <b>Torrance State Hospital</b>   | 10,000                  | 0            | 2,000                     | 12,000                   |
| REPLACE ELECTRICAL EQUIPMENT: This project will provide for the replacement of current electrical distribution equipment including panels, substations feeder cables and switches. |                         |              |                           |                          |
| PROGRAM TOTAL.....   | <u>\$ 29,700</u>        | <u>\$ 0</u>  | <u>\$ 3,730</u>           | <u>\$ 33,430</u>         |

## DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b>2015-16 PUBLIC IMPROVEMENT PROJECTS</b>              |                         |              |                           |                          |
| State Military Readiness.....                           | \$ 26,500               | \$ 0         | \$ 5,300                  | \$ 31,800                |
| Veterans Homes.....                                     | 63,500                  | 0            | 15,124                    | 78,624                   |
| TOTAL.....  | <u>\$ 90,000</u>        | <u>\$ 0</u>  | <u>\$ 20,424</u>          | <u>\$ 110,424</u>        |
| <b>SOURCE OF FUNDS</b>                                  |                         |              |                           |                          |
| <b>General Obligation Bond Issues</b>                   |                         |              |                           |                          |
| Capital Facilities Fund - Buildings and Structures..... | \$ 58,475               | \$ 0         | \$ 12,543                 | \$ 71,018                |
| <b>Other Revenues</b>                                   |                         |              |                           |                          |
| Federal Funds.....                                      | \$ 31,525               | \$ 0         | \$ 7,881                  | \$ 39,406                |
| TOTAL.....  | <u>\$ 90,000</u>        | <u>\$ 0</u>  | <u>\$ 20,424</u>          | <u>\$ 110,424</u>        |



## Department of Military and Veterans Affairs 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: State Military Readiness

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>CAMBRIA COUNTY</u></b>  |                         |              |                           |                          |
| <b>Johnstown Airport Road Readiness Center</b>  | \$ 3,500                | \$ 0         | \$ 700                    | \$ 4,200                 |
| REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings at Johnstown Airport Road Readiness Center.                    |                         |              |                           |                          |
| <b><u>LAWRENCE COUNTY</u></b>   |                         |              |                           |                          |
| <b>New Castle Readiness Center</b>  | 4,000                   | 0            | 800                       | 4,800                    |
| REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings at New Castle Readiness Center.                                |                         |              |                           |                          |
| <b><u>LEBANON COUNTY</u></b>  |                         |              |                           |                          |
| <b>Fort Indiantown Gap Readiness Center</b>   | 3,000                   | 0            | 600                       | 3,600                    |
| REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings at 628th D Aviation Support Battalion at the Readiness Center. |                         |              |                           |                          |
| <b>Fort Indiantown Gap Readiness Center</b>   | 3,000                   | 0            | 600                       | 3,600                    |
| REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings at Fitzpatrick Hall Readiness Center.                          |                         |              |                           |                          |
| <b><u>UNION COUNTY</u></b>  |                         |              |                           |                          |
| <b>Danville Field Maintenance Building</b>  | 10,000                  | 0            | 2,000                     | 12,000                   |
| CONSTRUCT NEW MAINTENANCE BUILDING: This project will provide for the construction of a new multi-bay field maintenance shop on the existing property.              |                         |              |                           |                          |
| <b><u>WESTMORELAND COUNTY</u></b>   |                         |              |                           |                          |
| <b>Torrance Readiness Center</b>  | 3,000                   | 0            | 600                       | 3,600                    |
| REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings at Torrance Readiness Center.                                  |                         |              |                           |                          |
| PROGRAM TOTAL.....  | <u>\$ 26,500</u>        | <u>\$ 0</u>  | <u>\$ 5,300</u>           | <u>\$ 31,800</u>         |

## Department of Military and Veterans Affairs 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Veterans Homes

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  |         | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>BLAIR COUNTY</u></b>   |         |                         |              |                           |                          |
| <b>Holidaysburg Veterans Home</b>  | State   | \$ 16,975               | \$ 0         | \$ 4,243                  | \$ 21,218                |
| CONSTRUC NEW COMMUNITY LIVING CENTER: This project will provide for the construction of a new 200-bed community living center at Holidaysburg Veteran Home to meet future needs and code requirements.                           | Federal | 31,525                  | 0            | 7,881                     | 39,406                   |
| <b>Holidaysburg Veterans Home</b>  | State   | 15,000                  | 0            | 3,000                     | 18,000                   |
| REHABILITATION OF ADMINISTRATION BUILDING: This project will provide for the rehabilitation and general repairs of an administration building. When completed, it is expected to increase operating costs by \$220,000 annually. |         |                         |              |                           |                          |
| Total State.....   |         | \$ 31,975               | \$ 0         | \$ 7,243                  | \$ 39,218                |
| Total Federal.....   |         | 31,525                  | 0            | 7,881                     | 39,406                   |
| PROGRAM TOTAL.....   |         | <u>\$ 63,500</u>        | <u>\$ 0</u>  | <u>\$ 15,124</u>          | <u>\$ 78,624</u>         |

## STATE POLICE

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost    | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|-----------------|---------------------------|--------------------------|
| <b>2015-16 PUBLIC IMPROVEMENT PROJECTS</b> |                         |                 |                           |                          |
| Public Protection and Law Enforcement..... | \$ 98,338               | \$ 6,000        | \$ 20,960                 | \$ 125,298               |
| TOTAL.....                                 | <u>\$ 98,338</u>        | <u>\$ 6,000</u> | <u>\$ 20,960</u>          | <u>\$ 125,298</u>        |

### SOURCE OF FUNDS

#### General Obligation Bond Issues

|   |                  |                 |                  |                   |
|---|------------------|-----------------|------------------|-------------------|
| Capital Facilities Fund - Buildings and Structures..... | \$ 98,338        | \$ 6,000        | \$ 20,960        | \$ 125,298        |
| TOTAL.....  | <u>\$ 98,338</u> | <u>\$ 6,000</u> | <u>\$ 20,960</u> | <u>\$ 125,298</u> |

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Public Protection and Law Enforcement

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>CARBON COUNTY</u></b>   |                         |              |                           |                          |
| <b>Hazleton Headquarters</b>  | \$ 10,500               | \$ 1,000     | \$ 2,100                  | \$ 13,600                |
| CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new headquarters facility.                               |                         |              |                           |                          |
| <b><u>DAUPHIN COUNTY</u></b>  |                         |              |                           |                          |
| <b>BESO Harrisburg Headquarters</b>   | 12,225                  | 1,000        | 2,100                     | 15,325                   |
| CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new Bureau of Emergency and Special Operations facility. |                         |              |                           |                          |
| <b><u>ERIE COUNTY</u></b>   |                         |              |                           |                          |
| <b>Erie Regional Laboratory</b>   | 1,800                   | 0            | 1,360                     | 3,160                    |
| CONSTRUCT NEW LABORATORY: This project will provide for the design and construction of a new Erie Regional Laboratory facility.                             |                         |              |                           |                          |
| <b><u>JEFFERSON COUNTY</u></b>  |                         |              |                           |                          |
| <b>Punxsutawney Headquarters</b>  | 11,700                  | 1,000        | 2,340                     | 15,040                   |
| CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new headquarters facility.                               |                         |              |                           |                          |
| <b><u>LACKAWANNA COUNTY</u></b>   |                         |              |                           |                          |
| <b>Dunmore Headquarters</b>   | 13,500                  | 1,000        | 2,700                     | 17,200                   |
| CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new headquarters facility.                               |                         |              |                           |                          |
| <b><u>LEHIGH COUNTY</u></b>   |                         |              |                           |                          |
| <b>Bethlehem Headquarters</b>   | 13,600                  | 0            | 2,400                     | 16,000                   |
| CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new headquarters facility.                               |                         |              |                           |                          |
| <b>Bethlehem Regional Laboratory</b>  | 12,000                  | 1,000        | 2,400                     | 15,400                   |
| CONSTRUCT NEW LABORATORY: This project will provide for the design and construction of a new Bethlehem Regional Laboratory facility.                        |                         |              |                           |                          |
| <b><u>LYCOMING COUNTY</u></b>   |                         |              |                           |                          |
| <b>Montoursville Headquarters</b>   | 11,100                  | 1,000        | 2,220                     | 14,320                   |
| CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new headquarters facility.                               |                         |              |                           |                          |

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Public Protection and Law Enforcement

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost    | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|-----------------|---------------------------|--------------------------|
| <b><u>WYOMING COUNTY</u></b>  |                         |                 |                           |                          |
| <b>Wyoming Headquarters</b>   | \$ 5,413                | \$ 0            | \$ 2,040                  | \$ 7,453                 |
| CONSTRUCT NEW HEADQUARTER FACILITY: This project will provide for the design and construction of a new headquarters facility. |                         |                 |                           |                          |
| <b><u>VARIOUS COUNTIES</u></b>  |                         |                 |                           |                          |
| <b>Various Troop Locations</b>  | 6,500                   | 0               | 1,300                     | 7,800                    |
| REPLACE FUEL TANKS: This project will provide for the replacement of fuel tanks at various locations statewide.               |                         |                 |                           |                          |
| PROGRAM TOTAL.....  | <u>\$ 98,338</u>        | <u>\$ 6,000</u> | <u>\$ 20,960</u>          | <u>\$ 125,298</u>        |

## DEPARTMENT OF TRANSPORTATION

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

| Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|-------------------------|--------------|---------------------------|--------------------------|
|-------------------------|--------------|---------------------------|--------------------------|

#### 2015-16 PUBLIC IMPROVEMENT PROJECTS

|   |    |         |    |       |    |        |    |         |
|---|----|---------|----|-------|----|--------|----|---------|
| State Highway, Bridge & Administration Construction/Reconstruction..... | \$ | 181,430 | \$ | 8,700 | \$ | 21,890 | \$ | 212,020 |
|---|----|---------|----|-------|----|--------|----|---------|

#### HIGHWAY AND BRIDGE PROJECTS

|   |    |         |    |       |    |        |    |         |
|---|----|---------|----|-------|----|--------|----|---------|
| State Highway and Bridge Maintenance..... | \$ | 102,976 | \$ | 2,068 | \$ | 13,739 | \$ | 118,783 |
|---|----|---------|----|-------|----|--------|----|---------|

#### TRANSPORTATION ASSISTANCE PROJECTS

|                                  |    |         |    |    |    |         |    |         |
|----------------------------------|----|---------|----|----|----|---------|----|---------|
| Urban Mass Transportation.....   | \$ | 127,253 | \$ | 78 | \$ | 670,512 | \$ | 797,843 |
| Rail Freight Transportation..... |    | 100,000 |    | 0  |    | 20,000  |    | 120,000 |
| Subtotal.....                    | \$ | 227,253 | \$ | 78 | \$ | 690,512 | \$ | 917,843 |

|            |    |         |    |        |    |         |    |           |
|------------|----|---------|----|--------|----|---------|----|-----------|
| TOTAL..... | \$ | 511,659 | \$ | 10,846 | \$ | 726,141 | \$ | 1,248,646 |
|------------|----|---------|----|--------|----|---------|----|-----------|

#### SOURCE OF FUNDS

##### General Obligation Bond Issues

|  |    |         |    |       |    |         |    |         |
|--|----|---------|----|-------|----|---------|----|---------|
| Capital Facilities Fund - Public Improvement Projects..... | \$ | 63,550  | \$ | 5,500 | \$ | 5,950   | \$ | 75,000  |
| Capital Facilities Fund - Transportation Assistance.....   |    | 161,704 |    | 15    |    | 242,511 |    | 404,230 |
| Subtotal.....  | \$ | 225,254 | \$ | 5,515 | \$ | 248,461 | \$ | 479,230 |

##### Current Revenues

|                         |    |         |    |       |    |         |    |         |
|-------------------------|----|---------|----|-------|----|---------|----|---------|
| Motor License Fund..... | \$ | 170,390 | \$ | 4,152 | \$ | 19,149  | \$ | 193,691 |
| Federal Funds.....      |    | 104,170 |    | 828   |    | 453,129 |    | 558,127 |
| Local Funds.....        |    | 11,845  |    | 351   |    | 5,402   |    | 17,598  |
| Subtotal.....           | \$ | 286,405 | \$ | 5,331 | \$ | 477,680 | \$ | 769,416 |

|            |    |         |    |        |    |         |    |           |
|------------|----|---------|----|--------|----|---------|----|-----------|
| TOTAL..... | \$ | 511,659 | \$ | 10,846 | \$ | 726,141 | \$ | 1,248,646 |
|------------|----|---------|----|--------|----|---------|----|-----------|

## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM CAPITAL FACILITIES BOND FUND

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  | Base<br>Project<br>Cost | Land<br>Cost    | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|-------------------------|-----------------|---------------------------|--------------------------|
| <b><u>CLINTON COUNTY</u></b>   |                         |                 |                           |                          |
| <b>Safety Rest Area</b>  | \$ 9,500                | \$ 500          | \$ 500                    | \$ 10,500                |
| CONSTRUCT REST AREA: This project will provide for the construction of a new Safety Rest Area Site #33, including site acquisition and development, utilities, and Pennsylvania State Police inspection lane.  |                         |                 |                           |                          |
| <b>Safety Rest Area</b>  | 9,500                   | 500             | 500                       | 10,500                   |
| CONSTRUCT REST AREA: This project will provide for the construction of a new Safety Rest Area Site #34, including site acquisition and development, utilities, and Pennsylvania State Police inspection lane.  |                         |                 |                           |                          |
| <b>Sewage Treatment Plant</b>  | 850                     | 0               | 150                       | 1,000                    |
| UPGRADE SEWAGE TREATMENT PLANT: This project will provide for the upgrade of existing sewage treatment system and buildings at Safety Rest Area #33 to bring into compliance with codes.   |                         |                 |                           |                          |
| <b><u>MERCER COUNTY</u></b>  |                         |                 |                           |                          |
| <b>Safety Rest Area</b>  | 1,700                   | 0               | 300                       | 2,000                    |
| REPLACE TANKS: This project will provide for the replacement of equalization tanks and build an enclosure at Safety Rest Areas #15 & 16.   |                         |                 |                           |                          |
| <b>Safety Rest Area</b>  | 9,500                   | 500             | 500                       | 10,500                   |
| RENOVATE REST AREA: This project will provide for the renovation and expansion of Safety Rest Area #15 including widening lanes and land acquisition.  |                         |                 |                           |                          |
| <b>Safety Rest Area</b>  | 9,500                   | 500             | 500                       | 10,500                   |
| RENOVATE REST AREA: This project will provide for the renovation and expansion of Safety Rest Area #16 including widening lanes and land acquisition.  |                         |                 |                           |                          |
| <b><u>YORK COUNTY</u></b>  |                         |                 |                           |                          |
| <b>Commercial Driving Service Center</b>   | 19,500                  | 3,000           | 2,500                     | 25,000                   |
| CONSTRUCT COMMERCIAL DRIVING CENTER: This project will provide for the construction of a new commercial driver and vehicle service center including auxiliary buildings, site work, and land acquisition in either York, Cumberland or Dauphin County. |                         |                 |                           |                          |
| <b>Welcome Center</b>  | 3,500                   | 500             | 1,000                     | 5,000                    |
| CONSTRUCT WELCOME CENTER: This project will provide for the construction of a new welcome center including auxiliary buildings, site acquisition, and site work.   |                         |                 |                           |                          |
|  | <u>\$ 63,550</u>        | <u>\$ 5,500</u> | <u>\$ 5,950</u>           | <u>\$ 75,000</u>         |

## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>ADAMS COUNTY</u></b>  |                         |              |                           |                          |
| <b>Storage Buildings</b>  |                         |              |                           |                          |
| CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of four storage buildings for general use.  | \$ 1,700                | \$ 0         | \$ 300                    | \$ 2,000                 |
| <b><u>ALLEGHENY COUNTY</u></b>  |                         |              |                           |                          |
| <b>Roof and Floor Drain Separator</b>   | 470                     | 0            | 50                        | 520                      |
| SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the maintenance facility.  |                         |              |                           |                          |
| <b>Roof Replacement</b>   | 500                     | 0            | 50                        | 550                      |
| REPLACE ROOF: This project will provide for the roof replacement at the county office.  |                         |              |                           |                          |
| <b>Roof Replacement</b>   | 500                     | 0            | 50                        | 550                      |
| REPLACE ROOF: This project will provide for the roof replacement on the county maintenance and stockpile facility.  |                         |              |                           |                          |
| <b>Stockpile Facility</b>   | 3,000                   | 0            | 0                         | 3,000                    |
| CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility.   |                         |              |                           |                          |
| <b>Storage Building</b>   | 425                     | 0            | 75                        | 500                      |
| CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.   |                         |              |                           |                          |
| <b>Storage Buildings</b>  | 1,800                   | 0            | 200                       | 2,000                    |
| CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.   |                         |              |                           |                          |
| <b><u>ARMSTRONG COUNTY</u></b>  |                         |              |                           |                          |
| <b>Floor Drain</b>  | 950                     | 0            | 50                        | 1,000                    |
| SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.  |                         |              |                           |                          |
| <b>Maintenance Facility</b>   | 4,000                   | 0            | 500                       | 4,500                    |
| CONSTRUCT NEW MAINTENANCE FACILITY: This project will provide for the development of a new maintenance facility including site purchase, design and construction of all required buildings. |                         |              |                           |                          |
| <b><u>BEAVER COUNTY</u></b>   |                         |              |                           |                          |
| <b>Electrical Upgrade</b>   | 900                     | 0            | 100                       | 1,000                    |
| INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and electrical upgrade for the county maintenance building.  |                         |              |                           |                          |
| <b>Electrical Upgrade</b>   | 550                     | 0            | 50                        | 600                      |
| INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and electrical upgrade for the county maintenance 11-2 Building.                                   |                         |              |                           |                          |
| <b>Stockpile Facility</b>   | 2,400                   | 100          | 500                       | 3,000                    |
| CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.   |                         |              |                           |                          |



## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

| Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|-------------------------|--------------|---------------------------|--------------------------|
|-------------------------|--------------|---------------------------|--------------------------|

#### **BEDFORD COUNTY**

##### **Floor Drain**

SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.

\$ 450 \$ 0 \$ 50 \$ 500

##### **Stockpile Facility**

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

2,400 100 500 3,000

##### **Storage Buildings**

CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.

1,400 0 100 1,500

#### **BERKS COUNTY**

##### **Floor Drain**

SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.

450 0 50 500

##### **Roof and Floor Drain Separator**

SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator within the county.

450 0 50 500

##### **Stockpile Facility**

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

2,000 500 500 3,000

##### **Storage Building**

CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.

450 0 50 500

#### **BLAIR COUNTY**

##### **Electrical Upgrade**

INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and associated electrical equipment at District 9-2.

550 0 50 600

##### **Storage Buildings**

CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.

1,400 0 100 1,500

#### **BRADFORD COUNTY**

##### **Salt Stockpile Building**

CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.

550 0 50 600

#### **BUCKS COUNTY**

##### **Roof and Floor Drain Separator**

SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at Trevouse.

450 0 50 500

##### **Maintenance Facility**

CONSTRUCT NEW MAINTENANCE FACILITY: This project will provide for the development of a new maintenance facility to include design and construction of all required buildings.

4,000 0 500 4,500

## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

| Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|-------------------------|--------------|---------------------------|--------------------------|
|-------------------------|--------------|---------------------------|--------------------------|

#### **BUTLER COUNTY**

##### **Stockpile Facility**

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

|    |       |    |     |    |     |    |       |
|----|-------|----|-----|----|-----|----|-------|
| \$ | 1,750 | \$ | 750 | \$ | 500 | \$ | 3,000 |
|----|-------|----|-----|----|-----|----|-------|

#### **CARBON COUNTY**

##### **Roof and Floor Drain Separator**

SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at Hudsonsdale.

|     |   |    |     |
|-----|---|----|-----|
| 450 | 0 | 50 | 500 |
|-----|---|----|-----|

##### **Storage Building**

CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.

|     |   |    |     |
|-----|---|----|-----|
| 450 | 0 | 50 | 500 |
|-----|---|----|-----|

#### **CENTRE COUNTY**

##### **Floor Drain**

SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.

|     |   |    |       |
|-----|---|----|-------|
| 950 | 0 | 50 | 1,000 |
|-----|---|----|-------|

##### **Stockpile Facility**

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

|       |     |     |       |
|-------|-----|-----|-------|
| 1,750 | 750 | 500 | 3,000 |
|-------|-----|-----|-------|

#### **CLARION COUNTY**

##### **Roof Replacement**

REPLACE ROOF: This project will provide for the roof replacement on the county office.

|     |   |    |     |
|-----|---|----|-----|
| 550 | 0 | 50 | 600 |
|-----|---|----|-----|

##### **Weigh Station**

RENOVATE WEIGH STATION: This project will provide for the renovation of a Pennsylvania State Police weigh station.

|       |   |     |       |
|-------|---|-----|-------|
| 1,700 | 0 | 300 | 2,000 |
|-------|---|-----|-------|

#### **CRAWFORD COUNTY**

##### **Floor Drain**

SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.

|     |   |    |       |
|-----|---|----|-------|
| 950 | 0 | 50 | 1,000 |
|-----|---|----|-------|

##### **Truck Wash Facility**

CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.

|     |   |    |     |
|-----|---|----|-----|
| 450 | 0 | 50 | 500 |
|-----|---|----|-----|

#### **CUMBERLAND COUNTY**

##### **Floor Drain**

SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.

|     |   |    |     |
|-----|---|----|-----|
| 340 | 0 | 60 | 400 |
|-----|---|----|-----|

##### **Storage Building**

CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.

|     |   |    |     |
|-----|---|----|-----|
| 440 | 0 | 60 | 500 |
|-----|---|----|-----|

## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

| Base<br>Project<br>Cost |       | Land<br>Cost |   | Design &<br>Contingencies |     | Total<br>Project<br>Cost |       |
|-------------------------|-------|--------------|---|---------------------------|-----|--------------------------|-------|
|                         |       |              |   |                           |     |                          |       |
| \$                      | 450   | \$           | 0 | \$                        | 50  | \$                       | 500   |
|                         |       |              |   |                           |     |                          |       |
|                         | 640   |              | 0 |                           | 160 |                          | 800   |
|                         |       |              |   |                           |     |                          |       |
|                         | 1,275 |              | 0 |                           | 225 |                          | 1,500 |
|                         |       |              |   |                           |     |                          |       |
|                         | 550   |              | 0 |                           | 75  |                          | 625   |
|                         |       |              |   |                           |     |                          |       |
|                         | 550   |              | 0 |                           | 75  |                          | 625   |
|                         |       |              |   |                           |     |                          |       |
|                         | 2,000 |              | 0 |                           | 500 |                          | 2,500 |
|                         |       |              |   |                           |     |                          |       |
|                         | 510   |              | 0 |                           | 90  |                          | 600   |
|                         |       |              |   |                           |     |                          |       |
|                         | 950   |              | 0 |                           | 50  |                          | 1,000 |
|                         |       |              |   |                           |     |                          |       |
|                         | 550   |              | 0 |                           | 50  |                          | 600   |
|                         |       |              |   |                           |     |                          |       |
|                         | 450   |              | 0 |                           | 50  |                          | 500   |
|                         |       |              |   |                           |     |                          |       |
|                         | 900   |              | 0 |                           | 100 |                          | 1,000 |

## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

| Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|-------------------------|--------------|---------------------------|--------------------------|
|-------------------------|--------------|---------------------------|--------------------------|

#### **FAYETTE COUNTY (continued)**

##### **Floor Drain**

SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.

|    |     |    |   |    |    |    |     |
|----|-----|----|---|----|----|----|-----|
| \$ | 450 | \$ | 0 | \$ | 50 | \$ | 500 |
|----|-----|----|---|----|----|----|-----|

##### **Roof and Floor Drain Separator**

SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.

|     |   |    |     |
|-----|---|----|-----|
| 450 | 0 | 50 | 500 |
|-----|---|----|-----|

#### **FRANKLIN COUNTY**

##### **Stockpile Facility**

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

|       |   |     |       |
|-------|---|-----|-------|
| 1,275 | 0 | 225 | 1,500 |
|-------|---|-----|-------|

#### **FULTON COUNTY**

##### **HVAC System**

REPLACE BOILER/HVAC: This project will provide for the replacement of the boiler and HVAC at the county maintenance facility.

|     |   |    |     |
|-----|---|----|-----|
| 600 | 0 | 50 | 650 |
|-----|---|----|-----|

##### **Roof and Floor Drain Separator**

SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.

|     |   |    |     |
|-----|---|----|-----|
| 450 | 0 | 50 | 500 |
|-----|---|----|-----|

##### **Salt Brine Operation**

CONSTRUCT SALT BRINE FACILITY: This project will provide for the construction of a salt brine manufacturing operation including a building, equipment, tanks, utilities, and site work.

|     |   |     |     |
|-----|---|-----|-----|
| 600 | 0 | 150 | 750 |
|-----|---|-----|-----|

#### **FULTON COUNTY (continued)**

##### **Stockpile Facility**

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

|       |     |     |       |
|-------|-----|-----|-------|
| 2,000 | 500 | 500 | 3,000 |
|-------|-----|-----|-------|

##### **Storage Buildings**

CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.

|       |   |     |       |
|-------|---|-----|-------|
| 1,400 | 0 | 100 | 1,500 |
|-------|---|-----|-------|

#### **GREENE COUNTY**

##### **Electrical Upgrade**

INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and electrical upgrade at the Welcome Center.

|     |   |    |     |
|-----|---|----|-----|
| 510 | 0 | 90 | 600 |
|-----|---|----|-----|

##### **Floor Drain**

SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.

|     |   |    |     |
|-----|---|----|-----|
| 450 | 0 | 50 | 500 |
|-----|---|----|-----|

##### **HVAC System**

UPGRADE HVAC SYSTEM: This project will provide for the upgrade of the HVAC system in all buildings at the county maintenance facility.

|     |   |     |     |
|-----|---|-----|-----|
| 800 | 0 | 100 | 900 |
|-----|---|-----|-----|

##### **Storage Buildings**

CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.

|     |   |     |       |
|-----|---|-----|-------|
| 900 | 0 | 100 | 1,000 |
|-----|---|-----|-------|

## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

| Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|-------------------------|--------------|---------------------------|--------------------------|
| \$ 500                  | \$ 0         | \$ 100                    | \$ 600                   |
| 530                     | 0            | 70                        | 600                      |
| 2,000                   | 500          | 500                       | 3,000                    |
| 500                     | 0            | 50                        | 550                      |
| 650                     | 0            | 50                        | 700                      |
| 1,200                   | 0            | 300                       | 1,500                    |
| 950                     | 0            | 50                        | 1,000                    |
| 450                     | 0            | 50                        | 500                      |
| 2,125                   | 0            | 375                       | 2,500                    |
| 550                     | 0            | 50                        | 600                      |
| 900                     | 0            | 100                       | 1,000                    |

#### HUNTINGDON COUNTY

##### Electrical Upgrade

INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and electrical upgrade at the maintenance building.

##### Roof Replacement

REPLACE ROOF: This project will provide for the roof replacement at the county office.

##### Stockpile Facility

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

##### Storage Building

CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.

#### INDIANA COUNTY

##### Truck Wash Facility

CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.

#### JEFFERSON COUNTY

##### Truck Wash Facility

CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.

#### JUNIATA COUNTY

##### Truck Wash Facility

CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.

#### LACKAWANNA COUNTY

##### Floor Drain

SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.

##### Safety Rest Area

RENOVATE SAFETY REST AREA #55: This project will provide for the renovation and expansion of Safety Rest Area #55 including the sewage treatment facilities.

##### Roof Replacement

REPLACE ROOF: This project will provide for the roof replacement at the county office.

##### Truck Wash Facility

CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.

## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

| Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|-------------------------|--------------|---------------------------|--------------------------|
|-------------------------|--------------|---------------------------|--------------------------|

#### **LANCASTER COUNTY**

##### **HVAC System**

UPGRADE HVAC SYSTEM: This project will provide for the upgrade of the HVAC system in all buildings at the county maintenance facility.

|    |     |    |   |    |    |    |     |
|----|-----|----|---|----|----|----|-----|
| \$ | 510 | \$ | 0 | \$ | 90 | \$ | 600 |
|----|-----|----|---|----|----|----|-----|

##### **Storage Buildings**

CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.

|     |   |     |       |
|-----|---|-----|-------|
| 850 | 0 | 150 | 1,000 |
|-----|---|-----|-------|

#### **LAWRENCE COUNTY**

##### **Electrical Upgrade**

INSTALL NEW GENERATOR: This project will provide for the installation of a new generator and electrical upgrade at the maintenance building.

|     |   |     |     |
|-----|---|-----|-----|
| 500 | 0 | 100 | 600 |
|-----|---|-----|-----|

##### **Floor Drain**

SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.

|     |   |    |     |
|-----|---|----|-----|
| 450 | 0 | 50 | 500 |
|-----|---|----|-----|

#### **LAWRENCE COUNTY (continued)**

##### **Storage Buildings**

CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use at Safety Rest Areas #17 & 18.

|     |   |     |       |
|-----|---|-----|-------|
| 900 | 0 | 100 | 1,000 |
|-----|---|-----|-------|

##### **Water Supply**

RENOVATE WATER SUPPLY: This project will provide for the renovation of water supply and treatment system including infrastructure at Safety Rest Areas #17 & 18.

|     |   |     |       |
|-----|---|-----|-------|
| 850 | 0 | 150 | 1,000 |
|-----|---|-----|-------|

#### **LEBANON COUNTY**

##### **Storage Buildings**

CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.

|     |   |     |       |
|-----|---|-----|-------|
| 850 | 0 | 150 | 1,000 |
|-----|---|-----|-------|

##### **Truck Wash Facility**

CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.

|     |   |     |       |
|-----|---|-----|-------|
| 900 | 0 | 100 | 1,000 |
|-----|---|-----|-------|

#### **LEHIGH COUNTY**

##### **Floor Drain**

SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.

|     |   |    |     |
|-----|---|----|-----|
| 450 | 0 | 50 | 500 |
|-----|---|----|-----|

##### **Roof and Floor Drain Separator**

SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.

|     |   |    |     |
|-----|---|----|-----|
| 450 | 0 | 50 | 500 |
|-----|---|----|-----|

##### **Storage Buildings**

CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.

|       |   |     |       |
|-------|---|-----|-------|
| 1,400 | 0 | 100 | 1,500 |
|-------|---|-----|-------|

#### **LUZERNE COUNTY**

##### **Floor Drain**

SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.

|     |   |    |     |
|-----|---|----|-----|
| 450 | 0 | 50 | 500 |
|-----|---|----|-----|

## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>LUZERNE COUNTY (continued)</u></b>  |                         |              |                           |                          |
| <b>Salt Brine Operation</b><br>CONSTRUCT SALT BRINE FACILITY: This project will provide for the construction of a salt brine manufacturing operation, including a building, equipment, tanks, utilities, and site work. | \$ 600                  | \$ 0         | \$ 150                    | \$ 750                   |
| <b>Storage Building</b><br>CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.  | 450                     | 0            | 50                        | 500                      |
| <b><u>LYCOMING COUNTY</u></b>   |                         |              |                           |                          |
| <b>Salt Stockpile Building</b><br>CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.   | 450                     | 0            | 50                        | 500                      |
| <b><u>MERCER COUNTY</u></b>   |                         |              |                           |                          |
| <b>County Maintenance Garage</b><br>RENOVATE FACILITY: This project will provide for the renovation of the County Maintenance Facility.   | 2,000                   | 0            | 500                       | 2,500                    |
| <b>Floor Drain</b><br>SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.  | 950                     | 0            | 50                        | 1,000                    |
| <b>Roof and Floor Drain Separator</b><br>SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.                                  | 450                     | 0            | 50                        | 500                      |
| <b><u>MIFFLIN COUNTY</u></b>  |                         |              |                           |                          |
| <b>Salt Stockpile Building</b><br>CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.   | 450                     | 0            | 50                        | 500                      |
| <b><u>MONROE COUNTY</u></b>   |                         |              |                           |                          |
| <b>County Maintenance Garage</b><br>RESURFACE FLOOR: This project will provide for the resurfacing of the floor at the county maintenance garage.   | 400                     | 0            | 50                        | 450                      |
| <b>County Maintenance Garage</b><br>REPLACE ROOF: This project will provide for the roof replacement at the county maintenance garage.  | 440                     | 0            | 60                        | 500                      |
| <b>Roof and Floor Drain Separator</b><br>SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.                                  | 1,350                   | 0            | 150                       | 1,500                    |
| <b>Storage Building</b><br>CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.  | 450                     | 0            | 50                        | 500                      |
| <b>Truck Wash Facility</b><br>CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment.                             | 900                     | 0            | 100                       | 1,000                    |
| <b><u>MONTGOMERY COUNTY</u></b>   |                         |              |                           |                          |
| <b>Storage Building</b><br>CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.  | 450                     | 0            | 50                        | 500                      |



## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>MONTGOMERY COUNTY (continued)</u></b>   |                         |              |                           |                          |
| <b>Truck Wash Facility</b>  | \$ 1,200                | \$ 0         | \$ 200                    | \$ 1,400                 |
| CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment. |                         |              |                           |                          |
| <b><u>MONTOUR COUNTY</u></b>  |                         |              |                           |                          |
| <b>Salt Stockpile Building</b>  | 450                     | 0            | 50                        | 500                      |
| CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.                           |                         |              |                           |                          |
| <b><u>NORTHAMPTON COUNTY</u></b>  |                         |              |                           |                          |
| <b>Roof and Floor Drain Separator</b>   | 450                     | 0            | 50                        | 500                      |
| SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.                 |                         |              |                           |                          |
| <b>Storage Buildings</b>  | 900                     | 0            | 100                       | 1,000                    |
| CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.   |                         |              |                           |                          |
| <b><u>NORTHUMBERLAND COUNTY</u></b>   |                         |              |                           |                          |
| <b>Bridgebeam Facility</b>  | 2,750                   | 0            | 250                       | 3,000                    |
| RENOVATE BRIDGE BEAM FACILITY: This project will provide for the renovation and expansion of the current facility.  |                         |              |                           |                          |
| <b>County Maintenance Garage</b>  | 550                     | 0            | 50                        | 600                      |
| REPLACE ROOF: This project will provide for the roof replacement at the county maintenance facility.  |                         |              |                           |                          |
| <b>Floor Drain</b>  | 950                     | 0            | 50                        | 1,000                    |
| SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.                  |                         |              |                           |                          |
| <b>Salt Stockpile Building</b>  | 450                     | 0            | 50                        | 500                      |
| CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.                           |                         |              |                           |                          |
| <b><u>PERRY COUNTY</u></b>  |                         |              |                           |                          |
| <b>Roof and Floor Drain Separator</b>   | 450                     | 0            | 50                        | 500                      |
| SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.                 |                         |              |                           |                          |
| <b>Storage Buildings</b>  | 850                     | 0            | 150                       | 1,000                    |
| CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.   |                         |              |                           |                          |
| <b><u>PHILADELPHIA COUNTY</u></b>   |                         |              |                           |                          |
| <b>Storage Building</b>   | 450                     | 0            | 50                        | 500                      |
| CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.   |                         |              |                           |                          |
| <b>Truck Wash Facility</b>  | 1,250                   | 0            | 250                       | 1,500                    |
| CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment. |                         |              |                           |                          |
| <b><u>PIKE COUNTY</u></b>   |                         |              |                           |                          |
| <b>Storage Buildings</b>  | 850                     | 0            | 150                       | 1,000                    |
| CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.   |                         |              |                           |                          |



## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>POTTER COUNTY</u></b>   |                         |              |                           |                          |
| <b>Salt Stockpile Building</b>  | \$ 450                  | \$ 0         | \$ 50                     | \$ 500                   |
| CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.                           |                         |              |                           |                          |
| <b><u>SCHUYLKILL COUNTY</u></b>   |                         |              |                           |                          |
| <b>Truck Wash Facility</b>  | 900                     | 0            | 100                       | 1,000                    |
| CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment. |                         |              |                           |                          |
| <b><u>SOMERSET COUNTY</u></b>   |                         |              |                           |                          |
| <b>Maintenance Facility</b>   | 1,000                   | 0            | 0                         | 1,000                    |
| CONSTRUCT NEW MAINTENANCE FACILITY: This project will provide for the development of a new maintenance facility including site design and construction.       |                         |              |                           |                          |
| <b>Storage Buildings</b>  | 1,400                   | 0            | 100                       | 1,500                    |
| CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.                                       |                         |              |                           |                          |
| <b><u>SUSQUEHANNA COUNTY</u></b>  |                         |              |                           |                          |
| <b>Floor Drain</b>  | 450                     | 0            | 50                        | 500                      |
| SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.                  |                         |              |                           |                          |
| <b>Storage Building</b>   | 450                     | 0            | 50                        | 500                      |
| CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.   |                         |              |                           |                          |
| <b>Truck Wash Facility</b>  | 900                     | 0            | 100                       | 1,000                    |
| CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment. |                         |              |                           |                          |
| <b><u>WASHINGTON COUNTY</u></b>   |                         |              |                           |                          |
| <b>Roof and Floor Drain Separator</b>   | 470                     | 0            | 30                        | 500                      |
| SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.                 |                         |              |                           |                          |
| <b>Storage Buildings</b>  | 1,400                   | 0            | 100                       | 1,500                    |
| CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.                                       |                         |              |                           |                          |
| <b><u>WAYNE COUNTY</u></b>  |                         |              |                           |                          |
| <b>County Maintenance Garage</b>  | 450                     | 0            | 50                        | 500                      |
| RENOVATE FACILITY: This project will provide for the renovation of the facility.  |                         |              |                           |                          |
| <b>County Maintenance Garage</b>  | 600                     | 0            | 150                       | 750                      |
| UPGRADE HVAC: This project will provide for the installation of radiant heating and HVAC upgrades at the county facility.                                     |                         |              |                           |                          |
| <b>Floor Drain</b>  | 450                     | 0            | 50                        | 500                      |
| SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.                  |                         |              |                           |                          |

## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway, Bridge & Administration Construction/Reconstruction

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>WAYNE COUNTY (continued)</u></b>  |                         |              |                           |                          |
| <b>Truck Wash Facility</b>  | \$ 900                  | \$ 0         | \$ 100                    | \$ 1,000                 |
| CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a new truck wash facility including site work, utilities and wash equipment. |                         |              |                           |                          |
| <b><u>WESTMORELAND COUNTY</u></b>   |                         |              |                           |                          |
| <b>County Maintenance Garage</b>  | 3,000                   | 0            | 250                       | 3,250                    |
| CONSTRUCT MAINTENANCE BUILDING: This project will provide for the construction of a new maintenance building with a weld shop.                                |                         |              |                           |                          |
| <b>Roof and Floor Drain Separator</b>   | 470                     | 0            | 30                        | 500                      |
| SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.                 |                         |              |                           |                          |
| <b>Storage Buildings</b>  | 1,400                   | 0            | 100                       | 1,500                    |
| CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.                                       |                         |              |                           |                          |
| <b><u>WYOMING COUNTY</u></b>  |                         |              |                           |                          |
| <b>Floor Drain</b>  | 450                     | 0            | 50                        | 500                      |
| SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.                  |                         |              |                           |                          |
| <b>Storage Buildings</b>  | 1,400                   | 0            | 100                       | 1,500                    |
| CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.                                       |                         |              |                           |                          |
| <b><u>YORK COUNTY</u></b>   |                         |              |                           |                          |
| <b>Roof and Floor Drain Separator</b>   | 450                     | 0            | 50                        | 500                      |
| SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.                 |                         |              |                           |                          |
| <b>Storage Buildings</b>  | 850                     | 0            | 150                       | 1,000                    |
| CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.   |                         |              |                           |                          |
| PROGRAM TOTAL.....  | \$ 117,880              | \$ 3,200     | \$ 15,940                 | \$ 137,020               |

## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Highway

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   |         | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| <b>ALLEGHENY COUNTY</b>   |         |                         |              |                           |                          |
| <b>Install Auxiliary Lane</b>   | State   | \$ 480                  | \$ 4         | \$ 100                    | \$ 584                   |
| CONSTRUCT AUXILIARY LANES: This project will provide for the construction of auxiliary lanes and traffic signal improvements on Library Road at Kings School Road intersection and Logan Road intersection.           | Federal | 1,920                   | 16           | 400                       | 2,336                    |
| <b>Interchange Improvement</b>  | State   | 3,300                   | 600          | 160                       | 4,060                    |
| IMPROVE INTERCHANGE: This project will provide for the improvement of Thorn Run Road interchange in Moon Township.  | Federal | 800                     | 0            | 0                         | 800                      |
|   | Local   | 3,336                   | 150          | 40                        | 3,526                    |
| <b>Pedestrian Bridge</b>  | State   | 1,920                   | 40           | 0                         | 1,960                    |
| CONSTRUCT PEDESTRIAN BRIDGE: This project will provide for the construction of a new pedestrian bridge between Allegheny Avenue and Reedsdale Road and will transfer ownership to Port Authority of Allegheny County. | Federal | 7,680                   | 0            | 2,090                     | 9,770                    |
| <b>Road Overlay</b>   | Federal | 1,500                   | 0            | 0                         | 1,500                    |
| RECONSTRUCT CARSON STREET: This project will provide for the reconstruction of Carson Street and 1000 feet of Smithfield Road.  |         |                         |              |                           |                          |
| <b>Road Overlay</b>   | State   | 0                       | 0            | 100                       | 100                      |
| RECONSTRUCT COCHRAN ROAD: This project will provide for the mill and overlay of Cochran Road from Washington Road to Beverly Road.  | Federal | 1,000                   | 75           | 125                       | 1,200                    |
| <b>Road Overlay</b>   | State   | 0                       | 80           | 250                       | 330                      |
| RECONSTRUCT FIFTH AVENUE: This project will provide for the mill and overlay of Fifth Avenue from Vine Street to Stoops Ferry Road.   | Federal | 1,500                   | 0            | 0                         | 1,500                    |
| <b>Road Reconstruction</b>  | State   | 2,050                   | 0            | 0                         | 2,050                    |
| RECONSTRUCT ROAD: This project will provide for the reconstruction of a bridge on SR 400, at Bloomfield Bridge to Baum Boulevard.   | Federal | 8,200                   | 200          | 400                       | 8,800                    |
| <b>Turning Lane</b>   | State   | 2,100                   | 100          | 750                       | 2,950                    |
| ADD TURNING LANE: This project will provide for the an additional turning lane on Lesnett McMillian Road and McLaughlin Run Road.   |         |                         |              |                           |                          |
| <b>Turning Lane</b>   | State   | 240                     | 0            | 0                         | 240                      |
| CONSTRUCT TURNING LANES: This project will provide for the construction of a left turn lane and two right turn lanes on Warrendale Bayne Road including rehabilitation and widening.                                  | Federal | 960                     | 0            | 0                         | 960                      |
| <b>Widen Road</b>   | State   | 2,000                   | 0            | 0                         | 2,000                    |
| WIDEN ROAD: This project will provide for the widening of Mount Nebo Road from east of I-79 interchange to east of Nicholson Road.  | Local   | 2,000                   | 0            | 0                         | 2,000                    |
| <b>Widen Road</b>   | State   | 1,400                   | 0            | 280                       | 1,680                    |
| WIDEN PINE CREEK ROAD: This project will provide for the widening of Pine Creek Road at Perry Highway to provide left turn lanes.   | Local   | 1,600                   | 0            | 0                         | 1,600                    |

## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Highway

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   |         | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|---------|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>ARMSTRONG COUNTY</u></b>  |         |                         |              |                           |                          |
| <b>Road Overlay</b>   | State   | \$ 3,000                | \$ 0         | \$ 0                      | \$ 3,000                 |
| REPAVE US 422: This project will provide for the mill and overlay on US 422 from SR 8012 to SR 8010.  |         |                         |              |                           |                          |
| <b><u>BEAVER COUNTY</u></b>   |         |                         |              |                           |                          |
| <b>Drainage Upgrades</b>  | State   | 2,100                   | 0            | 0                         | 2,100                    |
| DRAINAGE UPGRADES: This project will provide for drainage upgrades at the Aliquippa Tin Mill site.  |         |                         |              |                           |                          |
| <b>Road Overlay</b>   | State   | 10,100                  | 0            | 0                         | 10,100                   |
| REPAVE SR 65: This project will provide for the mill and overlay on SR 65 from the Allegheny/Beaver County line to SR 51.   |         |                         |              |                           |                          |
|   | Federal | 0                       | 0            | 3,500                     | 3,500                    |
| <b><u>BERKS COUNTY</u></b>  |         |                         |              |                           |                          |
| <b>Surface Treatment</b>  | State   | 1,680                   | 0            | 0                         | 1,680                    |
| PROVIDE SURFACE TREATMENT: This project will provide for the the surface treatment to multiple state roads in multiple municipalities.  |         |                         |              |                           |                          |
| <b><u>BUCKS COUNTY</u></b>  |         |                         |              |                           |                          |
| <b>Road Enhancements</b>  | State   | 0                       | 100          | 200                       | 300                      |
| RENOVATE ROAD: This project will provide for traffic calming turn lane and intersection improvements with multi-use trail at Stoopville.  |         |                         |              |                           |                          |
|   | Federal | 1,250                   | 100          | 221                       | 1,571                    |
| <b><u>BUTLER COUNTY</u></b>   |         |                         |              |                           |                          |
| <b>Road Overlay</b>   | State   | 1,600                   | 0            | 0                         | 1,600                    |
| RESURFACE ROAD: This project will provide for the mill and overlay of Freedom Road from US 19 to Beaver County Line.  |         |                         |              |                           |                          |
| <b><u>DELAWARE COUNTY</u></b>   |         |                         |              |                           |                          |
| <b>Road Overlay</b>   | State   | 990                     | 2            | 77                        | 1,069                    |
| RESURFACE SMITHBRIDGE ROAD: This project will provide for mill and overlay, edge repair, road widening and modify guiderail on Smithbridge Road between Concord Township and Chester Heights Borough. |         |                         |              |                           |                          |
|   | Federal | 3,960                   | 9            | 308                       | 4,277                    |
| <b><u>LACKAWANNA COUNTY</u></b>   |         |                         |              |                           |                          |
| <b>Drainage Upgrades</b>  | Federal | 600                     | 0            | 0                         | 600                      |
| IMPROVE DRAINAGE: This project will provide for the drainage improvements on Lane Street over Steery Creek.   |         |                         |              |                           |                          |
| <b><u>LAWRENCE COUNTY</u></b>   |         |                         |              |                           |                          |
| <b>Road Overlay</b>   | State   | 0                       | 0            | 150                       | 150                      |
| RESURFACE ROAD: This project will provide for the mill and overlay of Pollard Road from the Ohio State Line to Mount Jackson Road.  |         |                         |              |                           |                          |
|   | Federal | 3,500                   | 0            | 180                       | 3,680                    |
| <b><u>LEHIGH COUNTY</u></b>   |         |                         |              |                           |                          |
| <b>Road Overlay</b>   | State   | 400                     | 0            | 100                       | 500                      |
| RESURFACE ROAD: This project will provide for the mill and overlay of SR 222 from segment 82 to 142.  |         |                         |              |                           |                          |
|   | Federal | 2,000                   | 0            | 500                       | 2,500                    |

## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Highway

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  |         | Base<br>Project<br>Cost | Land<br>Cost    | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|---------|-------------------------|-----------------|---------------------------|--------------------------|
| <b><u>LEHIGH COUNTY (continued)</u></b>  |         |                         |                 |                           |                          |
| <b>Road Overlay</b>  | State   | \$ 100                  | \$ 8            | \$ 40                     | \$ 148                   |
| RESURFACE ROAD: This project will provide for the mill and overlay of Schoenersville Road from Ave C and Stoke Park to 8th Avenue.     | Federal | 1,000                   | 75              | 400                       | 1,475                    |
| <b>Road Overlay</b>  | State   | 200                     | 8               | 55                        | 263                      |
| RESURFACE ROAD: This project will provide for the mill and overlay with corridor improvements of 15th Street.                          | Federal | 2,000                   | 75              | 550                       | 2,625                    |
| <b><u>MONROE COUNTY</u></b>  |         |                         |                 |                           |                          |
| <b>Interchange Improvement</b>   | State   | 1,500                   | 0               | 0                         | 1,500                    |
| IMPROVE INTERCHANGE: This project will provide for the improvement of the interchange at SR115 and I-80.                               | Local   | 0                       | 200             | 800                       | 1,000                    |
| <b>Road Overlay</b>  | State   | 3,700                   | 0               | 200                       | 3,900                    |
| RESURFACE ROAD: This project will provide for the mill and overlay of Hamilton West from Lesh Road to SR 33.                           |         |                         |                 |                           |                          |
| <b>Road Overlay</b>  | State   | 500                     | 0               | 40                        | 540                      |
| RESURFACE ROAD: This project will provide for the mill and overlay of the Carbon County Line to SR 115 in Tunkhannock Township.        |         |                         |                 |                           |                          |
| <b><u>NORTHAMPTON COUNTY</u></b>   |         |                         |                 |                           |                          |
| <b>Reconstruct Road</b>  | State   | 150                     | 10              | 65                        | 225                      |
| RECONSTRUCT ROAD: This project will provide for the reconstruction of 2nd Street, Spring Garden Street, 4th Street and Ferry Street.   | Federal | 1,500                   | 100             | 650                       | 2,250                    |
| <b><u>WESTMORELAND COUNTY</u></b>  |         |                         |                 |                           |                          |
| <b>Concrete Patching</b>   | State   | 2,000                   | 0               | 0                         | 2,000                    |
| RESURFACE ROAD: This project will provide for the concrete patching in District 12.  |         |                         |                 |                           |                          |
| <b>Road Overlay</b>  | State   | 3,000                   | 0               | 0                         | 3,000                    |
| REPAIR ROADS: This project will provide for the repairing of roads and slide repair in District 12.                                    |         |                         |                 |                           |                          |
| <b><u>VARIOUS COUNTIES</u></b>   |         |                         |                 |                           |                          |
| <b>Bridge Wash</b>   | State   | 1,500                   | 0               | 0                         | 1,500                    |
| WASH BRIDGES: This project will provide for the washing and minor repairs of various sites in Allegheny, Beaver and Lawrence counties. |         |                         |                 |                           |                          |
| TOTAL STATE FUNDS.....   |         | \$ 46,010               | \$ 952          | \$ 2,567                  | \$ 49,529                |
| TOTAL FEDERAL FUNDS.....   |         | 39,370                  | 650             | 9,324                     | 49,344                   |
| TOTAL LOCAL FUNDS.....   |         | 6,936                   | 350             | 840                       | 8,126                    |
| PROGRAM TOTAL.....   |         | <u>\$ 92,316</u>        | <u>\$ 1,952</u> | <u>\$ 12,731</u>          | <u>\$ 106,999</u>        |

## Department of Transportation 2015-16 Projects

### PUBLIC IMPROVEMENT PROJECTS

#### FROM MOTOR LICENSE FUNDS

#### Program: State Highway and Bridge Maintenance - Bridge

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  |         | Base<br>Project<br>Cost | Land<br>Cost  | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|---------|-------------------------|---------------|---------------------------|--------------------------|
| <b>ARMSTRONG COUNTY</b>  |         |                         |               |                           |                          |
| <b>Rehabilitate SR 3023 Bridge BK 2946</b>   | State   | \$ 0                    | \$ 0          | \$ 39                     | \$ 39                    |
| REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge in South Buffalo Township.                             | Federal | 293                     | 0             | 0                         | 293                      |
| <b>Rehabilitate SR 3023 Bridge BK 2947</b>   | State   | 0                       | 0             | 39                        | 39                       |
| REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge in South Buffalo Township.                             | Federal | 293                     | 0             | 0                         | 293                      |
| <b>Rehabilitate SR 0128 Bridge BK 2950</b>   | State   | 0                       | 0             | 39                        | 39                       |
| REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge in North Buffalo Township.                             | Federal | 293                     | 0             | 0                         | 293                      |
| <b>Rehabilitate SR 0128 Bridge BK 2952</b>   | State   | 0                       | 0             | 39                        | 39                       |
| REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge in North Buffalo Township.                             | Federal | 293                     | 0             | 0                         | 293                      |
| <b>Rehabilitate T-414 Church Road Bridge BK 2953</b>   | State   | 0                       | 0             | 39                        | 39                       |
| REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Church Road in North Buffalo Township.              | Federal | 293                     | 0             | 0                         | 293                      |
| <b>Rehabilitate T-414 Church Road Bridge BK 2954</b>   | State   | 0                       | 0             | 39                        | 39                       |
| REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Church Road in North Buffalo Township.              | Federal | 293                     | 0             | 0                         | 293                      |
| <b>Rehabilitate T-435 McHaddon Church Road Bridge BK 2955</b>  | State   | 0                       | 0             | 39                        | 39                       |
| REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Church Road in North Buffalo Township.              | Federal | 293                     | 0             | 0                         | 293                      |
| <b>Rehabilitate T-435 McHaddon Church Road Bridge BK 2956</b>  | State   | 0                       | 0             | 39                        | 39                       |
| REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge on Church Road in North Buffalo Township.              | Federal | 293                     | 0             | 0                         | 293                      |
| <b>JEFFERSON COUNTY</b>  |         |                         |               |                           |                          |
| <b>Replace Bridge BK 19614</b>   | State   | 0                       | 0             | 165                       | 165                      |
| REPLACE BRIDGE: This project will provide for the replacement of a bridge over Stump Creek in Henderson Township.                        | Federal | 908                     | 58            | 183                       | 1,149                    |
| <b>Replace Bridge BK 19612</b>   | State   | 0                       | 0             | 165                       | 165                      |
| REPLACE BRIDGE: This project will provide for the replacement of a bridge over Rock Run in Bell Township.                                | Federal | 908                     | 58            | 183                       | 1,149                    |
| <b>VARIOUS COUNTIES</b>  |         |                         |               |                           |                          |
| <b>Repair Various Bridges Countywide</b>   | State   | 6,500                   | 0             | 0                         | 6,500                    |
| REPAIR VARIOUS BRIDGES: This project will provide for the repair and preservation of various bridges in Northampton and Lehigh Counties. |         |                         |               |                           |                          |
| TOTAL STATE FUNDS.....   |         | \$ 6,500                | \$ 0          | \$ 642                    | \$ 7,142                 |
| TOTAL FEDERAL FUNDS.....   |         | 4,160                   | 116           | 366                       | 4,642                    |
| PROGRAM TOTAL.....   |         | <u>\$ 10,660</u>        | <u>\$ 116</u> | <u>\$ 1,008</u>           | <u>\$ 11,784</u>         |

## Department of Transportation 2015-16 Projects

### TRANSPORTATION ASSISTANCE PROJECTS

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Urban Mass Transportation

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|  |         | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|--|---------|-------------------------|--------------|---------------------------|--------------------------|
| <b>ALLEGHENY COUNTY</b>  |         |                         |              |                           |                          |
| <b>Port Authority of Allegheny County</b>  | State   | \$ 47,033               | \$ 0         | \$ 5,226                  | \$ 52,259                |
| INFRASTRUCTURE SAFETY RENEWAL PROGRAM: This project will provide for the authority's Infrastructure Safety Renewal Program, which includes capital improvements to stations, signals, track, power, and buildings. | Local   | 1,567                   | 0            | 174                       | 1,741                    |
| <b>Port Authority of Allegheny County</b>  | State   | 14,671                  | 15           | 285                       | 14,971                   |
| SECTIONS 5307/5339 PROGRAMS: This project will provide for the state funds to match discretionary federal capital and local funding for the replacement of major components of a bus and fixed guideway system.    | Federal | 60,640                  | 62           | 1,176                     | 61,878                   |
|  | Local   | 489                     | 1            | 9                         | 499                      |
| <b>PHILADELPHIA COUNTY</b>   |         |                         |              |                           |                          |
| <b>Southeastern Pennsylvania Transportation Authority</b>  | State   | 0                       | 0            | 107,000                   | 107,000                  |
| FEDERAL GRANT PROGRAM: This project will provide for the state funds to match discretionary federal capital funding to rehabilitate or replace existing facilities and infrastructure.                             | Federal | 0                       | 0            | 442,263                   | 442,263                  |
|  | Local   | 2,853                   | 0            | 713                       | 3,566                    |
| <b>Southeastern Pennsylvania Transportation Authority</b>  | State   | 0                       | 0            | 110,000                   | 110,000                  |
| BUS PURCHASE PROGRAM: This project will provide for the authority's state funds to match discretionary federal capital funding to replace buses and rehabilitate various facilities.                               | Local   | 0                       | 0            | 3,666                     | 3,666                    |
| TOTAL STATE FUNDS.....   |         | \$ 61,704               | \$ 15        | \$ 222,511                | \$ 284,230               |
| TOTAL FEDERAL FUNDS.....   |         | 60,640                  | 62           | 443,439                   | 504,141                  |
| TOTAL LOCAL FUNDS.....   |         | 4,909                   | 1            | 4,562                     | 9,472                    |
| PROGRAM TOTAL.....   |         | <u>\$ 127,253</u>       | <u>\$ 78</u> | <u>\$ 670,512</u>         | <u>\$ 797,843</u>        |

## Department of Transportation 2015-16 Projects

### TRANSPORTATION ASSISTANCE PROJECTS (continued)

#### FROM CAPITAL FACILITIES BOND FUNDS

#### Program: Rail Freight Transportation

*This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.*

(Dollar Amounts in Thousands)

|   |       | Base<br>Project<br>Cost | Land<br>Cost | Design &<br>Contingencies | Total<br>Project<br>Cost |
|---|-------|-------------------------|--------------|---------------------------|--------------------------|
| <b><u>FRANKLIN COUNTY</u></b>   |       |                         |              |                           |                          |
| <b>Proctor &amp; Gamble Shippensburg Site</b>   | State | \$ 10,000               | \$ 0         | \$ 2,000                  | \$ 12,000                |
| CONSTRUCT SIDING: This project will provide for the construction of a rail siding from Norfolk Southern mainline into the new Proctor & Gamble facility as well as construct needed rail infrastructure.  |       |                         |              |                           |                          |
| <b><u>VARIOUS COUNTIES</u></b>  |       |                         |              |                           |                          |
| <b>All Counties</b>   | State | 20,000                  | 0            | 4,000                     | 24,000                   |
| INFRASTRUCTURE IMPROVEMENTS: This project will provide for the rehabilitation and expansion of current rail infrastructure including bridges to provide for the safe transportation of all types of hazardous materials.                        |       |                         |              |                           |                          |
| <b>All Counties</b>   | State | 20,000                  | 0            | 4,000                     | 24,000                   |
| INFRASTRUCTURE IMPROVEMENTS: This project will provide for the rehabilitation and expansion of current rail infrastructure including bridges to accommodate current and future growth demands.  |       |                         |              |                           |                          |
| <b>All Counties</b>   | State | 20,000                  | 0            | 4,000                     | 24,000                   |
| FACILITY IMPROVEMENTS: This project will provide for the rehabilitation and expansion of current rail yards and intermodal facilities as well as the construction of new intermodal facilities and rail yards.                                  |       |                         |              |                           |                          |
| <b>All Counties</b>   | State | 15,000                  | 0            | 3,000                     | 18,000                   |
| TECHNOLOGY IMPROVEMENTS: This project will provide for the purchase and installation of all components related to technology improvements within the rail industry including, positive train control, rolling stock upgrades and signalization. |       |                         |              |                           |                          |
| <b>All Counties</b>   | State | 15,000                  | 0            | 3,000                     | 18,000                   |
| REHABILITATE SIDINGS: This project will provide for the construction and rehabilitation of rail sidings and spurs to provide businesses with access to rail shipping for economic development.  |       |                         |              |                           |                          |
| PROGRAM TOTAL.....  |       | <u>\$ 100,000</u>       | <u>\$ 0</u>  | <u>\$ 20,000</u>          | <u>\$ 120,000</u>        |



## FORECAST OF FUTURE NEW PROJECT AUTHORIZATIONS State Funds

This table provides a summary of the estimated level of future authorizations by department from bond funds and current revenue sources.

(Dollar Amounts in Thousands)

|   | 2016-17             | 2017-18             | 2018-19           | 2019-20           |
|---|---------------------|---------------------|-------------------|-------------------|
| Agriculture.....                        | \$ 8,750            | \$ 8,750            | \$ 8,750          | \$ 8,750          |
| Conservation and Natural Resources..... | 33,800              | 69,500              | 80,500            | 122,550           |
| Corrections.....                        | 95,880              | 0                   | 0                 | 0                 |
| Education.....                          | 449,400             | 290,000             | 241,750           | 206,500           |
| Emergency Management Agency.....        | 0                   | 0                   | 0                 | 0                 |
| Environmental Protection.....           | 6,990               | 21,064              | 49,752            | 20,425            |
| Fish and Boat Commission.....           | 0                   | 0                   | 0                 | 0                 |
| Game Commission.....                    | 0                   | 0                   | 0                 | 0                 |
| General Services.....                   | 18,500              | 16,750              | 0                 | 0                 |
| Historical and Museum Commission.....   | 29,380              | 36,000              | 28,775            | 28,380            |
| Human Services.....                     | 33,100              | 24,870              | 0                 | 0                 |
| Military and Veterans Affairs.....      | 0                   | 0                   | 0                 | 0                 |
| State Police.....                       | 125,298             | 0                   | 0                 | 0                 |
| Transportation.....                     | 859,020             | 575,000             | 575,000           | 575,000           |
| <b>TOTAL.....</b>                       | <b>\$ 1,660,118</b> | <b>\$ 1,041,934</b> | <b>\$ 984,527</b> | <b>\$ 961,605</b> |

## Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets from 2016-17 through 2019-20. Amounts in this section are grouped by department, along with the general types of projects involved, and are identified by capital project category.

| (Dollar Amounts in Thousands)   |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
| <b>FROM CAPITAL FACILITIES BOND FUNDS</b>   |                      |                      |                      |                      |
| <b>Agriculture</b>  |                      |                      |                      |                      |
| PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex and the laboratory.   | \$ 8,750             | \$ 8,750             | \$ 8,750             | \$ 8,750             |
| <b>Conservation and Natural Resources</b>   | 25,300               | 61,000               | 72,000               | 114,050              |
| PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of support, day use, camping facilities and utility systems at the state parks; construction of district offices, central garages, radio communications systems and rehabilitation of forest roads in forest districts. Also may include original furniture and equipment authorizations. |                      |                      |                      |                      |
| <b>Corrections</b>  | 95,880               | 0                    | 0                    | 0                    |
| PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of administrative, industrial, educational and housing facilities and utilities at the state-owned correctional institutions. Also may include original furniture and equipment authorizations.   |                      |                      |                      |                      |
| <b>Education</b>  | 449,400              | 290,000              | 241,750              | 206,500              |
| PUBLIC IMPROVEMENT PROJECTS: Provides for construction, expansion, renovation and conversion of classroom and auxiliary buildings, utilities and recreational facilities for the State System of Higher Education, State-Owned Schools and for the State-Related Universities. Also may include original furniture and equipment authorizations.                |                      |                      |                      |                      |
| <b>Emergency Management Agency</b>  | 0                    | 0                    | 0                    | 0                    |
| PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovations at the State Fire Academy, Emergency Operations Centers around the state and other emergency facilities.   |                      |                      |                      |                      |
| <b>Environmental Protection</b>   | 6,990                | 21,064               | 49,752               | 20,425               |
| PUBLIC IMPROVEMENT PROJECTS: Provides for construction and improvement projects to protect the environment and the health and safety of citizens using state lands and waterways. These projects include flood protection construction. Also may include original furniture and equipment authorizations.   |                      |                      |                      |                      |
| <b>Environmental Protection</b>   | 0                    | 0                    | 0                    | 0                    |
| FLOOD CONTROL PROJECTS: Provides for the state share of federal flood control projects including the construction and improvement of levees, dikes, walls, revetments, dams, lakes, reservoirs and other works deemed necessary to control floods. Also, will control, preserve and regulate the flow of rivers and streams.                                    |                      |                      |                      |                      |
| <b>General Services</b>   | 18,500               | 16,750               | 0                    | 0                    |
| PUBLIC IMPROVEMENT PROJECTS: Provides for the construction, renovation and improvements to state office buildings and facilities.   |                      |                      |                      |                      |
| <b>Historical and Museum Commission</b>   | 29,380               | 36,000               | 28,775               | 28,380               |
| PUBLIC IMPROVEMENT PROJECTS: Provides for restoration and renovation of historic facilities, installation of fire and security systems, development of fixed exhibits and miscellaneous building and utility improvements at commonwealth owned museums and historic sites. Also may include original furniture and equipment authorizations.                   |                      |                      |                      |                      |

# Capital Budget

## Forecast of Future Projects

(Dollar Amounts in Thousands)

### FROM CAPITAL FACILITIES BOND FUNDS (continued)

#### Human Services

PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of patient buildings, support facilities and utilities at the state institutions for the mentally ill and intellectually disabled, restoration centers and youth development centers. Also may include original furniture and equipment authorizations.

| 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|----------------------|----------------------|----------------------|----------------------|
| \$ 33,100            | \$ 24,870            | \$ 0                 | \$ 0                 |

#### Military and Veterans Affairs

PUBLIC IMPROVEMENT PROJECTS: Provides for land acquisition, renovations, additions and replacement at the state armories and veterans' homes. Also may include original furniture and equipment authorizations.

|   |   |   |   |
|---|---|---|---|
| 0 | 0 | 0 | 0 |
|---|---|---|---|

#### State Police

PUBLIC IMPROVEMENT PROJECTS: Provides for renovation, expansion and construction of troop headquarters/station facilities and driver examination facilities. Also may include original furniture and equipment authorizations.

|         |   |   |   |
|---------|---|---|---|
| 125,298 | 0 | 0 | 0 |
|---------|---|---|---|

#### Transportation

PUBLIC IMPROVEMENT PROJECTS: Provides for construction of and additions to highway maintenance and district office buildings, driver examination facilities, welcome centers and state-owned airport facilities. Also may include original furniture and equipment authorizations.

|         |   |   |   |
|---------|---|---|---|
| 284,020 | 0 | 0 | 0 |
|---------|---|---|---|

#### Transportation

TRANSPORTATION ASSISTANCE PROJECTS: Provides for the purchase/rehabilitation of rolling stock and equipment and for construction/renovation of facilities operated by local mass transportation agencies. Also includes the purchase and improvement of rail lines.

|         |         |         |         |
|---------|---------|---------|---------|
| 175,000 | 175,000 | 175,000 | 175,000 |
|---------|---------|---------|---------|

### CAPITAL FACILITIES BOND FUNDS

|  |              |            |            |            |
|--|--------------|------------|------------|------------|
| Total — Public Improvement Program.....        | \$ 1,076,618 | \$ 458,434 | \$ 401,027 | \$ 378,105 |
| Total — Transportation Assistance Program..... | 175,000      | 175,000    | 175,000    | 175,000    |
| SUBTOTAL— CAPITAL FACILITIES BOND FUNDS.....   | \$ 1,251,618 | \$ 633,434 | \$ 576,027 | \$ 553,105 |

## Forecast of Future Projects

(Dollar Amounts in Thousands)

|  | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|----------------------|----------------------|----------------------|----------------------|
| <b>FROM CURRENT REVENUES</b>   |                      |                      |                      |                      |
| <b>Conservation and Natural Resources</b>  | \$ 3,500             | \$ 3,500             | \$ 3,500             | \$ 3,500             |
| PUBLIC IMPROVEMENT PROJECTS — KEYSTONE RECREATION, PARK AND CONSERVATION FUND: Provides for the rehabilitation, repair and development of state park and forest facilities which are critical for visitor safety and environmental protection or essential for facility operation. |                      |                      |                      |                      |
| <b>Conservation and Natural Resources</b>  | 5,000                | 5,000                | 5,000                | 5,000                |
| PUBLIC IMPROVEMENT PROJECTS — ENVIRONMENTAL STEWARDSHIP FUND: Provides for the acquisition, rehabilitation and development of open space, forests, parks and scenic environments.  |                      |                      |                      |                      |
| <b>Transportation</b>  | 400,000              | 400,000              | 400,000              | 400,000              |
| HIGHWAY PROJECTS — MOTOR LICENSE FUND: Provides for the purchase of right-of-way, construction, and reconstruction of highways and bridges on the commonwealth road system and major federally designated safety projects.   |                      |                      |                      |                      |
| <b>CURRENT REVENUES</b>  |                      |                      |                      |                      |
| Total – Public Improvement Program.....  | \$ 8,500             | \$ 8,500             | \$ 8,500             | \$ 8,500             |
| Total – Highway Program.....   | 400,000              | 400,000              | 400,000              | 400,000              |
| SUBTOTAL – CURRENT REVENUES.....   | \$ 408,500           | \$ 408,500           | \$ 408,500           | \$ 408,500           |
| <b>TOTAL – ALL PROGRAMS.....</b>   | <b>\$ 1,660,118</b>  | <b>\$ 1,041,934</b>  | <b>\$ 984,527</b>    | <b>\$ 961,605</b>    |

## ESTIMATED CAPITAL PROJECT EXPENDITURES BY DEPARTMENT

This table provides a summary of total estimated capital expenditures for state funds by department.

(Dollar Amounts in Thousands)

| Department                              | 2015-16<br>Estimated | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Executive Offices.....                  | \$ 0                 | \$ 0                 | \$ 0                 | \$ 0                 | \$ 0                 |
| Agriculture.....                        | 945                  | 1,095                | 2,562                | 4,067                | 5,961                |
| Conservation and Natural Resources..... | 53,609               | 50,314               | 64,056               | 68,453               | 79,727               |
| Community and Economic Development..... | 390,202              | 446,594              | 341,525              | 359,466              | 212,961              |
| Corrections.....                        | 137,408              | 40,205               | 52,084               | 67,316               | 51,214               |
| Education.....                          | 256,547              | 270,990              | 280,852              | 306,845              | 266,006              |
| Emergency Management Agency.....        | 1,925                | 1,532                | 2,608                | 3,947                | 2,506                |
| Environmental Protection.....           | 21,072               | 35,103               | 39,580               | 41,039               | 26,409               |
| Fish and Boat Commission.....           | 7,866                | 4,428                | 5,747                | 5,588                | 3,822                |
| Game Commission.....                    | 41                   | 32                   | 55                   | 83                   | 53                   |
| General Services.....                   | 167,652              | 212,711              | 46,252               | 60,597               | 37,258               |
| Historical and Museum Commission.....   | 7,056                | 10,439               | 14,231               | 20,004               | 20,393               |
| Human Services.....                     | 6,351                | 8,181                | 10,565               | 10,685               | 7,515                |
| Military and Veterans Affairs.....      | 12,492               | 16,342               | 27,190               | 31,552               | 28,528               |
| State Police.....                       | 5,312                | 21,493               | 36,059               | 39,015               | 38,495               |
| Transportation.....                     | 665,365              | 609,225              | 690,064              | 805,457              | 896,123              |
| <b>TOTAL - ALL STATE FUNDS.....</b>     | <b>\$ 1,733,841</b>  | <b>\$ 1,728,685</b>  | <b>\$ 1,613,431</b>  | <b>\$ 1,824,114</b>  | <b>\$ 1,676,971</b>  |

## Estimate of Capital Expenditures

This table provides estimated capital expenditures by department for currently authorized capital projects, projects recommended in this budget and potential future authorizations.

(Dollar Amounts in Thousands)

|  | 2015-16<br>Estimated | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>CAPITAL FACILITIES BOND FUNDS</b>               |                      |                      |                      |                      |                      |
| <b>Executive Offices</b>                           |                      |                      |                      |                      |                      |
| Public Improvement Projects                        |                      |                      |                      |                      |                      |
| Projects Currently Authorized                      |                      |                      |                      |                      |                      |
| Buildings and Structures.....                      | \$ 0                 | \$ 0                 | \$ 0                 | \$ 0                 | \$ 0                 |
| Furniture and Equipment.....                       | 0                    | 0                    | 0                    | 0                    | 0                    |
| Projects in 2015-16 Budget                         |                      |                      |                      |                      |                      |
| Buildings and Structures.....                      | 0                    | 0                    | 0                    | 0                    | 0                    |
| Furniture and Equipment.....                       | 0                    | 0                    | 0                    | 0                    | 0                    |
| Future Projects (2016-20)                          |                      |                      |                      |                      |                      |
| Buildings and Structures.....                      | 0                    | 0                    | 0                    | 0                    | 0                    |
| Furniture and Equipment.....                       | 0                    | 0                    | 0                    | 0                    | 0                    |
| TOTAL - EXECUTIVE OFFICES.....                     | <u>\$ 0</u>          | <u>\$ 0</u>          | <u>\$ 0</u>          | <u>\$ 0</u>          | <u>\$ 0</u>          |
| <b>Agriculture</b>                                 |                      |                      |                      |                      |                      |
| Public Improvement Projects                        |                      |                      |                      |                      |                      |
| Projects Currently Authorized                      |                      |                      |                      |                      |                      |
| Buildings and Structures.....                      | \$ 857               | \$ 219               | \$ 373               | \$ 565               | \$ 359               |
| Furniture and Equipment.....                       | 0                    | 0                    | 0                    | 0                    | 0                    |
| Projects in 2015-16 Budget                         |                      |                      |                      |                      |                      |
| Buildings and Structures.....                      | 88                   | 788                  | 1,313                | 1,313                | 2,100                |
| Furniture and Equipment.....                       | 0                    | 0                    | 0                    | 0                    | 0                    |
| Future Projects (2016-20)                          |                      |                      |                      |                      |                      |
| Buildings and Structures.....                      | 0                    | 88                   | 876                  | 2,189                | 3,502                |
| Furniture and Equipment.....                       | 0                    | 0                    | 0                    | 0                    | 0                    |
| TOTAL - AGRICULTURE.....                           | <u>\$ 945</u>        | <u>\$ 1,095</u>      | <u>\$ 2,562</u>      | <u>\$ 4,067</u>      | <u>\$ 5,961</u>      |
| <b>Conservation and Natural Resources</b>          |                      |                      |                      |                      |                      |
| Public Improvement Projects                        |                      |                      |                      |                      |                      |
| Projects Currently Authorized                      |                      |                      |                      |                      |                      |
| Buildings and Structures.....                      | \$ 26,666            | \$ 8,324             | \$ 11,266            | \$ 13,548            | \$ 6,851             |
| Furniture and Equipment.....                       | 136                  | 541                  | 180                  | 0                    | 0                    |
| Projects in 2015-16 Budget                         |                      |                      |                      |                      |                      |
| Buildings and Structures.....                      | 1,225                | 11,025               | 18,375               | 18,375               | 18,375               |
| Furniture and Equipment.....                       | 0                    | 0                    | 0                    | 0                    | 0                    |
| Future Projects (2016-20)                          |                      |                      |                      |                      |                      |
| Buildings and Structures.....                      | 0                    | 338                  | 3,737                | 12,130               | 23,966               |
| Furniture and Equipment.....                       | 0                    | 0                    | 0                    | 0                    | 0                    |
| TOTAL - CONSERVATION AND<br>NATURAL RESOURCES..... | <u>\$ 28,027</u>     | <u>\$ 20,228</u>     | <u>\$ 33,558</u>     | <u>\$ 44,053</u>     | <u>\$ 49,192</u>     |
| <b>Community and Economic Development</b>          |                      |                      |                      |                      |                      |
| Public Improvement Projects                        |                      |                      |                      |                      |                      |
| Projects Currently Authorized                      |                      |                      |                      |                      |                      |
| Buildings and Structures.....                      | \$ 65,202            | \$ 61,594            | \$ 46,525            | \$ 64,466            | \$ 37,961            |
| Furniture and Equipment.....                       | 0                    | 0                    | 0                    | 0                    | 0                    |
| Projects in 2015-16 Budget                         |                      |                      |                      |                      |                      |
| Buildings and Structures.....                      | 0                    | 0                    | 0                    | 0                    | 0                    |
| Furniture and Equipment.....                       | 0                    | 0                    | 0                    | 0                    | 0                    |
| Future Projects (2016-20)                          |                      |                      |                      |                      |                      |
| Buildings and Structures.....                      | 0                    | 0                    | 0                    | 0                    | 0                    |
| Furniture and Equipment.....                       | 0                    | 0                    | 0                    | 0                    | 0                    |
| Subtotal.....                                      | <u>\$ 65,202</u>     | <u>\$ 61,594</u>     | <u>\$ 46,525</u>     | <u>\$ 64,466</u>     | <u>\$ 37,961</u>     |

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

|  | <b>2015-16<br/>Estimated</b> | <b>2016-17<br/>Estimated</b> | <b>2017-18<br/>Estimated</b> | <b>2018-19<br/>Estimated</b> | <b>2019-20<br/>Estimated</b> |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Redevelopment Assistance Projects</b>                   |                              |                              |                              |                              |                              |
| Projects Currently Authorized                              |                              |                              |                              |                              |                              |
| Acquisition and Construction.....                          | \$ 325,000                   | \$ 385,000                   | \$ 295,000                   | \$ 295,000                   | \$ 175,000                   |
| TOTAL - COMMUNITY AND<br>ECONOMIC DEVELOPMENT.....         | <u>\$ 390,202</u>            | <u>\$ 446,594</u>            | <u>\$ 341,525</u>            | <u>\$ 359,466</u>            | <u>\$ 212,961</u>            |
| <b>Corrections</b>   |                              |                              |                              |                              |                              |
| Public Improvement Projects                                |                              |                              |                              |                              |                              |
| Projects Currently Authorized                              |                              |                              |                              |                              |                              |
| Buildings and Structures.....                              | \$ 136,420                   | \$ 30,597                    | \$ 29,078                    | \$ 38,567                    | \$ 22,465                    |
| Furniture and Equipment.....                               | 30                           | 29                           | 10                           | 0                            | 0                            |
| Projects in 2015-16 Budget                                 |                              |                              |                              |                              |                              |
| Buildings and Structures.....                              | 958                          | 8,620                        | 14,367                       | 14,367                       | 14,367                       |
| Furniture and Equipment.....                               | 0                            | 0                            | 0                            | 0                            | 0                            |
| Future Projects (2016-20)                                  |                              |                              |                              |                              |                              |
| Buildings and Structures.....                              | 0                            | 959                          | 8,629                        | 14,382                       | 14,382                       |
| Furniture and Equipment.....                               | 0                            | 0                            | 0                            | 0                            | 0                            |
| TOTAL - CORRECTIONS.....                                   | <u>\$ 137,408</u>            | <u>\$ 40,205</u>             | <u>\$ 52,084</u>             | <u>\$ 67,316</u>             | <u>\$ 51,214</u>             |
| <b>Education</b>   |                              |                              |                              |                              |                              |
| Public Improvement Projects                                |                              |                              |                              |                              |                              |
| Projects Currently Authorized                              |                              |                              |                              |                              |                              |
| Buildings and Structures.....                              | \$ 245,239                   | \$ 212,857                   | \$ 188,727                   | \$ 152,330                   | \$ 72,686                    |
| Furniture and Equipment.....                               | 4,183                        | 14,714                       | 4,904                        | 14,712                       | 14,712                       |
| Projects in 2015-16 Budget                                 |                              |                              |                              |                              |                              |
| Buildings and Structures.....                              | 2,925                        | 26,325                       | 43,875                       | 43,875                       | 43,875                       |
| Furniture and Equipment.....                               | 4,200                        | 12,600                       | 0                            | 0                            | 0                            |
| Future Projects (2016-20)                                  |                              |                              |                              |                              |                              |
| Buildings and Structures.....                              | 0                            | 4,494                        | 43,346                       | 95,928                       | 134,733                      |
| Furniture and Equipment.....                               | 0                            | 0                            | 0                            | 0                            | 0                            |
| TOTAL - EDUCATION.....                                     | <u>\$ 256,547</u>            | <u>\$ 270,990</u>            | <u>\$ 280,852</u>            | <u>\$ 306,845</u>            | <u>\$ 266,006</u>            |
| <b>Emergency Management Agency</b>                         |                              |                              |                              |                              |                              |
| Public Improvement Projects                                |                              |                              |                              |                              |                              |
| Projects Currently Authorized                              |                              |                              |                              |                              |                              |
| Buildings and Structures.....                              | \$ 1,925                     | \$ 1,532                     | \$ 2,608                     | \$ 3,947                     | \$ 2,506                     |
| Furniture and Equipment.....                               | 0                            | 0                            | 0                            | 0                            | 0                            |
| Projects in 2015-16 Budget                                 |                              |                              |                              |                              |                              |
| Buildings and Structures.....                              | 0                            | 0                            | 0                            | 0                            | 0                            |
| Furniture and Equipment.....                               | 0                            | 0                            | 0                            | 0                            | 0                            |
| Future Projects (2016-20)                                  |                              |                              |                              |                              |                              |
| Buildings and Structures.....                              | 0                            | 0                            | 0                            | 0                            | 0                            |
| Furniture and Equipment.....                               | 0                            | 0                            | 0                            | 0                            | 0                            |
| TOTAL - EMERGENCY MANAGEMENT<br>AND HOMELAND SECURITY..... | <u>\$ 1,925</u>              | <u>\$ 1,532</u>              | <u>\$ 2,608</u>              | <u>\$ 3,947</u>              | <u>\$ 2,506</u>              |

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

|                                       | <u>2015-16<br/>Estimated</u> | <u>2016-17<br/>Estimated</u> | <u>2017-18<br/>Estimated</u> | <u>2018-19<br/>Estimated</u> | <u>2019-20<br/>Estimated</u> |
|---------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Environmental Protection</b>       |                              |                              |                              |                              |                              |
| Public Improvement Projects           |                              |                              |                              |                              |                              |
| Projects Currently Authorized         |                              |                              |                              |                              |                              |
| Buildings and Structures.....         | \$ 7,961                     | \$ 10,271                    | \$ 11,596                    | \$ 10,452                    | \$ 3,087                     |
| Furniture and Equipment.....          | 0                            | 0                            | 0                            | 0                            | 0                            |
| Projects in 2015-16 Budget            |                              |                              |                              |                              |                              |
| Buildings and Structures.....         | 397                          | 3,573                        | 5,955                        | 5,955                        | 5,955                        |
| Furniture and Equipment.....          | 0                            | 0                            | 0                            | 0                            | 0                            |
| Future Projects (2016-20)             |                              |                              |                              |                              |                              |
| Buildings and Structures.....         | 0                            | 70                           | 840                          | 3,443                        | 8,891                        |
| Furniture and Equipment.....          | 0                            | 0                            | 0                            | 0                            | 0                            |
| Subtotal .....                        | <u>\$ 8,358</u>              | <u>\$ 13,914</u>             | <u>\$ 18,391</u>             | <u>\$ 19,850</u>             | <u>\$ 17,933</u>             |
| Flood Control Projects                |                              |                              |                              |                              |                              |
| Projects Currently Authorized         |                              |                              |                              |                              |                              |
| Structures and Improvements.....      | \$ 12,714                    | \$ 21,189                    | \$ 21,189                    | \$ 21,189                    | \$ 8,476                     |
| Projects in 2014-15 Budget            |                              |                              |                              |                              |                              |
| Structures and Improvements.....      | 0                            | 0                            | 0                            | 0                            | 0                            |
| Future Projects (2015-19)             |                              |                              |                              |                              |                              |
| Structures and Improvements.....      | 0                            | 0                            | 0                            | 0                            | 0                            |
| Subtotal .....                        | <u>\$ 12,714</u>             | <u>\$ 21,189</u>             | <u>\$ 21,189</u>             | <u>\$ 21,189</u>             | <u>\$ 8,476</u>              |
| TOTAL - ENVIRONMENTAL PROTECTION..... | <u>\$ 21,072</u>             | <u>\$ 35,103</u>             | <u>\$ 39,580</u>             | <u>\$ 41,039</u>             | <u>\$ 26,409</u>             |
| <b>Fish and Boat Commission</b>       |                              |                              |                              |                              |                              |
| Public Improvement Projects           |                              |                              |                              |                              |                              |
| Projects Currently Authorized         |                              |                              |                              |                              |                              |
| Buildings and Structures.....         | \$ 7,116                     | \$ 3,678                     | \$ 4,997                     | \$ 4,838                     | \$ 3,072                     |
| Furniture and Equipment.....          | 0                            | 0                            | 0                            | 0                            | 0                            |
| Projects in 2015-16 Budget            |                              |                              |                              |                              |                              |
| Buildings and Structures.....         | 0                            | 0                            | 0                            | 0                            | 0                            |
| Furniture and Equipment.....          | 0                            | 0                            | 0                            | 0                            | 0                            |
| Future Projects (2016-20)             |                              |                              |                              |                              |                              |
| Buildings and Structures.....         | 0                            | 0                            | 0                            | 0                            | 0                            |
| Furniture and Equipment.....          | 0                            | 0                            | 0                            | 0                            | 0                            |
| TOTAL - FISH AND BOAT COMMISSION..... | <u>\$ 7,116</u>              | <u>\$ 3,678</u>              | <u>\$ 4,997</u>              | <u>\$ 4,838</u>              | <u>\$ 3,072</u>              |
| <b>Game Commission</b>                |                              |                              |                              |                              |                              |
| Public Improvement Projects           |                              |                              |                              |                              |                              |
| Projects Currently Authorized         |                              |                              |                              |                              |                              |
| Buildings and Structures.....         | \$ 41                        | \$ 32                        | \$ 55                        | \$ 83                        | \$ 53                        |
| Furniture and Equipment.....          | 0                            | 0                            | 0                            | 0                            | 0                            |
| Projects in 2015-16 Budget            |                              |                              |                              |                              |                              |
| Buildings and Structures.....         | 0                            | 0                            | 0                            | 0                            | 0                            |
| Furniture and Equipment.....          | 0                            | 0                            | 0                            | 0                            | 0                            |
| Future Projects (2016-20)             |                              |                              |                              |                              |                              |
| Buildings and Structures.....         | 0                            | 0                            | 0                            | 0                            | 0                            |
| Furniture and Equipment.....          | 0                            | 0                            | 0                            | 0                            | 0                            |
| TOTAL - GAME COMMISSION.....          | <u>\$ 41</u>                 | <u>\$ 32</u>                 | <u>\$ 55</u>                 | <u>\$ 83</u>                 | <u>\$ 53</u>                 |



## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

|   | <u>2015-16<br/>Estimated</u> | <u>2016-17<br/>Estimated</u> | <u>2017-18<br/>Estimated</u> | <u>2018-19<br/>Estimated</u> | <u>2019-20<br/>Estimated</u> |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>General Services</b>                 |                              |                              |                              |                              |                              |
| Public Improvement Projects             |                              |                              |                              |                              |                              |
| Projects Currently Authorized           |                              |                              |                              |                              |                              |
| Buildings and Structures.....           | \$ 167,580                   | \$ 207,845                   | \$ 42,031                    | \$ 55,279                    | \$ 30,935                    |
| Furniture and Equipment.....            | 3                            | 4,060                        | 1,353                        | 0                            | 0                            |
| Projects in 2015-16 Budget              |                              |                              |                              |                              |                              |
| Buildings and Structures.....           | 69                           | 621                          | 1,035                        | 1,035                        | 1,035                        |
| Furniture and Equipment.....            | 0                            | 0                            | 0                            | 0                            | 0                            |
| Future Projects (2016-20)               |                              |                              |                              |                              |                              |
| Buildings and Structures.....           | 0                            | 185                          | 1,833                        | 4,283                        | 5,288                        |
| Furniture and Equipment.....            | 0                            | 0                            | 0                            | 0                            | 0                            |
| TOTAL - GENERAL SERVICES.....           | <u>\$ 167,652</u>            | <u>\$ 212,711</u>            | <u>\$ 46,252</u>             | <u>\$ 60,597</u>             | <u>\$ 37,258</u>             |
| <b>Historical and Museum Commission</b> |                              |                              |                              |                              |                              |
| Public Improvement Projects             |                              |                              |                              |                              |                              |
| Projects Currently Authorized           |                              |                              |                              |                              |                              |
| Buildings and Structures.....           | \$ 6,141                     | \$ 5,602                     | \$ 7,195                     | \$ 8,067                     | \$ 3,710                     |
| Furniture and Equipment.....            | 0                            | 90                           | 30                           | 0                            | 0                            |
| Projects in 2015-16 Budget              |                              |                              |                              |                              |                              |
| Buildings and Structures.....           | 267                          | 2,401                        | 4,002                        | 4,002                        | 4,002                        |
| Furniture and Equipment.....            | 648                          | 2,052                        | 0                            | 0                            | 0                            |
| Future Projects (2016-20)               |                              |                              |                              |                              |                              |
| Buildings and Structures.....           | 0                            | 294                          | 3,004                        | 7,935                        | 12,681                       |
| Furniture and Equipment.....            | 0                            | 0                            | 0                            | 0                            | 0                            |
| TOTAL - HISTORICAL AND MUSEUM .....     | <u>\$ 7,056</u>              | <u>\$ 10,439</u>             | <u>\$ 14,231</u>             | <u>\$ 20,004</u>             | <u>\$ 20,393</u>             |
| <b>Human Services</b>                   |                              |                              |                              |                              |                              |
| Public Improvement Projects             |                              |                              |                              |                              |                              |
| Projects Currently Authorized           |                              |                              |                              |                              |                              |
| Buildings and Structures.....           | \$ 3,653                     | \$ 4,128                     | \$ 5,202                     | \$ 5,670                     | \$ 2,500                     |
| Furniture and Equipment.....            | 2,364                        | 1,044                        | 348                          | 0                            | 0                            |
| Projects in 2015-16 Budget              |                              |                              |                              |                              |                              |
| Buildings and Structures.....           | 334                          | 3,009                        | 5,015                        | 5,015                        | 5,015                        |
| Furniture and Equipment.....            | 0                            | 0                            | 0                            | 0                            | 0                            |
| Future Projects (2016-20)               |                              |                              |                              |                              |                              |
| Buildings and Structures.....           | 0                            | 0                            | 0                            | 0                            | 0                            |
| Furniture and Equipment.....            | 0                            | 0                            | 0                            | 0                            | 0                            |
| TOTAL - HUMAN SERVICES.....             | <u>\$ 6,351</u>              | <u>\$ 8,181</u>              | <u>\$ 10,565</u>             | <u>\$ 10,685</u>             | <u>\$ 7,515</u>              |

# Capital Budget

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

|  | 2015-16<br>Estimated | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Military and Veterans Affairs</b>       |                      |                      |                      |                      |                      |
| Public Improvement Projects                |                      |                      |                      |                      |                      |
| Projects Currently Authorized              |                      |                      |                      |                      |                      |
| Buildings and Structures.....              | \$ 11,388            | \$ 5,954             | \$ 7,358             | \$ 7,785             | \$ 3,268             |
| Furniture and Equipment.....               | 0                    | 119                  | 40                   | 0                    | 0                    |
| Projects in 2015-16 Budget                 |                      |                      |                      |                      |                      |
| Buildings and Structures.....              | 1,104                | 9,938                | 16,564               | 16,564               | 16,564               |
| Furniture and Equipment.....               | 0                    | 0                    | 0                    | 0                    | 0                    |
| Future Projects (2016-20)                  |                      |                      |                      |                      |                      |
| Buildings and Structures.....              | 0                    | 331                  | 3,228                | 7,203                | 8,696                |
| Furniture and Equipment.....               | 0                    | 0                    | 0                    | 0                    | 0                    |
| TOTAL - MILITARY AND VETERANS AFFAIRS..... | <u>\$ 12,492</u>     | <u>\$ 16,342</u>     | <u>\$ 27,190</u>     | <u>\$ 31,552</u>     | <u>\$ 28,528</u>     |
| <b>State Police</b>                        |                      |                      |                      |                      |                      |
| Public Improvement Projects                |                      |                      |                      |                      |                      |
| Projects Currently Authorized              |                      |                      |                      |                      |                      |
| Buildings and Structures.....              | \$ 4,059             | \$ 8,963             | \$ 5,987             | \$ 1,425             | \$ 905               |
| Furniture and Equipment.....               | 0                    | 0                    | 0                    | 0                    | 0                    |
| Projects in 2015-16 Budget                 |                      |                      |                      |                      |                      |
| Buildings and Structures.....              | 1,253                | 11,277               | 18,795               | 18,795               | 18,795               |
| Furniture and Equipment.....               | 0                    | 0                    | 0                    | 0                    | 0                    |
| Future Projects (2016-20)                  |                      |                      |                      |                      |                      |
| Buildings and Structures.....              | 0                    | 1,253                | 11,277               | 18,795               | 18,795               |
| Furniture and Equipment.....               | 0                    | 0                    | 0                    | 0                    | 0                    |
| TOTAL - STATE POLICE .....                 | <u>\$ 5,312</u>      | <u>\$ 21,493</u>     | <u>\$ 36,059</u>     | <u>\$ 39,015</u>     | <u>\$ 38,495</u>     |
| <b>Transportation</b>                      |                      |                      |                      |                      |                      |
| Public Improvement Projects                |                      |                      |                      |                      |                      |
| Projects Currently Authorized              |                      |                      |                      |                      |                      |
| Buildings and Structures.....              | \$ 7,756             | \$ 9,916             | \$ 11,279            | \$ 10,317            | \$ 3,175             |
| Furniture and Equipment.....               | 0                    | 0                    | 0                    | 0                    | 0                    |
| Projects in 2015-16 Budget                 |                      |                      |                      |                      |                      |
| Buildings and Structures.....              | 740                  | 6,660                | 11,100               | 11,100               | 11,100               |
| Furniture and Equipment.....               | 0                    | 0                    | 0                    | 0                    | 0                    |
| Future Projects (2016-20)                  |                      |                      |                      |                      |                      |
| Buildings and Structures.....              | 0                    | 8,590                | 83,062               | 186,353              | 272,603              |
| Furniture and Equipment.....               | 0                    | 0                    | 0                    | 0                    | 0                    |
| Subtotal.....                              | <u>\$ 8,496</u>      | <u>\$ 25,166</u>     | <u>\$ 105,441</u>    | <u>\$ 207,770</u>    | <u>\$ 286,878</u>    |
| Transportation Assistance Projects         |                      |                      |                      |                      |                      |
| Projects Currently Authorized              |                      |                      |                      |                      |                      |
| Mass Transit, Rail and Air.....            | \$ 175,000           | \$ 135,000           | \$ 96,500            | \$ 50,250            | \$ 56,250            |
| Projects in 2015-16 Budget                 |                      |                      |                      |                      |                      |
| Mass Transit, Rail and Air.....            | 0                    | 40,000               | 61,000               | 81,000               | 40,000               |
| Future Projects (2016-20)                  |                      |                      |                      |                      |                      |
| Mass Transit, Rail and Air.....            | 0                    | 0                    | 17,500               | 43,750               | 78,750               |
| Subtotal.....                              | <u>\$ 175,000</u>    | <u>\$ 175,000</u>    | <u>\$ 175,000</u>    | <u>\$ 175,000</u>    | <u>\$ 175,000</u>    |
| TOTAL - TRANSPORTATION.....                | <u>\$ 183,496</u>    | <u>\$ 200,166</u>    | <u>\$ 280,441</u>    | <u>\$ 382,770</u>    | <u>\$ 461,878</u>    |

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

|  | 2015-16<br>Estimated | 2016-17<br>Estimated | 2017-18<br>Estimated | 2018-19<br>Estimated | 2019-20<br>Estimated |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>TOTAL - CAPITAL FACILITIES BOND FUNDS</b> |                      |                      |                      |                      |                      |
| Public Improvement Projects                  |                      |                      |                      |                      |                      |
| Buildings and Structures.....                | \$ 701,363           | \$ 672,351           | \$ 674,505           | \$ 870,376           | \$ 838,253           |
| Furniture and Equipment.....                 | 11,564               | 35,249               | 6,865                | 14,712               | 14,712               |
| Redevelopment Assistance Projects            |                      |                      |                      |                      |                      |
| Acquisition and Construction.....            | 325,000              | 385,000              | 295,000              | 295,000              | 175,000              |
| Flood Control Projects                       |                      |                      |                      |                      |                      |
| Structures and Improvements.....             | 12,714               | 21,189               | 21,189               | 21,189               | 8,476                |
| Transportation Assistance Projects.....      |                      |                      |                      |                      |                      |
| Mass Transit, Rail and Air.....              | 175,000              | 175,000              | 175,000              | 175,000              | 175,000              |
| <b>TOTAL.....</b>                            | <b>\$ 1,225,641</b>  | <b>\$ 1,288,790</b>  | <b>\$ 1,172,559</b>  | <b>\$ 1,376,277</b>  | <b>\$ 1,211,441</b>  |

### CURRENT REVENUES

#### FISH AND BOAT FUND

##### Fish and Boat Commission

|  |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|
| Public Improvement Projects                  |               |               |               |               |               |
| Projects Currently Authorized.....           | \$ 750        | \$ 750        | \$ 750        | \$ 750        | \$ 750        |
| Projects in 2015-16 Budget                   | 0             | 0             | 0             | 0             | 0             |
| Future Projects (2016-20)                    | 0             | 0             | 0             | 0             | 0             |
| <b>TOTAL - FISH AND BOAT COMMISSION.....</b> | <b>\$ 750</b> | <b>\$ 750</b> | <b>\$ 750</b> | <b>\$ 750</b> | <b>\$ 750</b> |

#### KEYSTONE RECREATION, PARK AND CONSERVATION FUND

##### Conservation and Natural Resources

|  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
| Keystone Recreation, Park and Conservation Projects - Acquisition, |                  |                  |                  |                  |                  |
| Projects Currently Authorized.....                                 | \$ 17,677        | \$ 15,549        | \$ 11,661        | \$ 0             | \$ 0             |
| Projects in 2015-16 Budget   | 0                | 2,002            | 3,002            | 4,003            | 4,503            |
| Future Projects (2016-20)  | 0                | 774              | 3,661            | 7,798            | 12,992           |
| <b>Subtotal.....</b>   | <b>\$ 17,677</b> | <b>\$ 18,325</b> | <b>\$ 18,325</b> | <b>\$ 11,801</b> | <b>\$ 17,495</b> |

#### ENVIRONMENTAL STEWARDSHIP FUND

##### Conservation and Natural Resources

|  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
| Environmental Stewardship Projects - Acquisition, Rehabilitation and Development |                  |                  |                  |                  |                  |
| Projects Currently Authorized.....   | \$ 7,905         | \$ 10,670        | \$ 6,944         | \$ 3,620         | \$ 4,061         |
| Projects in 2014-15 Budget   | 0                | 318              | 318              | 318              | 318              |
| Future Projects (2015-19)  | 0                | 774              | 4,911            | 8,661            | 8,661            |
| <b>Subtotal.....</b>   | <b>\$ 7,905</b>  | <b>\$ 11,761</b> | <b>\$ 12,173</b> | <b>\$ 12,599</b> | <b>\$ 13,040</b> |
| <b>TOTAL - CONSERVATION AND NATURAL RESOURCES.....</b>                           | <b>\$ 25,582</b> | <b>\$ 30,086</b> | <b>\$ 30,498</b> | <b>\$ 24,400</b> | <b>\$ 30,535</b> |

#### MOTOR LICENSE FUND

##### Transportation

|                                    |                   |                   |                   |                   |                   |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Highway and Bridge Projects        |                   |                   |                   |                   |                   |
| Projects Currently Authorized..... | \$ 481,723        | \$ 400,468        | \$ 401,163        | \$ 401,866        | \$ 401,001        |
| Projects in 2015-16 Budget         | 146               | 582               | 437               | 728               | 1,164             |
| Future Projects (2016-20)          | 0                 | 8,009             | 8,023             | 20,093            | 32,080            |
| <b>TOTAL - TRANSPORTATION.....</b> | <b>\$ 481,869</b> | <b>\$ 409,059</b> | <b>\$ 409,623</b> | <b>\$ 422,687</b> | <b>\$ 434,245</b> |

# Capital Budget

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

|   | <u>2015-16</u><br><u>Estimated</u> | <u>2016-17</u><br><u>Estimated</u> | <u>2017-18</u><br><u>Estimated</u> | <u>2018-19</u><br><u>Estimated</u> | <u>2019-20</u><br><u>Estimated</u> |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <b>TOTAL - CURRENT REVENUES</b>                         |                                    |                                    |                                    |                                    |                                    |
| Public Improvement Projects                             |                                    |                                    |                                    |                                    |                                    |
| Fish and Boat Fund.....                                 | \$ 750                             | \$ 750                             | \$ 750                             | \$ 750                             | \$ 750                             |
| Acquisition, Improvement and<br>Restoration Projects    |                                    |                                    |                                    |                                    |                                    |
| Keystone Recreation, Park and<br>Conservation Fund..... | 17,677                             | 18,325                             | 18,325                             | 11,801                             | 17,495                             |
| Acquisition, Rehabilitation and Development<br>Projects |                                    |                                    |                                    |                                    |                                    |
| Environmental Stewardship Fund.....                     | 7,905                              | 11,761                             | 12,173                             | 12,599                             | 13,040                             |
| Highway and Bridge Projects                             |                                    |                                    |                                    |                                    |                                    |
| Motor License Fund .....                                | 481,869                            | 409,059                            | 409,623                            | 422,687                            | 434,245                            |
| <b>TOTAL - CURRENT REVENUES.....</b>                    | <u>\$ 508,201</u>                  | <u>\$ 439,895</u>                  | <u>\$ 440,871</u>                  | <u>\$ 447,837</u>                  | <u>\$ 465,530</u>                  |
| <b>TOTAL - ALL STATE FUNDS.....</b>                     | <u>\$ 1,733,842</u>                | <u>\$ 1,728,684</u>                | <u>\$ 1,613,430</u>                | <u>\$ 1,824,114</u>                | <u>\$ 1,676,970</u>                |

Totals may not add due to rounding.

– THIS PAGE INTENTIONALLY LEFT BLANK –



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *PUBLIC DEBT*

This section presents data on the debt obligations of the commonwealth. Debt financing is used by the commonwealth to finance its capital programs, finance voter-approved bond referendums, and fund certain disaster relief programs. Most long-term financing by the commonwealth is provided by the issuance of general obligation debt. Appropriation-backed debt has been used in limited instances for capital purposes. Data on such debt is included in this presentation only in the calculation of the debt ratios shown.

The Commonwealth Constitution permits debt to be issued for (i) capital projects in approved capital budgets; (ii) purposes approved by voter referendum; and (iii) response to disasters. The following items are guidelines the commonwealth follows in executing its capital and other debt financing activities:

- Referenda to authorize additional debt should be submitted to the voters only for critical needs when sufficient other resources are not available.
- The general obligation pledge of the commonwealth is the preferred source of security for commonwealth debt.
- A moral obligation pledge of the commonwealth should not be given beyond those already given.
- Revenue pledges are to be used only by independent agencies and authorities that cannot pledge the commonwealth's general obligation.
- Lease revenue debt should be used only when budgetary restraints prohibit current revenue funding for assets that are infrequently obtained and do not meet capital project definitions.
- Debt should be structured to mature within the useful life of the projects being financed.
- All long-term financing should be sold by competitive bid.
- Short-term borrowing should not comprise a majority of outstanding debt.
- Debt service paid by the General Fund should not exceed five percent of revenues.
- Capital projects addressing health, safety and public protection receive top priority for activation. New construction projects have the lowest priority.
- Highway capital projects should be funded from current revenues of the Motor License Fund.

– THIS PAGE INTENTIONALLY LEFT BLANK –

## DEBT AUTHORIZED, ISSUED AND OUTSTANDING

The following statement reflects the debt of the commonwealth as of December 31, 2014. Issues for which all authorized debt has been previously issued and for which said debt has been completely redeemed are not included. The Constitution permits capital budget debt to be issued without voter approval but subject to a debt limit. Except for debt issued for disaster recovery purposes, all other debt requires voter approval.

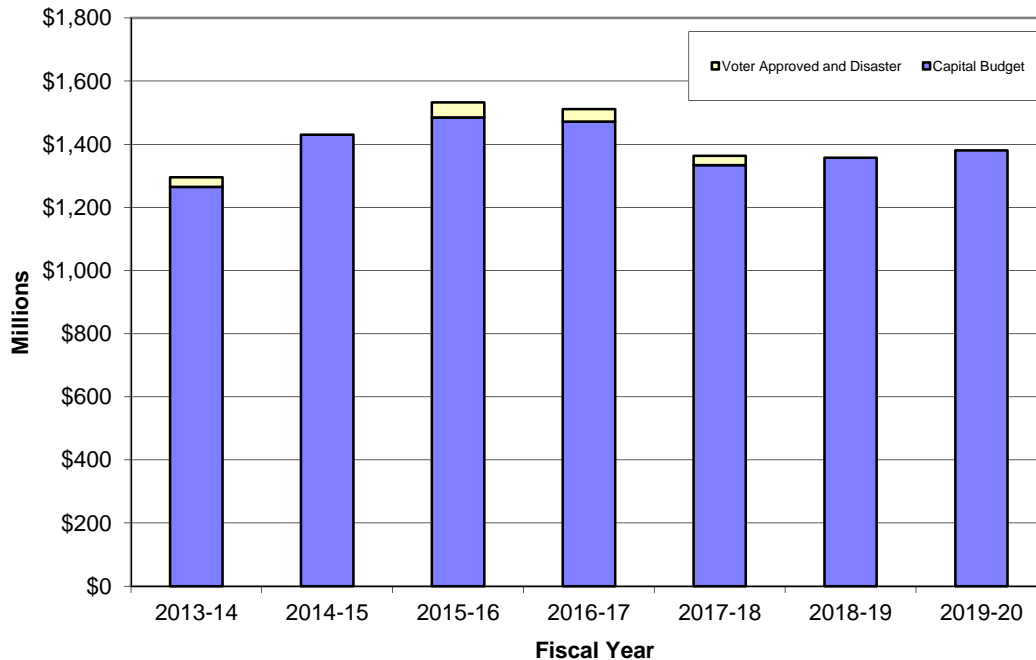
|   | (Dollar Amounts in Thousands) |                             |                             |
|---|-------------------------------|-----------------------------|-----------------------------|
|   | Total Debt<br>Authorized      | Original Debt<br>Issued     | Debt<br>Outstanding         |
| <b>Debt Subject to Constitutional Limit</b>                                   |                               |                             |                             |
| Capital Budget.....   | \$ 120,522,043                | \$ 23,215,955               | \$ 7,337,750                |
| Capital Budget Refunding Bonds Outstanding.....                               | NA                            | NA                          | 2,391,199                   |
| Less: Capital Debt Fund Balance.....  | NA                            | NA                          | -61,389                     |
| Subtotal.....   | <u>\$ 120,522,043</u>         | <u>\$ 23,215,955</u>        | <u>\$ 9,667,560</u>         |
| <b>Debt Not Subject to Constitutional Limit - Voter Approved and Disaster</b> |                               |                             |                             |
| Disaster Relief.....  | \$ 192,708                    | \$ 170,800                  | \$ 0                        |
| Disaster Relief 1996.....   | 110,000                       | 26,000                      | 0                           |
| Economic Revitalization.....  | 190,000                       | 176,000                     | 0                           |
| Land and Water Development.....   | 500,000                       | 499,700                     | 0                           |
| Vietnam Veterans' Compensation.....   | 65,000                        | 62,000                      | 0                           |
| Volunteer Companies Loan.....   | 100,000                       | 50,000                      | 0                           |
| Water Facilities - 1981 Referendum.....                                       | 300,000                       | 288,500                     | 0                           |
| PENNVEST- 1988 & 1992 Referenda.....  | 650,000                       | 634,000                     | 183,620                     |
| PENNVEST- 2008 Referendum.....  | 400,000                       | 364,400                     | 341,445                     |
| Agricultural Conservation Easement.....                                       | 100,000                       | 100,000                     | 0                           |
| Local Criminal Justice.....   | 200,000                       | 197,000                     | 1,550                       |
| Nursing Home Loans.....   | 100,000                       | 69,000                      | 0                           |
| Keystone Recreation, Park and Conservation.....                               | 50,000                        | 50,000                      | 0                           |
| Water Supply and Wastewater Infrastructure.....                               | 250,000                       | 241,275                     | 160,345                     |
| Growing Greener.....  | 625,000                       | 569,000                     | 383,605                     |
| Persian Gulf Conflict Veterans' Compensation.....                             | 20,000                        | 7,000                       | 4,860                       |
| Refunding Bonds Outstanding.....  | NA                            | NA                          | 166,431                     |
| Less: Non-capital Sinking Fund Balances.....                                  | NA                            | NA                          | -9,621                      |
| Subtotal.....   | <u>\$ 3,852,708</u>           | <u>\$ 3,504,675</u>         | <u>\$ 1,232,235</u>         |
| TOTAL.....  | <u><u>\$ 124,374,751</u></u>  | <u><u>\$ 26,720,630</u></u> | <u><u>\$ 10,899,795</u></u> |



## GENERAL OBLIGATION BOND ISSUES 2013-14 Through 2019-20

This table shows the projected amount of general obligation bonds of the commonwealth to be issued during the prior and current fiscal year and the subsequent five fiscal years based on current projects. Refunding bonds are not included in the data.

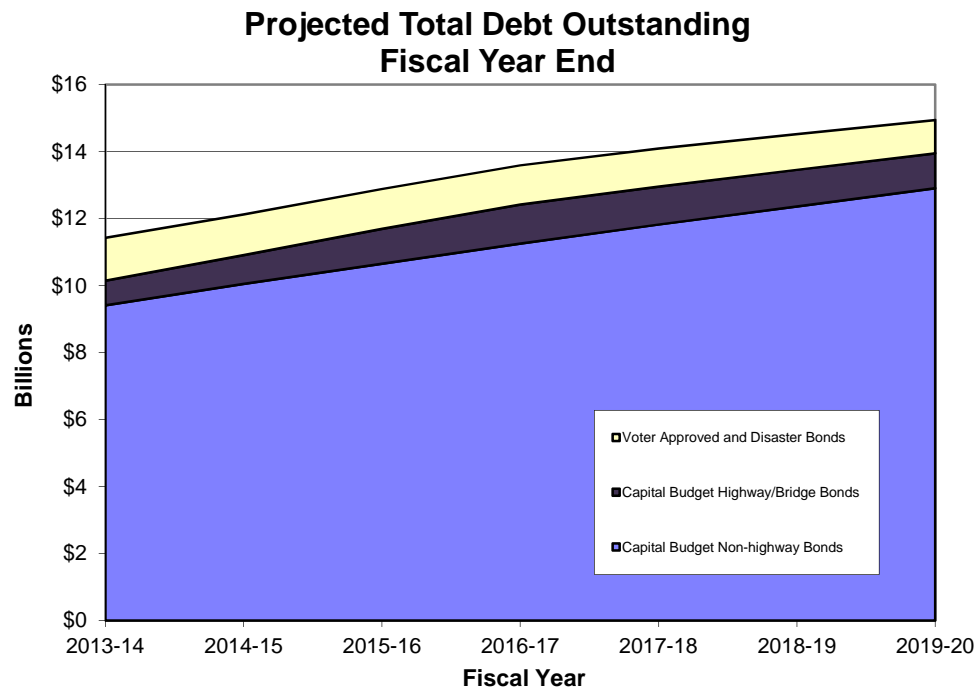
### New General Obligation Bond Issues



|  | (Dollar Amounts in Thousands) |                            |                            |                            |                            |                            |                            |
|--|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|  | 2013-14<br>Actual             | 2014-15<br>Estimated       | 2015-16<br>Budget          | 2016-17<br>Estimated       | 2017-18<br>Estimated       | 2018-19<br>Estimated       | 2019-20<br>Estimated       |
| <b>General Obligation Bond Issues</b>  |                               |                            |                            |                            |                            |                            |                            |
| <b>Capital Budget</b>                  |                               |                            |                            |                            |                            |                            |                            |
| Buildings and Structures.....          | \$ 695,000                    | \$ 725,000                 | \$ 750,000                 | \$ 765,000                 | \$ 780,000                 | \$ 796,000                 | \$ 812,000                 |
| Flood Control.....                     | 0                             | 0                          | 10,000                     | 10,000                     | 10,000                     | 10,000                     | 10,000                     |
| Furnishings and Equipment.....         | 10,000                        | 50,000                     | 20,000                     | 20,000                     | 20,000                     | 20,000                     | 20,000                     |
| Redevelopment Assistance.....          | 340,000                       | 335,000                    | 335,000                    | 342,000                    | 349,000                    | 356,000                    | 363,000                    |
| Transportation Assistance.....         | 180,000                       | 175,000                    | 175,000                    | 175,000                    | 175,000                    | 175,000                    | 175,000                    |
| ACT 89 Highway Projects.....           | 0                             | 145,000                    | 195,000                    | 160,000                    | 0                          | 0                          | 0                          |
| Bridge Projects.....                   | 40,000                        | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Subtotal.....                          | <u>\$ 1,265,000</u>           | <u>\$ 1,430,000</u>        | <u>\$ 1,485,000</u>        | <u>\$ 1,472,000</u>        | <u>\$ 1,334,000</u>        | <u>\$ 1,357,000</u>        | <u>\$ 1,380,000</u>        |
| <b>Voter Approved and Disaster</b>     |                               |                            |                            |                            |                            |                            |                            |
| PENNVEST -- 1988, 1992 & 2008 Ref..... | \$ 30,000                     | \$ 0                       | \$ 19,000                  | \$ 19,000                  | \$ 13,600                  | \$ 0                       | \$ 0                       |
| Water and Wastewater Referendum.....   | 0                             | 0                          | 8,725                      | 0                          | 0                          | 0                          | 0                          |
| Growing Greener Referendum.....        | 0                             | 0                          | 20,000                     | 20,000                     | 16,000                     | 0                          | 0                          |
| Subtotal.....                          | <u>\$ 30,000</u>              | <u>\$ 0</u>                | <u>\$ 47,725</u>           | <u>\$ 39,000</u>           | <u>\$ 29,600</u>           | <u>\$ 0</u>                | <u>\$ 0</u>                |
| <b>TOTAL.....</b>                      | <u><b>\$ 1,295,000</b></u>    | <u><b>\$ 1,430,000</b></u> | <u><b>\$ 1,532,725</b></u> | <u><b>\$ 1,511,000</b></u> | <u><b>\$ 1,363,600</b></u> | <u><b>\$ 1,357,000</b></u> | <u><b>\$ 1,380,000</b></u> |

## GENERAL OBLIGATION DEBT OUTSTANDING 2013-14 Through 2019-20

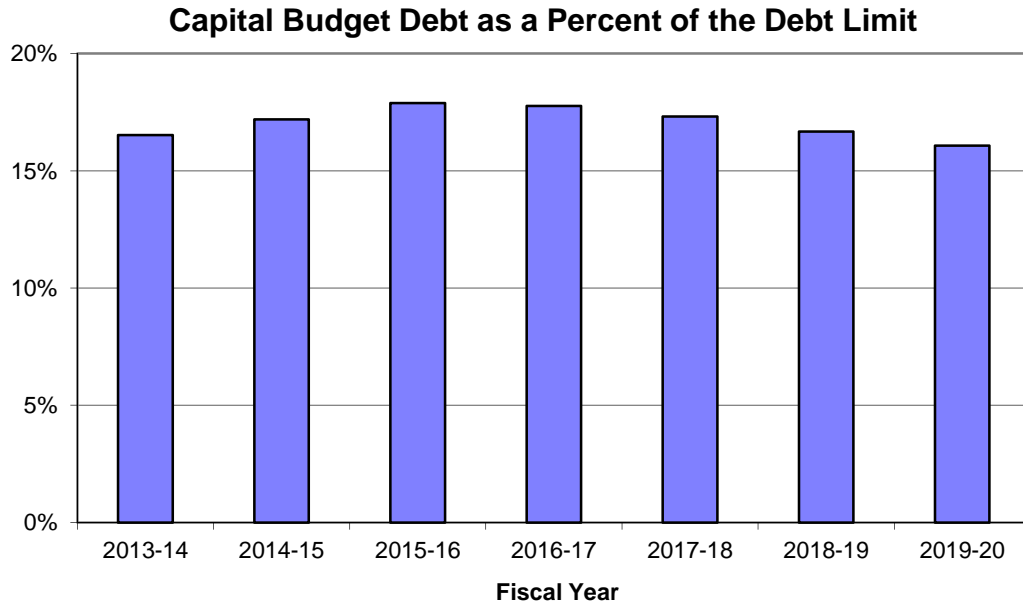
Outstanding debt of the commonwealth is projected using the proposed bond issuance contained in this budget and encompasses all general obligation debt. Sinking fund balances are excluded. Only capital budget debt is subject to the constitutional debt limit [Article VIII, Section 7(a)(4)].



|   | (Dollar Amounts in Thousands) |                      |                     |                      |                      |                      |                      |
|---|-------------------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2013-14                       | 2014-15              | 2015-16             | 2016-17              | 2017-18              | 2018-19              | 2019-20              |
| <b>Fiscal Year End Debt Outstanding</b> | Actual                        | Estimated            | Budget              | Estimated            | Estimated            | Estimated            | Estimated            |
| Capital Budget Non-Highway Bonds....    | \$ 9,406,289                  | \$ 10,045,440        | \$10,651,721        | \$ 11,248,972        | \$ 11,817,890        | \$ 12,353,078        | \$ 12,901,024        |
| Capital Budget Highway/Bridge Bonds     | 731,975                       | 860,445              | 1,034,640           | 1,167,018            | 1,133,262            | 1,097,888            | 1,045,546            |
| Voter Approved and Disaster Bonds....   | 1,278,811                     | 1,208,645            | 1,191,195           | 1,168,396            | 1,134,671            | 1,069,366            | 993,990              |
| <b>TOTAL.....</b>                       | <b>\$ 11,417,075</b>          | <b>\$ 12,114,530</b> | <b>\$12,877,556</b> | <b>\$ 13,584,386</b> | <b>\$ 14,085,823</b> | <b>\$ 14,520,332</b> | <b>\$ 14,940,560</b> |

## CONSTITUTIONAL DEBT LIMIT 2013-14 Through 2019-20

The state constitution limits outstanding capital budget debt to 1.75 times the average tax revenues during the previous five (5) fiscal years. Voter approved and disaster relief debt are not subject to the constitutional debt limit. The table and chart below present actual data for one fiscal year and current projections for six fiscal years.



(Dollar Amounts in Thousands)

|  | 2013-14 | 2014-15   | 2015-16 | 2016-17   | 2017-18   | 2018-19   | 2019-20   |
|--|---------|-----------|---------|-----------|-----------|-----------|-----------|
|  | Actual  | Estimated | Budget  | Estimated | Estimated | Estimated | Estimated |

### Debt Limit Projection

#### Capital Budget Debt Subject to Constitutional Debt Limit:

##### Outstanding Debt

|                                |              |               |               |               |               |               |               |
|--------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Beginning of Fiscal Year*..... | \$ 9,526,884 | \$ 10,132,660 | \$ 10,900,281 | \$ 11,680,757 | \$ 12,410,386 | \$ 12,945,548 | \$ 13,445,362 |
| Debt to be Issued**.....       | 1,495,870    | 1,430,000     | 1,485,000     | 1,472,000     | 1,334,000     | 1,357,000     | 1,380,000     |
| Debt to be Retired***.....     | -890,094     | -662,379      | -704,524      | -742,371      | -798,838      | -857,186      | -884,396      |

##### Outstanding Debt

|  |                      |                      |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| End of Fiscal Year*.....                               | <u>\$ 10,132,660</u> | <u>\$ 10,900,281</u> | <u>\$ 11,680,757</u> | <u>\$ 12,410,386</u> | <u>\$ 12,945,548</u> | <u>\$ 13,445,362</u> | <u>\$ 13,940,966</u> |
| Debt Limit (from below).....                           | 61,334,564           | 62,290,326           | 65,316,953           | 69,881,397           | 74,764,179           | 80,659,234           | 86,747,670           |
| Capital Budget Debt as a percent<br>of Debt Limit..... | 16.5%                | 17.2%                | 17.9%                | 17.8%                | 17.3%                | 16.7%                | 16.1%                |

### Calculation of Debt Limit:

#### Average Tax Revenues

|                                       |                   |                   |                   |                   |                   |                   |                   |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Previous Five Years.....              | \$ 35,048,322     | \$ 35,594,472     | \$ 37,323,973     | \$ 39,932,227     | \$ 42,722,388     | \$ 46,090,991     | \$ 49,570,097     |
| Debt Limit (1.75 times revenues)..... | <u>61,334,564</u> | <u>62,290,326</u> | <u>65,316,953</u> | <u>69,881,397</u> | <u>74,764,179</u> | <u>80,659,234</u> | <u>86,747,670</u> |

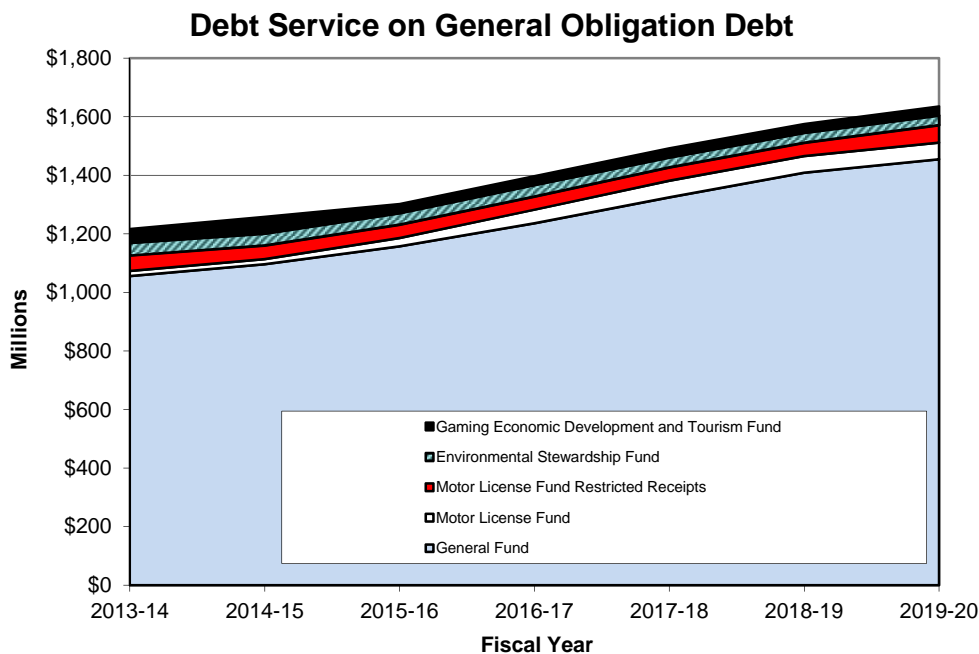
\* Actual year amount is net of June 30 Capital Debt Fund balance.

\*\* Actual year amount includes refunding bonds of \$230,870.

\*\*\* Actual year amount includes \$250,625 in bonds refunded.

## DEBT SERVICE ON GENERAL OBLIGATION DEBT 2013-14 Through 2019-20

This table shows the estimated debt service payable by the commonwealth on currently outstanding general obligation bonds and on projected general obligation bond issues.

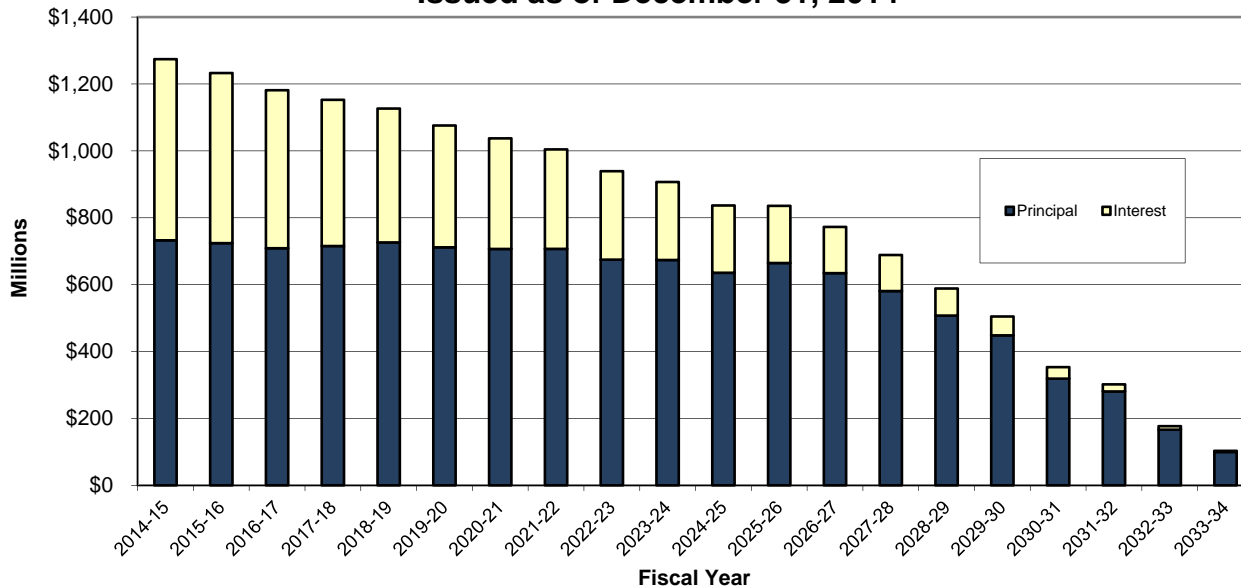


|   | (Dollar Amounts in Thousands) |                           |                           |                            |                           |                           |                            |
|---|-------------------------------|---------------------------|---------------------------|----------------------------|---------------------------|---------------------------|----------------------------|
|   | 2013-14<br>Actual             | 2014-15<br>Estimated      | 2015-16<br>Budget         | 2016-17<br>Estimated       | 2017-18<br>Estimated      | 2018-19<br>Estimated      | 2019-20<br>Estimated       |
| <b>General Fund</b>                                     |                               |                           |                           |                            |                           |                           |                            |
| Capital Budget Non-Highway.....                         | \$ 1,011,033                  | \$1,050,025               | \$1,110,155               | \$ 1,191,057               | \$1,279,766               | \$1,369,096               | \$ 1,415,391               |
| Voter Approved and Disaster.....                        | 44,666                        | 46,475                    | 46,845                    | 45,263                     | 45,052                    | 39,774                    | 39,362                     |
| Subtotal.....   | <u>\$ 1,055,699</u>           | <u>\$1,096,500</u>        | <u>\$1,157,000</u>        | <u>\$ 1,236,320</u>        | <u>\$1,324,818</u>        | <u>\$1,408,870</u>        | <u>\$ 1,454,753</u>        |
| <b>Environmental Stewardship Fund</b>                   |                               |                           |                           |                            |                           |                           |                            |
| Growing Greener II.....                                 | \$ 42,736                     | \$ 40,201                 | \$ 39,964                 | \$ 39,217                  | \$ 34,256                 | \$ 33,958                 | \$ 32,925                  |
| <b>Gaming Economic Development and<br/>Tourism Fund</b> |                               |                           |                           |                            |                           |                           |                            |
| Pennsylvania Convention Center.....                     | \$ 47,074                     | \$ 56,787                 | \$ 30,000                 | \$ 30,000                  | \$ 30,000                 | \$ 30,000                 | \$ 30,000                  |
| <b>Motor License Fund</b>                               |                               |                           |                           |                            |                           |                           |                            |
| Capital Budget -- Highways.....                         | \$ 748                        | \$ 0                      | \$ 11,635                 | \$ 29,283                  | \$ 40,061                 | \$ 40,058                 | \$ 40,055                  |
| Capital Budget.....                                     | 17,001                        | 16,936                    | 16,968                    | 16,921                     | 16,921                    | 16,921                    | 16,854                     |
| Subtotal.....   | <u>\$ 17,749</u>              | <u>\$ 16,936</u>          | <u>\$ 28,603</u>          | <u>\$ 46,204</u>           | <u>\$ 56,982</u>          | <u>\$ 56,979</u>          | <u>\$ 56,909</u>           |
| <b>Motor License Fund Restricted Rec.</b>               |                               |                           |                           |                            |                           |                           |                            |
| Highway Bridge Improvement -- Cap. Bdgt....             | \$ 52,942                     | \$ 47,152                 | \$ 45,571                 | \$ 45,449                  | \$ 45,362                 | \$ 45,292                 | \$ 60,377                  |
| <b>TOTAL.....</b>                                       | <u><u>\$ 1,216,200</u></u>    | <u><u>\$1,257,576</u></u> | <u><u>\$1,301,137</u></u> | <u><u>\$ 1,397,190</u></u> | <u><u>\$1,491,417</u></u> | <u><u>\$1,575,098</u></u> | <u><u>\$ 1,634,964</u></u> |

## ANNUAL DEBT SERVICE ON OUTSTANDING GENERAL OBLIGATION BONDS Bonds Issued as of December 31, 2014

Fiscal year principal and interest payments on general obligation bonds issued as of the end of calendar year 2014 are shown in the table below. Debt service on projected bond issues is excluded from this data.

### Principal and Interest on Outstanding Bonds Issued as of December 31, 2014



### General Obligation Bond Annual Debt Service

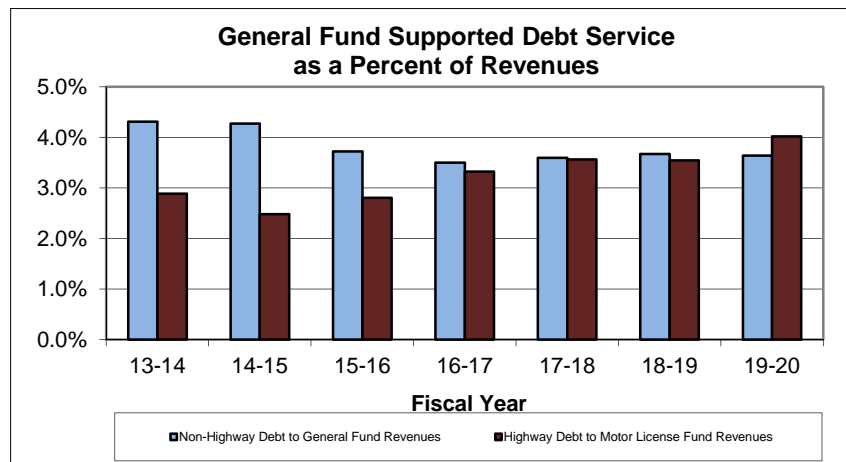
(Dollar Amounts in Thousands)

| Fiscal Year | Capital Budget (Non-highway) |            |              | Capital Budget (Highway) |           |           | Voter Approved and Disaster |           |            | Grand Total  |
|-------------|------------------------------|------------|--------------|--------------------------|-----------|-----------|-----------------------------|-----------|------------|--------------|
|             | Principal                    | Interest   | Total        | Principal                | Interest  | Total     | Principal                   | Interest  | Total      |              |
| 2014-15     | \$ 645,849                   | \$ 445,235 | \$ 1,091,084 | \$ 16,530                | \$ 36,223 | \$ 52,753 | \$ 70,166                   | \$ 60,061 | \$ 130,227 | \$ 1,274,064 |
| 2015-16     | 642,395                      | 415,607    | 1,058,002    | 16,420                   | 35,352    | 51,772    | 65,175                      | 57,624    | 122,799    | 1,232,573    |
| 2016-17     | 631,360                      | 383,449    | 1,014,809    | 17,120                   | 34,530    | 51,650    | 60,355                      | 54,394    | 114,749    | 1,181,208    |
| 2017-18     | 636,860                      | 352,027    | 988,887      | 17,890                   | 33,673    | 51,563    | 60,630                      | 51,416    | 112,046    | 1,152,496    |
| 2018-19     | 645,850                      | 319,241    | 965,091      | 18,715                   | 32,777    | 51,492    | 61,580                      | 48,297    | 109,877    | 1,126,460    |
| 2019-20     | 605,270                      | 287,459    | 892,729      | 34,850                   | 31,673    | 66,523    | 71,465                      | 45,072    | 116,537    | 1,075,789    |
| 2020-21     | 595,745                      | 258,986    | 854,731      | 36,480                   | 30,031    | 66,511    | 74,480                      | 41,670    | 116,150    | 1,037,392    |
| 2021-22     | 580,355                      | 230,983    | 811,338      | 47,355                   | 28,282    | 75,637    | 79,220                      | 38,124    | 117,344    | 1,004,318    |
| 2022-23     | 540,785                      | 204,144    | 744,929      | 49,640                   | 26,007    | 75,647    | 84,280                      | 34,317    | 118,597    | 939,173      |
| 2023-24     | 532,000                      | 179,281    | 711,281      | 52,535                   | 23,591    | 76,126    | 89,115                      | 30,383    | 119,498    | 906,905      |
| 2024-25     | 488,730                      | 154,345    | 643,075      | 55,170                   | 21,008    | 76,178    | 91,565                      | 25,871    | 117,436    | 836,688      |
| 2025-26     | 508,440                      | 131,200    | 639,640      | 58,015                   | 18,238    | 76,253    | 98,175                      | 21,495    | 119,670    | 835,563      |
| 2026-27     | 479,725                      | 106,408    | 586,133      | 61,035                   | 15,271    | 76,306    | 93,545                      | 16,602    | 110,147    | 772,586      |
| 2027-28     | 439,055                      | 83,279     | 522,334      | 64,215                   | 12,117    | 76,332    | 77,590                      | 12,381    | 89,971     | 688,637      |
| 2028-29     | 379,205                      | 63,270     | 442,475      | 67,640                   | 8,720     | 76,360    | 60,595                      | 8,944     | 69,539     | 588,374      |
| 2029-30     | 334,550                      | 45,080     | 379,630      | 55,240                   | 5,252     | 60,492    | 58,585                      | 5,970     | 64,555     | 504,677      |
| 2030-31     | 248,225                      | 28,862     | 277,087      | 31,595                   | 2,402     | 33,997    | 39,130                      | 3,046     | 42,176     | 353,260      |
| 2031-32     | 234,790                      | 18,474     | 253,264      | 18,830                   | 1,274     | 20,104    | 26,880                      | 1,519     | 28,399     | 301,767      |
| 2032-33     | 142,815                      | 9,274      | 152,089      | 9,610                    | 504       | 10,114    | 13,970                      | 674       | 14,644     | 176,848      |
| 2033-34     | 94,285                       | 3,134      | 97,419       | 3,090                    | 107       | 3,197     | 2,310                       | 116       | 2,426      | 103,042      |

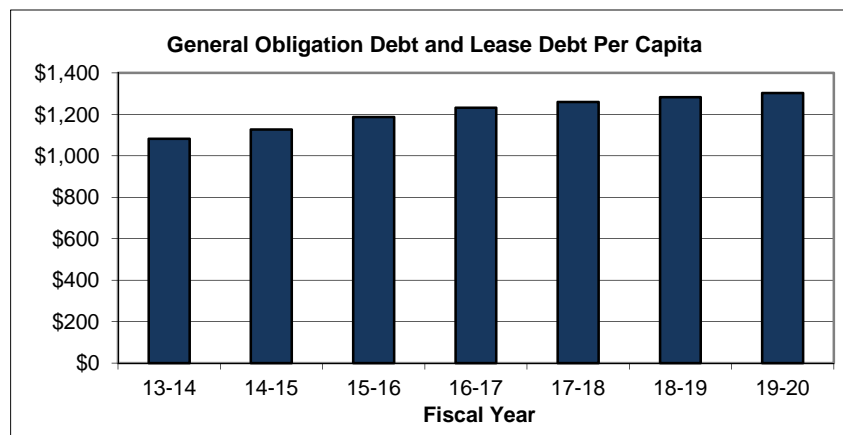
## TRENDS IN DEBT SERVICE AND DEBT RATIOS 2013-14 Through 2019-20

The charts portray projections for indicators of the cost of projected annual debt service and the burden of projected debt outstanding. Debt service and outstanding debt includes general obligation debt and debt secured by lease rental payments or operating subsidies from various commonwealth departments.

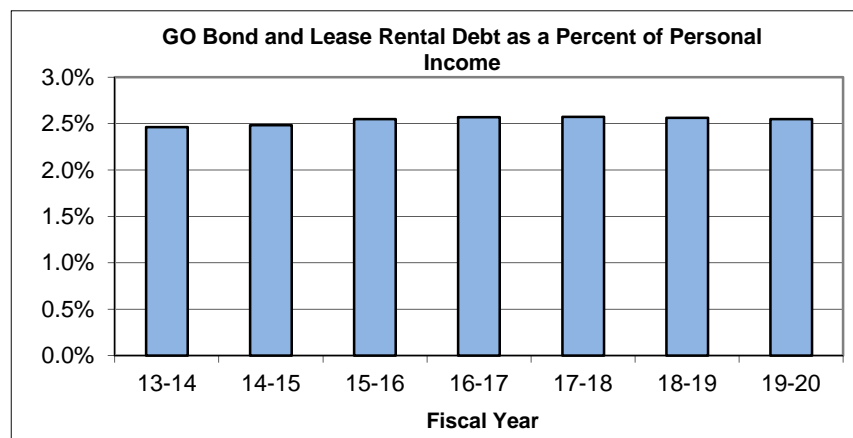
***General Fund debt service as a percent of revenues remains below Standard & Poors criteria of 5% for issuers considered to have a "low debt burden."***



***Per capita debt levels remain relatively low, although the lack of population growth in the commonwealth affects per capita levels.***



***Growing personal income keeps the planned bond issuance affordable.***



## OUTSTANDING INDEBTEDNESS OF PENNSYLVANIA AGENCIES AND AUTHORITIES

The indebtedness of the following agencies and authorities is not an obligation of the Commonwealth of Pennsylvania but represents the debt of those agencies and authorities created by the commonwealth for a public purpose. These obligations are not considered as debt under Article VIII of the State Constitution.

**Bonds and  
Notes as of  
12/31/14  
(in millions)**

### **Commonwealth Financing Authority**

Created to promote health, safety, employment, business opportunities, economic activity and the general welfare of the commonwealth. Debt service on the bonds is paid from revenues of the authority.

\$ 1,611.9

### **Delaware River Joint Toll Bridge Commission**

Created by Pennsylvania and New Jersey to construct, operate and maintain bridges crossing the upper Delaware River. Debt service on the bonds is paid from tolls and other revenues of the commission.

329.3

### **Delaware River Port Authority**

Created by Pennsylvania and New Jersey to control and operate bridges crossing the Delaware River, it may construct or acquire other bridges, tunnels and other projects for port improvement and development. The authority operates a rapid transit system, which it constructed. Debt service on the bonds is paid from tolls, fares, rents and other revenue of the authority.

1,584.9

### **Pennsylvania Economic Development Financing Authority**

Created to offer pooled bond issues of both taxable and tax-exempt bonds on behalf of local industrial and commercial development authorities for economic development projects. Debt service on the bonds is paid by loan interest and repayments and other authority revenues.

6,030.8

### **Pennsylvania Energy Development Authority**

Makes or guarantees loans for energy projects including the conversion and technological improvement of energy systems utilizing Pennsylvania coal or renewable energy resources. Debt service on the bonds is paid from the revenues of the authority.

0.0

### **Pennsylvania Higher Education Assistance Agency**

Makes or guarantees student loans for graduate and undergraduate programs to students or parents, lending institutions or postsecondary institutions. Debt service on the bonds is paid by loan interest and repayments and by other agency revenues.

6,995.7

### **Pennsylvania Higher Educational Facilities Authority**

Acquires, constructs, improves and leases (as lessor) college facilities and makes loans to colleges and universities within the commonwealth. Debt service on the bonds is paid from rentals and from loan repayments collected for the use of the facilities.

6,643.9

### **Pennsylvania Housing Finance Agency**

Makes construction and permanent mortgage loans to qualified borrowers for the purchase and construction of multi and single family housing for low and moderate income persons or families. Debt service on the bonds is paid from mortgage loan interest and repayments and further secured by a "moral obligation" of the Commonwealth.

3,203.2

### **Pennsylvania Industrial Development Authority**

Makes mortgage loans to local nonprofit industrial development agencies for the financing of industrial development projects. Debt service on the bonds is paid from loan interest and repayments and other authority revenues.

216.1

### **Pennsylvania Infrastructure Investment Authority**

Provides low interest rate loans and grants for constructing new and for improving existing water supply and sewage disposal systems. Loans and grants are available to local governments and, in certain circumstances, to private companies. The bonds are secured by principal repayments and interest payments on loans.

0.0

### **Pennsylvania Turnpike Commission**

Constructs, maintains and operates the Pennsylvania Turnpike. Debt service on the bonds is paid from tolls and other revenue sources of the commission.

9,653.8

### **Philadelphia Regional Port Authority**

Operates port facilities in Bucks and Delaware counties, and the City of Philadelphia. Debt service on the bonds is paid by a pledge of the authority's revenues, rentals and receipts.

23.9

### **State Public School Building Authority**

Constructs, improves, equips and makes loans to local school districts for school facilities. Debt service on the bonds is paid from rentals collected for the use of the facilities and from loan repayments.

3,177.8

TOTAL..... \$ 39,471.3



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *OTHER SPECIAL FUNDS*

This section provides information and financial data for the more than 150 Other Special Funds contributing revenue to the commonwealth's operating budget. The funds included here were created to more closely relate specific revenue sources to specific programs or to support particular government programs or activities. This information is presented to demonstrate the magnitude and complexity of the commonwealth's financial structure as well as provide important details about the various funds. Additional information on Other Special Funds expenditures can be found in Section E Department Presentations in each agency's Summary by Fund and Appropriation statement.



– THIS PAGE INTENTIONALLY LEFT BLANK –

## OTHER SPECIAL FUNDS

This section contains a brief presentation of all active commonwealth funds not given an expanded treatment in the other sections of the budget. In a limited number of cases certain expenditures from funds presented in this section are included in other presentations.

Generally, the commonwealth uses a modified cash basis of accounting for financial reporting where certain revenues are reported when collected and, for certain taxes, when accrued and expenditures are reported when disbursed or committed.

For the funds included in this section, all financial data shown herein is on a calculated cash basis. Receipts include only those items actually received and credited to the funds by the Department of Revenue. Several funds carrying long-term investments show an investment adjustment to reflect the current market value of those investments as of June 30. Disbursements are recorded at the time payment requisitions and invoices are posted to the commonwealth's accounting system and do not include commitments or encumbrances.

The cash beginning and ending balances reported through this format may differ from the actual cash balance in Treasury and/or the cash general ledger account in the commonwealth's accounting system due to timing differences, but the calculated cash balances reported provide an accurate reflection of the true cash position of the fund.

The vast majority of the commonwealth's day-to-day activities are financed from the General Fund. However, over time a large number of other funds have been created to more closely relate specific revenue sources to specific programs or to identify particular government programs or activities. These special funds are categorized into groups to aid in identifying their purpose. The groups are defined as follows:

**Governmental Funds:** Collectively these funds account for and report activities that are associated with routine, ordinary governmental functions and are financed largely by tax and grant revenues. The group includes the General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds.

**Special Revenue Funds —** These funds are used to account for revenues from specific taxes or other earmarked revenue sources, which by law are designated to finance particular functions or activities.

**Capital Project Funds —** Bond funds are used to account for the receipt and disbursement of bond sale proceeds that normally finance the construction or acquisition of designated fixed assets.

**Debt Service Funds —** These funds account for the accumulation of resources, principally from transfers from other funds, for the payment of general long-term debt principal and interest.

**Proprietary Funds:** Include Enterprise Funds and Internal Service Funds. Such funds account for and report activities the way a private business or industry would. They include such activities as sale of goods or services, and lending and other financing activities where purchasers or customers pay a charge or a user fee.

**Enterprise Funds —** These funds accommodate the operation of public service programs financed wholly or mostly by user charges, or where the periodic determination of net income is deemed appropriate.

**Internal Service Funds —** These funds account for the financing of goods or services provided by one department or agency on a cost-reimbursement basis to other departments or agencies within the commonwealth or to other governmental units.

**Fiduciary Funds:** These funds are used to account for assets held by the commonwealth as trustee or agent for individuals, private organizations and other government units.

The special funds are categorized on the next two pages.

# **SPECIAL FUND CATEGORIES**

## **Governmental Funds – Special Revenue Funds**

|   |   |
|---|---|
| Acid Mine Drainage Abatement and Treatment Fund                     | Multimodel Transportation Fund                            |
| Administration Fund   | Municipalities Financial Recovery Revolving Aid Fund      |
| Agricultural College Land Scrip Fund                                | Non-Coal Surface Mining Conservation and Reclamation Fund |
| Agricultural Conservation Easement Purchase Fund                    | Nutrient Management Fund                                  |
| Anthracite Emergency Bond Fund                                      | Oil and Gas Lease Fund                                    |
| Automobile Theft Prevention Trust Fund                              | Patient Safety Trust Fund                                 |
| Banking Fund  | Pennsylvania Economic Revitalization Fund                 |
| Ben Franklin Tech Development Authority Fund                        | Pennsylvania eHealth Partnership Fund                     |
| Boat Fund   | Pennsylvania Gaming Economic Development and Tourism Fund |
| Broadband Outreach and Aggregation Fund                             | Pennsylvania Historical & Museum Commission Trust         |
| Budget Stabilization Reserve Fund                                   | Pennsylvania Race Horse Development Fund                  |
| Capitol Restoration Trust Fund                                      | Pennsylvania Veterans Memorial Trust Fund                 |
| Catastrophic Loss Benefits Continuation Fund                        | PENNVEST Bond Authorization Fund                          |
| Children's Trust Fund   | PENNVEST Drinking Water Revolving Fund                    |
| Cigarette Fire Safety & Firefighter Protection Act Enforcement Fund | PENNVEST Fund   |
| Clean Air Fund  | PENNVEST Non-Revolving Equity Fund                        |
| Coal Lands Improvement Fund   | PENNVEST Revolving Fund                                   |
| Community College Capital Fund                                      | PENNVEST Trustee Fund                                     |
| Compulsive and Problem Gambling Treatment Fund                      | PENNVEST Water Pollution Control Revolving Fund           |
| Conrad Weiser Memorial Park Trust Fund                              | Persian Gulf Conflict Veterans' Comp Bond Fund            |
| Conservation District Fund  | Pharmaceutical Assistance Fund                            |
| DNA Detection Fund  | Philadelphia Regional Port Authority Fund                 |
| Educational Assistance Program Fund                                 | Port of Pittsburgh Commission Fund                        |
| Emergency Medical Services Operating Fund                           | Property Tax Relief Fund                                  |
| Energy Conservation and Assistance Fund                             | Public Transportation Assistance Fund                     |
| Energy Development Fund   | Public Transportation Trust Fund                          |
| Environmental Education Fund  | Racing Fund   |
| Environmental Stewardship Fund                                      | Real Estate Recovery Fund                                 |
| Farm Products Show Fund   | Recycling Fund  |
| Fire Insurance Tax Fund   | Remining Financial Assurance Fund                         |
| Fish Fund   | Self-Insurance Guaranty Fund                              |
| Game Fund   | Solid Waste-Resource Recovery Development Fund            |
| Gov Robert P. Casey Organ & Tissue Donation Awareness Trust Fund    | Special Administration Fund                               |
| Growing Greener Bond Fund   | State College Experimental Farm Fund                      |
| Hazardous Material Response Fund                                    | State Gaming Fund   |
| Hazardous Sites Cleanup Fund  | State Insurance Fund                                      |
| Higher Education Assistance Fund                                    | State School Fund   |
| Highway Beautification Fund   | State Treasury Armory Fund                                |
| HOME Investment Trust Fund  | Storage Tank Fund   |
| Homeowners Assistance Settlement Fund                               | Substance Abuse Education & Demand Reduction              |
| Housing Affordability and Rehabilitation Enhancement Fund           | Surface Mining Conservation and Reclamation Fund          |
| Industrial Development Fund   | Tobacco Settlement Fund                                   |
| Industrial Sites Cleanup Fund                                       | Treasury Initiative Support Fund                          |
| Insurance Fraud Prevention Trust Fund                               | Unconventional Gas Well Fund                              |
| Insurance Regulation and Oversight Fund                             | Underground Storage Tank Indemnification Fund             |
| Job Training Fund   | Uninsured Employers Guaranty Fund                         |
| Justice Reinvestment Fund   | Vocational Rehabilitation Fund                            |
| Marcellus Legacy Fund   | Water and Sewer Systems Assistance Bond Fund              |
| Medical Care Availability & Reduction of Error Fund                 | Water Supply and Wastewater Treatment Fund                |
| Milk Marketing Fund   | Wild Resources Conservation Fund                          |
| Mine Safety Fund  | Wireless E-911 Emergency Services Fund                    |
| Monetary Penalty Endowments Fund                                    | Workers' Compensation Security Fund                       |
| Motor Vehicle Transaction Recovery Fund                             | Workmen's Compensation Administration Fund                |
|   | Workmen's Compensation Supersedeas Fund                   |

# **SPECIAL FUND CATEGORIES**

## **Governmental Funds – Capital Project Funds**

Capital Facilities Fund

Keystone Recreation, Park and Conservation Fund

Land and Water Development Fund

## **Governmental Funds – Debt Service Funds**

Capital Debt Fund

Growing Greener Bond Sinking Fund

Land and Water Development Sinking Fund

Local Criminal Justice Sinking Fund

PENNVEST Redemption Fund

Persian Gulf Conflict Veterans' Comp Sinking Fund

Tax Note Sinking Fund

Water & Sewer System Assist Bond Sinking Fund

Water Supply & Wastewater Treatment Sinking Fund

## **Proprietary Funds – Enterprise Funds**

Coal and Clay Mine Subsidence Insurance Fund

Employment Fund for the Blind

Historical Preservation Fund

Local Government Capital Project Loan Fund

Machinery and Equipment Loan Fund

Minority Business Development Fund

Pennsylvania Infrastructure Bank

Philadelphia Taxicab&Limousine Regulatory Fund

Philadelphia Taxicab Medallion Fund

Rehabilitation Center Fund

Small Business First Fund

State Restaurant Fund

State Stores Fund

State Worker's Insurance Fund

Tuition Account Guaranteed Savings Program Fund

Unemployment Comp Benefit Payment Fund

Unemployment Compensation Contribution Fund

Unemployment Compensation Debt Service Fund

Veterans Trust Fund

Volunteer Companies Loan Fund

## **Proprietary Funds – Internal Service Funds**

Manufacturing Fund

Purchasing Fund

## **Fiduciary Funds**

Benefit Completion Fund

City Revitalization and Improvement Fund

Deferred Compensation Fund

Deferred Compensation Fund Short-Term Portfolio

Insurance Liquidation Fund

Liquid Fuels Tax Fund

Liquor License Fund

Local Cigarette Tax Fund

Municipal Pension Aid Fund

Neighborhood Improvement Zone Fund

Pennsylvania Municipal Retirement Fund

Rightful Owners' Claims Payment Fund

School Employees' Retirement Fund

School Retirees' Health Insurance Fund

State Employees' Retirement Fund

Tuition Account Investment Program Fund

# Acid Mine Drainage Abatement and Treatment Fund

This fund was created in 1992 to receive money authorized by Title IV of the Federal Surface Mining Control and Reclamation Act. This fund receives up to ten percent of the commonwealth's federal Title IV grant for abandoned mine reclamation. Funds are used for acid mine drainage abatement and treatment.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                     | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|-------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning.....</b> | <b>\$ 52,535</b>  | <b>\$ 62,451</b>     | <b>\$ 63,650</b>     |
| <b>Receipts:</b>                    |                   |                      |                      |
| Federal Receipts.....               | \$ 15,940         | \$ 13,436            | \$ 11,850            |
| Interest.....                       | 510               | 1,199                | 1,199                |
| Total Receipts.....                 | 16,450            | 14,635               | 13,049               |
| <b>Total Funds Available.....</b>   | <b>\$ 68,985</b>  | <b>\$ 77,086</b>     | <b>\$ 76,699</b>     |
| <b>Disbursements:</b>               |                   |                      |                      |
| Environmental Protection.....       | \$ 6,534          | \$ 13,436            | \$ 11,850            |
| Total Disbursements.....            | -6,534            | -13,436              | -11,850              |
| <b>Cash Balance, Ending.....</b>    | <b>\$ 62,451</b>  | <b>\$ 63,650</b>     | <b>\$ 64,849</b>     |

# Administration Fund

This fund was created for the administrative costs associated with the Unemployment Compensation Law and the state system of public employment offices (Office of Employment Security). While the fund can receive funds from any source, the majority of revenue results from monies requisitioned from the commonwealth's account in the Federal Unemployment Trust Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning.....</b>  | <b>\$ 5,884</b>   | <b>\$ 2,169</b>      | <b>\$ 3,174</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Federal Unemployment Trust Fund..... | \$ 190,169        | \$ 269,000           | \$ 269,000           |
| Federal — Other Funds.....           | 7,955             | 8,000                | 8,000                |
| Interest .....                       | 7                 | 5                    | 5                    |
| Other.....                           | 1,010             | 1,620                | 1,620                |
| Total Receipts.....                  | 199,141           | 278,625              | 278,625              |
| <b>Total Funds Available.....</b>    | <b>\$ 205,025</b> | <b>\$ 280,794</b>    | <b>\$ 281,799</b>    |
| <b>Disbursements:</b>                |                   |                      |                      |
| Labor and Industry.....              | \$ 202,856        | \$ 277,620           | \$ 277,620           |
| Total Disbursements.....             | -202,856          | -277,620             | -277,620             |
| <b>Cash Balance, Ending.....</b>     | <b>\$ 2,169</b>   | <b>\$ 3,174</b>      | <b>\$ 4,179</b>      |

# Agricultural College Land Scrip Fund

This fund was established in 1862 with \$500,000 received from the sale of lands and scrip which was donated to the commonwealth by an Act of Congress to establish a college for the benefit of Agriculture and the Mechanical Arts. The income derived from the investment of the monies in the fund plus appropriations which may be made from time to time by the General Assembly serve as revenue to the fund. Monies in this fund can be disbursed only for use by the officially designated land grant college (Pennsylvania State University) for the benefit of Agriculture and Mechanical Arts. Act 26 of 2011 established a restricted revenue account in the Fund for the Department of Agriculture.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                     | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|-------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning.....</b> | <b>\$ 635</b>     | <b>\$ 621</b>        | <b>\$ 625</b>        |
| <b>Receipts:</b>                    |                   |                      |                      |
| Transfer from General Fund.....     | \$ 46,237         | \$ 46,237            | \$ 46,237            |
| Interest.....                       | 5                 | 4                    | 4                    |
| Total Receipts.....                 | 46,242            | 46,241               | 46,241               |
| <b>Total Funds Available.....</b>   | <b>\$ 46,877</b>  | <b>\$ 46,862</b>     | <b>\$ 46,866</b>     |
| <b>Disbursements:</b>               |                   |                      |                      |
| Agriculture.....                    | \$ 46,237         | \$ 46,237            | \$ 46,237            |
| Treasury.....                       | 19                | 0                    | 0                    |
| Total Disbursements.....            | -46,256           | -46,237              | -46,237              |
| <b>Cash Balance, Ending.....</b>    | <b>\$ 621</b>     | <b>\$ 625</b>        | <b>\$ 629</b>        |

# Agricultural Conservation Easement Purchase Fund

This fund was created by Act 64 of 1988 to implement the referendum approved by the electorate on November 8, 1988. That referendum authorized the commonwealth to incur indebtedness of \$100 million to be used for farmland preservation through the purchase of agricultural conservation easements. Act 23 of 1992 increased the annual ceiling on easement purchases from bond sales from \$20 to \$25 million. All bonds authorized have been issued.

Act 89 of 2002 changed the annual transfer of cigarette tax revenues from the first two thirty-firsts of the cigarette tax to \$20,485,000 to be made in two equal payments by July 15th and January 15th. Act 15 of 1999 created a supplemental program for farmland preservation. Beginning in 2005-06 the program receives a set percentage (14.8%) of the Environmental Stewardship Fund for the continued purchase of agricultural easements.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning.....</b>               | <b>\$ 25,910</b>  | <b>\$ 21,196</b>     | <b>\$ 23,995</b>     |
| <b>Receipts:</b>                                  |                   |                      |                      |
| Transfer of Cigarette Tax.....                    | \$ 20,485         | \$ 20,485            | \$ 20,485            |
| Transfer from Environmental Stewardship Fund..... | 8,436             | 9,773                | 10,052               |
| Interest.....                                     | 76                | 41                   | 41                   |
| Total Receipts.....                               | 28,997            | 30,299               | 30,578               |
| <b>Total Funds Available.....</b>                 | <b>\$ 54,907</b>  | <b>\$ 51,495</b>     | <b>\$ 54,573</b>     |
| <b>Disbursements:</b>                             |                   |                      |                      |
| Agriculture.....                                  | \$ 33,711         | \$ 27,500            | \$ 30,000            |
| Total Disbursements.....                          | -33,711           | -27,500              | -30,000              |
| <b>Cash Balance, Ending.....</b>                  | <b>\$ 21,196</b>  | <b>\$ 23,995</b>     | <b>\$ 24,573</b>     |

# Anthracite Emergency Bond Fund

This fund was created by Act 171 of 1986 to provide loans for anthracite underground mine operators who cannot obtain necessary bonding or whose bonding has been cancelled due to insolvency or bankruptcy of the original bonding company. Revenues are provided by a fee for each ton of coal estimated by certain mine operations and payments made by operators in lieu of a bond. Act 173 of 1992 extended the program to anthracite surface mine operators.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 631</b>     | <b>\$ 644</b>        | <b>\$ 209</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Operator Payments.....               | \$ 12             | \$ 12                | \$ 12                |
| Interest .....                       | 1                 | 1                    | 1                    |
| Total Receipts .....                 | 13                | 13                   | 13                   |
| <b>Total Funds Available .....</b>   | <b>\$ 644</b>     | <b>\$ 657</b>        | <b>\$ 222</b>        |
| <b>Disbursements:</b>                |                   |                      |                      |
| Environmental Protection .....       | \$ 0              | \$ 448               | \$ 76                |
| Total Disbursements .....            | 0                 | -448                 | -76                  |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 644</b>     | <b>\$ 209</b>        | <b>\$ 146</b>        |

# Automobile Theft Prevention Trust Fund

The Automobile Theft Prevention Trust Fund was created by Act 171 of 1994. The purpose of the fund is to finance programs in the commonwealth to prevent, combat and reduce automobile theft as well as improve and support automobile theft prosecutions. Revenue to the fund consists of assessments on the insurance companies that conduct business in the commonwealth, interest earnings, and fines and penalties.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>       | <b>\$ 0</b>       | <b>\$ 5</b>          | <b>\$ 5</b>          |
| <b>Receipts:</b>                           |                   |                      |                      |
| Assessments.....                           | \$ 6,977          | \$ 7,199             | \$ 7,199             |
| Interest .....                             | 4                 | 1                    | 1                    |
| Total Receipts .....                       | 6,981             | 7,200                | 7,200                |
| <b>Total Funds Available .....</b>         | <b>\$ 6,981</b>   | <b>\$ 7,205</b>      | <b>\$ 7,205</b>      |
| <b>Disbursements:</b>                      |                   |                      |                      |
| Automobile Theft Prevention Authority..... | \$ 6,976          | \$ 7,200             | \$ 7,200             |
| Total Disbursements .....                  | -6,976            | -7,200               | -7,200               |
| <b>Cash Balance, Ending .....</b>          | <b>\$ 5</b>       | <b>\$ 5</b>          | <b>\$ 5</b>          |

# Banking Fund

The Banking Fund is a special revenue fund composed of monies received from fees, assessments, charges and penalties collected or recovered from persons, firms, corporations or associations under the supervision of the Department of Banking and Securities. It provides for the administration of the Department of Banking and Securities and regulation of the financial services industry. During 2013-14, Act 86 of 2012 provided for a transfer of \$2,500,000 to the Institution Resolution Account within the Banking Fund. These funds are to be used at the discretion of the Secretary of Banking and Securities in the event of a seizure or liquidation of a financial institution, association or credit union.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual  | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|--------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 14,810</b>   | <b>\$ 17,435</b>     | <b>\$ 16,038</b>     |
| <b>Receipts:</b>                     |                    |                      |                      |
| Licenses and Fees.....               | \$ 18,666          | \$ 19,753            | \$ 22,870            |
| Fines and Penalties.....             | 1,593              | 400                  | 400                  |
| Interest.....                        | 274                | 287                  | 287                  |
| Other.....                           | 750                | 600                  | 400                  |
| <b>Total Receipts .....</b>          | <b>21,283</b>      | <b>21,040</b>        | <b>23,957</b>        |
| <b>Total Funds Available .....</b>   | <b>\$ 36,093</b>   | <b>\$ 38,475</b>     | <b>\$ 39,995</b>     |
| <b>Disbursements:</b>                |                    |                      |                      |
| Banking and Securities.....          | \$ 18,658          | \$ 22,437            | \$ 23,178            |
| <b>Total Disbursements .....</b>     | <b>-18,658</b>     | <b>-22,437</b>       | <b>-23,178</b>       |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 17,435 a</b> | <b>\$ 16,038 a</b>   | <b>\$ 16,817 a</b>   |

a Ending cash balance includes the following amounts in the Institution Resolution Restricted Account:  
2013-14 Actual is \$2,500,000, 2014-15 Available is \$5,000,000 and 2015-16 Estimated is \$7,000,000.

# Ben Franklin Technology Development Authority Fund

Act 38 of 2001 created the Ben Franklin Technology Development Authority Fund. This fund merges the activities of the Ben Franklin Partnership and the Pennsylvania Technology Investment Authority (PTIA) under one authority. The Ben Franklin component assists small and medium sized technology, research and start-up companies to do applied research and development projects and to develop and introduce new products and processes. PTIA provides high-tech financing to small and medium-sized businesses; stimulates the adoption and expansion of electronic commerce; and coordinates and expands university-based research and development in high-tech fields. Revenue to the fund includes annual transfers from the General Fund, loan repayments and interest earnings.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>         | <b>\$ 13,140</b>  | <b>\$ 8,416</b>      | <b>\$ 105,621</b>    |
| <b>Receipts:</b>                             |                   |                      |                      |
| Transfer from General Fund.....              | \$ 14,500         | \$ 14,500            | \$ 14,500            |
| Innovate in PA Tax Credit Sale Proceeds..... | 0                 | 100,000 a            | 0                    |
| Interest on Escrow.....                      | 1,763             | 1,500                | 1,300                |
| Loan Principal and Interest Repayments.....  | 0                 | 500                  | 500                  |
| Interest.....                                | 51                | 26                   | 20                   |
| Other.....                                   | 32                | 0                    | 0                    |
| <b>Total Receipts .....</b>                  | <b>16,346</b>     | <b>116,526</b>       | <b>16,320</b>        |
| <b>Total Funds Available .....</b>           | <b>\$ 29,486</b>  | <b>\$ 124,942</b>    | <b>\$ 121,941</b>    |
| <b>Disbursements:</b>                        |                   |                      |                      |
| Community and Economic Development.....      | \$ 21,070         | \$ 19,321            | \$ 119,000 a         |
| <b>Total Disbursements .....</b>             | <b>-21,070</b>    | <b>-19,321</b>       | <b>-119,000</b>      |
| <b>Cash Balance, Ending .....</b>            | <b>\$ 8,416</b>   | <b>\$ 105,621</b>    | <b>\$ 2,941</b>      |

a Reflects the sale of up to \$100M in Innovate PA tax credits, sale pending.



# Benefit Completion Fund

This fund was created in 2003 to accumulate reserves for the payment of pensions to eligible former state employees with a statutory benefit entitlement under the State Employees' Retirement Code that exceeds the limits of Section 415(b) of the Internal Revenue Code (IRC). Reserves in this fund are disbursed to members of the retirement system in accordance with the provision of IRC Section 415(m).

The fund receives revenue from employer contributions and interest income. Employer contributions are an actuarially determined percentage of payroll sufficient to fund the benefit payments of the forthcoming calendar year and the on-going expenses to administer the plan. Management of the fund and payment of benefits is overseen by the State Employees' Retirement Board.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning</b> .....    | <b>\$ 1,854</b>   | <b>\$ 4,325</b>      | <b>\$ 4,795</b>      |
| <b>Receipts:</b>                        |                   |                      |                      |
| Employer Contributions .....            | \$ 4,569          | \$ 1,770             | \$ 1,787             |
| Interest.....                           | 5                 | 6                    | 6                    |
| <b>Total Receipts</b> .....             | <b>4,574</b>      | <b>1,776</b>         | <b>1,793</b>         |
| <b>Total Funds Available</b> .....      | <b>\$ 6,428</b>   | <b>\$ 6,101</b>      | <b>\$ 6,588</b>      |
| <b>Disbursements:</b>                   |                   |                      |                      |
| State Employees' Retirement System..... | \$ 2,103          | \$ 1,306             | \$ 1,381             |
| <b>Total Disbursements</b> .....        | <b>-2,103</b>     | <b>-1,306</b>        | <b>-1,381</b>        |
| <b>Cash Balance, Ending</b> .....       | <b>\$ 4,325</b>   | <b>\$ 4,795</b>      | <b>\$ 5,207</b>      |

# Boat Fund

The Boat Fund is a special revenue fund composed of monies from boating license fees, fines, penalties, federal contributions and other sources and from liquid fuel taxes transferred from the Motor License and Liquid Fuels Tax Funds. This fund provides for the administration and enforcement of programs relating to boats and boating activities.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning</b> .....     | <b>\$ 23,191</b>  | <b>\$ 22,255</b>     | <b>\$ 18,049</b>     |
| <b>Receipts:</b>                         |                   |                      |                      |
| Licenses and Fees.....                   | \$ 7,162          | \$ 7,047             | \$ 7,047             |
| Fines and Penalties.....                 | 273               | 200                  | 200                  |
| Transfer from Motor License Fund.....    | 0                 | 6,000                | 10,300               |
| Transfer from Liquid Fuels Tax Fund..... | 0                 | 100                  | 100                  |
| Federal Receipts.....                    | 5,417             | 5,195                | 5,467                |
| Interest.....                            | 505               | 500                  | 500                  |
| Other.....                               | 30                | 130                  | 130                  |
| <b>Total Receipts</b> .....              | <b>13,387</b>     | <b>19,172</b>        | <b>23,744</b>        |
| <b>Total Funds Available</b> .....       | <b>\$ 36,578</b>  | <b>\$ 41,427</b>     | <b>\$ 41,793</b>     |
| <b>Disbursements:</b>                    |                   |                      |                      |
| Fish and Boat Commission.....            | \$ 14,323         | \$ 23,378            | \$ 26,682            |
| <b>Total Disbursements</b> .....         | <b>-14,323</b>    | <b>-23,378</b>       | <b>-26,682</b>       |
| <b>Cash Balance, Ending</b> .....        | <b>\$ 22,255</b>  | <b>\$ 18,049</b>     | <b>\$ 15,111</b>     |

# Broadband Outreach and Aggregation Fund

Act 183 of 2004 established the Broadband Outreach and Aggregation Fund to fund grants and outreach programs with the ultimate purpose of increasing broadband access in unserved or underserved areas. Deposits to the fund include assessments levied and collected by the Public Utility Commission (PUC) on certain local exchange telecommunications companies. Up to three percent of annual proceeds can be used by the agency for administrative costs. The total amount of the fund shall not exceed \$5 million annually.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>    | <b>\$ 3,296</b>   | <b>\$ 3,446</b>      | <b>\$ 284</b>        |
| <b>Receipts:</b>                        |                   |                      |                      |
| Transfer from PUC.....                  | \$ 447            | \$ 477               | \$ 475               |
| Interest.....                           | 6                 | 5                    | 6                    |
| <b>Total Receipts .....</b>             | <b>453</b>        | <b>482</b>           | <b>481</b>           |
| <b>Total Funds Available .....</b>      | <b>\$ 3,749</b>   | <b>\$ 3,928</b>      | <b>\$ 765</b>        |
| <b>Disbursements:</b>                   |                   |                      |                      |
| Community and Economic Development..... | \$ 303            | \$ 3,644             | \$ 765               |
| <b>Total Disbursements .....</b>        | <b>-303</b>       | <b>-3,644</b>        | <b>-765</b>          |
| <b>Cash Balance, Ending .....</b>       | <b>\$ 3,446</b>   | <b>\$ 284</b>        | <b>\$ 0</b>          |

# Budget Stabilization Reserve Fund

This fund was created on July 15, 2002 by Act 91 of 2002 to replace the Tax Stabilization Reserve Fund. The fund provides financial assistance to minimize future revenue shortfalls and deficits, and promote greater continuity and predictability in the funding of vital government services. It minimizes the need to increase taxes to balance the budget of the commonwealth during periods of economic distress. Act 91 provides revenue through an annual transfer of twenty-five percent of the General Fund's fiscal year ending surplus. If the fund's ending balance would equal or exceed six percent of actual General Fund revenues for the fiscal year in which the surplus occurs, the General Fund transfer would be reduced to ten percent. Act 53 of 2008 suspended the transfer of surplus funds for 2007-08. Act 50 of 2009 transferred \$755 million to the General Fund in 2009-10. Act 46 of 2010 transferred \$745,000 to the General Fund in 2010-11. Act 26 of 2011 suspended the transfer of surplus funds for 2010-11. Act 87 of 2012 suspended the transfer of surplus funds for 2011-12. Act 71 of 2013 suspended the transfer of surplus funds for 2012-13. Act 126 of 2014 suspended the transfer of surplus funds for 2013-14. This budget proposes to reinstate the transfer of 25 percent of the 2014-15 General Fund surplus to the reserve fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 61</b>      | <b>\$ 231</b>        | <b>\$ 236</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Transfer from General Fund.....      | \$ 0              | \$ 0                 | \$ 2,992             |
| Interest .....                       | 170               | 5                    | 22                   |
| <b>Total Receipts .....</b>          | <b>170</b>        | <b>5</b>             | <b>3,014</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 231</b>     | <b>\$ 236</b>        | <b>\$ 3,250</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| Transfer to General Fund.....        | \$ 0              | \$ 0                 | \$ 0                 |
| <b>Total Disbursements .....</b>     | <b>0</b>          | <b>0</b>             | <b>0</b>             |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 231</b>     | <b>\$ 236</b>        | <b>\$ 3,250</b>      |

## Capital Debt Fund

Principal and interest payments on bonds issued for purposes of capital budget projects are paid from this fund. Annual appropriations from various funds for payment of interest and principal due on general obligation bonds are the primary sources of revenue. Funds in excess of interest and principal falling due in any one particular fiscal year may be used by the Board of Finance and Revenue to retire any other general obligation bonds issued to provide revenue to the Capital Facilities Fund.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Estimated |
|---|---------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>      | <b>\$ 122,477</b>   | <b>\$ 145,873</b>    | <b>\$ 29,419</b>     |
| <b>Receipts:</b>                          |                     |                      |                      |
| Transfer from Other Funds.....            | \$ 1,186,582        | \$ 956,829           | \$ 1,167,361         |
| Refunding Bond Maturing Escrow Funds..... | 970,218             | 73,723               | 46,968               |
| Build America Bond Federal Subsidies..... | 26,668              | 25,622               | 25,492               |
| Interest on Securities.....               | 240                 | 57                   | 50                   |
| <b>Total Receipts .....</b>               | <b>2,183,708</b>    | <b>1,056,231</b>     | <b>1,239,871</b>     |
| <b>Total Funds Available .....</b>        | <b>\$ 2,306,185</b> | <b>\$ 1,202,104</b>  | <b>\$ 1,269,290</b>  |
| <b>Disbursements:</b>                     |                     |                      |                      |
| Treasury.....                             | \$ 2,160,312        | \$ 1,172,685         | \$ 1,266,205         |
| <b>Total Disbursements .....</b>          | <b>-2,160,312</b>   | <b>-1,172,685</b>    | <b>-1,266,205</b>    |
| <b>Cash Balance, Ending .....</b>         | <b>\$ 145,873</b>   | <b>\$ 29,419</b>     | <b>\$ 3,085</b>      |

## Capital Facilities Fund

This fund is used to meet the financial costs of capital projects authorized by capital budget acts. Revenue for this fund comes principally from the sale of general obligation debt and interest earnings. Debt issued for this fund is subject to a debt limit equal to one and three quarter times the average of annual tax revenues in the preceding five fiscal years. This fund has at least one account for each category of capital projects. Interest earned on investment or deposit of monies in the fund is credited to the account in the fund to which such invested or deposited money was originally credited.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Estimated |
|---|---------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>    | <b>\$ 172,788</b>   | <b>\$ 518,777</b>    | <b>\$ 551,327</b>    |
| <b>Receipts:</b>                        |                     |                      |                      |
| Sale of Bonds.....                      | \$ 1,265,166        | \$ 1,285,000         | \$ 1,290,000         |
| Premium on Sale of Bonds.....           | 148,743             | 161,000              | 0                    |
| Cash Management Loan.....               | 275,000             | 250,000              | 0                    |
| Interest on Securities.....             | 735                 | 750                  | 750                  |
| Other .....                             | 24,658              | 25,000               | 25,000               |
| <b>Total Receipts .....</b>             | <b>1,714,302</b>    | <b>1,721,750</b>     | <b>1,315,750</b>     |
| <b>Total Funds Available .....</b>      | <b>\$ 1,887,090</b> | <b>\$ 2,240,527</b>  | <b>\$ 1,867,077</b>  |
| <b>Disbursements:</b>                   |                     |                      |                      |
| Community and Economic Development..... | \$ 294,033          | \$ 335,000           | \$ 335,000           |
| Conservation & Natural Resources.....   | 1,510               | 1,500                | 1,500                |
| General Services.....                   | 600,379             | 750,000              | 810,000              |
| Transportation.....                     | 192,544             | 200,000              | 200,000              |
| Treasury.....                           | 276,144             | 250,000              | 0                    |
| Other.....                              | 3,703               | 152,700              | 168,700              |
| <b>Total Disbursements .....</b>        | <b>-1,368,313</b>   | <b>-1,689,200</b>    | <b>-1,515,200</b>    |
| <b>Cash Balance, Ending .....</b>       | <b>\$ 518,777</b>   | <b>\$ 551,327</b>    | <b>\$ 351,877</b>    |

# Capitol Restoration Trust Fund

This fund was created by Act 327 of 1982 to finance the maintenance, restoration, preservation and rehabilitation of artifacts, documents and other historical objects or resources located within and around or associated with the State Capitol Building, and the acquisition of artifacts, documents and other historical objects or resources which contribute to the historical significance of the State Capitol Building. This fund is administered by the Capitol Preservation Committee. Revenue is derived from gifts, donations and legacies of money from individuals, organizations, public or private corporations, and from the sale of commemorative medals and other items of a similar nature which promote the historic preservation and restoration of the State Capitol Building.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning</b> ..... | <b>\$ 422</b>     | <b>\$ 426</b>        | <b>\$ 418</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Contribution & Sales .....           | \$ 8              | \$ 5                 | \$ 5                 |
| Interest .....                       | 1                 | 1                    | 1                    |
| Total Receipts .....                 | <u>9</u>          | <u>6</u>             | <u>6</u>             |
| <b>Total Funds Available</b> .....   | <b>\$ 431</b>     | <b>\$ 432</b>        | <b>\$ 424</b>        |
| <b>Disbursements:</b>                |                   |                      |                      |
| Capitol Preservation Committee ..... | \$ 5              | \$ 14                | \$ 20                |
| Total Disbursements .....            | <u>-5</u>         | <u>-14</u>           | <u>-20</u>           |
| <b>Cash Balance, Ending</b> .....    | <b>\$ 426</b>     | <b>\$ 418</b>        | <b>\$ 404</b>        |

# Catastrophic Loss Benefits Continuation Fund

This fund was established by Act 24 of 1989 to replace the Catastrophic Loss Trust Fund. The purpose of the Catastrophic Loss Benefits Continuation Fund (CAT fund) is to pay all medical claims owed by the Catastrophic Loss Trust Fund. Monies in the former Catastrophic Loss Trust Fund were transferred to this fund effective July 1, 1989.

Act 13 of 2002 established the Medical Care Availability and Reduction of Error (Mcare) Fund and mandated that all surcharges levied and collected under the CAT fund be remitted to the Mcare Fund beginning in January 2004. Act 50 of 2009 redirected the surcharge to the General Fund for 2009-10 and 2010-11. Act 26 of 2011 redirected the surcharge to the General Fund for 2011-12 and for each fiscal year thereafter.

This fund will continue to pay claimants from its balance and interest earnings until no further obligations exist. The most recent actuarial report estimates final expenditure in 2089.

No obligation or expense of, or claim against, the fund constitutes a debt of the commonwealth or a charge against the General Fund or the Motor License Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning</b> ..... | <b>\$ 91,094</b>  | <b>\$ 88,628</b>     | <b>\$ 85,078</b>     |
| <b>Receipts:</b>                     |                   |                      |                      |
| Interest .....                       | \$ 2,649          | \$ 2,153             | \$ 2,153             |
| Other .....                          | 150               | 699                  | 0                    |
| Total Receipts .....                 | <u>2,799</u>      | <u>2,852</u>         | <u>2,153</u>         |
| <b>Total Funds Available</b> .....   | <b>\$ 93,893</b>  | <b>\$ 91,480</b>     | <b>\$ 87,230</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Insurance .....                      | \$ 5,265          | \$ 6,402             | \$ 6,276             |
| Total Disbursements .....            | <u>-5,265</u>     | <u>-6,402</u>        | <u>-6,276</u>        |
| <b>Cash Balance, Ending</b> .....    | <b>\$ 88,628</b>  | <b>\$ 85,078</b>     | <b>\$ 80,954</b>     |

## Children's Trust Fund

Act 151 of 1988 created the Children's Trust Fund. Revenue is generated by a \$10 surcharge on marriage licenses and divorce applications. Expenditures are for community-based children's programs and services for child abuse and neglect prevention.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 2,165</b>   | <b>\$ 1,886</b>      | <b>\$ 1,576</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Marriage/Divorce Surcharge.....      | \$ 1,076          | \$ 1,137             | \$ 1,137             |
| Interest.....                        | 5                 | 3                    | 3                    |
| <b>Total Receipts .....</b>          | <b>1,081</b>      | <b>1,140</b>         | <b>1,140</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 3,246</b>   | <b>\$ 3,026</b>      | <b>\$ 2,716</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| Human Services.....                  | \$ 1,360          | \$ 1,450             | \$ 1,400             |
| <b>Total Disbursements .....</b>     | <b>-1,360</b>     | <b>-1,450</b>        | <b>-1,400</b>        |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 1,886</b>   | <b>\$ 1,576</b>      | <b>\$ 1,316</b>      |

## Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund

Act 42 of 2008 provides for cigarette fire safety, for certification of compliance by manufacturers, for package markings, and for enforcement and penalties. Certification fees are collected by the Department of Revenue at a rate of \$1,000 per brand family and \$500 for each additional listing within a brand family. Penalties are charged for specified violations. The Attorney General's Office enforces the act.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 342</b>     | <b>\$ 355</b>        | <b>\$ 424</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Fees.....                            | \$ 12             | \$ 118               | \$ 19                |
| Interest.....                        | 1                 | 1                    | 1                    |
| <b>Total Receipts .....</b>          | <b>13</b>         | <b>119</b>           | <b>20</b>            |
| <b>Total Funds Available .....</b>   | <b>\$ 355</b>     | <b>\$ 474</b>        | <b>\$ 444</b>        |
| <b>Disbursements:</b>                |                   |                      |                      |
| Attorney General.....                | \$ 0              | \$ 50                | \$ 50                |
| <b>Total Disbursements .....</b>     | <b>0</b>          | <b>-50</b>           | <b>-50</b>           |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 355</b>     | <b>\$ 424</b>        | <b>\$ 394</b>        |

# City Revitalization and Improvement Fund

The City Revitalization and Improvement Fund is a fiduciary fund established by Act 52 of 2013 which authorizes City Revitalization and Improvement Zones to provide economic development and job creation in cities with populations greater than 30,000. Each zone is comprised of parcels designated by the contracting authority constructing facilities in the zone. Through 2016, only two zones may be created, including a pilot program which is a zone in a township or borough having a population of at least 7,000 people. After 2016, two additional zones may be approved each year. Bonds are issued by the contracting authority and state and local taxes collected within a zone are used for program efforts and to repay debt service.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>    | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Receipts:</b>                        |                   |                      |                      |
| Revenue.....                            | \$ 0              | \$ 0                 | \$ 10,400            |
| Interest.....                           | 0                 | 0                    | 30                   |
| Other.....                              | 0                 | 0                    | 0                    |
| <b>Total Receipts .....</b>             | <b>0</b>          | <b>0</b>             | <b>10,430</b>        |
| <b>Total Funds Available .....</b>      | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 10,430</b>     |
| <b>Disbursements:</b>                   |                   |                      |                      |
| Community and Economic Development..... | \$ 0              | \$ 0                 | \$ 10,430            |
| <b>Total Disbursements .....</b>        | <b>0</b>          | <b>0</b>             | <b>-10,430</b>       |
| <b>Cash Balance, Ending .....</b>       | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |

# Clean Air Fund

This fund was created to meet the provisions of Act 787 of 1959, as amended by Act 95 of 1992, to finance the attainment of air quality standards, the administration of the rules and regulations promulgated under these acts, the reduction of interstate air pollution transport and a program to assist businesses in meeting emission standards. Fines, civil penalties and fees from air pollution emitters, as well as appropriations from the General Assembly, federal or local governments and interest earnings are deposited in this fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 53,463</b>  | <b>\$ 47,775</b>     | <b>\$ 34,920</b>     |
| <b>Receipts:</b>                     |                   |                      |                      |
| Fines and Penalties.....             | \$ 2,068          | \$ 2,000             | \$ 2,000             |
| Fees.....                            | 15,196            | 17,143               | 16,843               |
| Interest.....                        | 1,295             | 1,183                | 1,183                |
| Other.....                           | 5                 | 271                  | 50                   |
| <b>Total Receipts .....</b>          | <b>18,564</b>     | <b>20,597</b>        | <b>20,076</b>        |
| <b>Total Funds Available .....</b>   | <b>\$ 72,027</b>  | <b>\$ 68,372</b>     | <b>\$ 54,996</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Environmental Protection .....       | \$ 24,252         | \$ 33,452            | \$ 32,135            |
| <b>Total Disbursements .....</b>     | <b>-24,252</b>    | <b>-33,452</b>       | <b>-32,135</b>       |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 47,775</b>  | <b>\$ 34,920</b>     | <b>\$ 22,861</b>     |

# Coal and Clay Mine Subsidence Insurance Fund

This fund was created by Act 484 of 1961 to provide insurance to home owners in mining areas against damages resulting from subsidence. Revenue is derived from premiums paid by policyholders for subsidence insurance. Act 155 of 2002 updated this insurance program by further defining and establishing coverage by insurance providers and requiring the Department of Environmental Protection to prepare an annual report on the program and insurance sales. Disbursements are used to cover the payment of insurance claims and commissions to insurance agents who forward insurance applications as outlined in Act 155. A sufficient balance in the fund must be maintained to provide adequate protection for the solvency of the fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 94,138</b>  | <b>\$ 97,251</b>     | <b>\$ 98,814</b>     |
| <b>Receipts:</b>                     |                   |                      |                      |
| Premiums Collected.....              | \$ 5,243          | \$ 5,500             | \$ 5,750             |
| Interest.....                        | 1,778             | 1,950                | 1,950                |
| Other.....                           | 0                 | 1                    | 2                    |
| <b>Total Receipts .....</b>          | <b>7,021</b>      | <b>7,451</b>         | <b>7,702</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 101,159</b> | <b>\$ 104,702</b>    | <b>\$ 106,516</b>    |
| <b>Disbursements:</b>                |                   |                      |                      |
| Environmental Protection .....       | \$ 3,908          | \$ 5,888             | \$ 5,727             |
| <b>Total Disbursements .....</b>     | <b>-3,908</b>     | <b>-5,888</b>        | <b>-5,727</b>        |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 97,251</b>  | <b>\$ 98,814</b>     | <b>\$ 100,789</b>    |

# Coal Lands Improvement Fund

This fund was created by Act 117 of 1965 to finance the restoration of land acquired by the commonwealth through eminent domain or amicable methods which has been defaced by open pit or strip mining and has been declared a health hazard. Initially, the fund was provided a \$1 million appropriation, but subsequent revenue is derived from the sale of restored land and interest on investments.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 2,784</b>   | <b>\$ 2,790</b>      | <b>\$ 2,532</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Interest .....                       | \$ 6              | \$ 4                 | \$ 4                 |
| <b>Total Receipts .....</b>          | <b>6</b>          | <b>4</b>             | <b>4</b>             |
| <b>Total Funds Available .....</b>   | <b>\$ 2,790</b>   | <b>\$ 2,794</b>      | <b>\$ 2,536</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| Environmental Protection .....       | \$ 0              | \$ 262               | \$ 100               |
| <b>Total Disbursements .....</b>     | <b>0</b>          | <b>-262</b>          | <b>-100</b>          |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 2,790</b>   | <b>\$ 2,532</b>      | <b>\$ 2,436</b>      |

# Community College Capital Fund

This fund was established by Act 46 of 2005. Fund revenue consists of an appropriation from the General Fund for transfer to the Community College Capital Fund. Monies in this fund can be disbursed only for payment of the commonwealth's annual share of approved capital debt service and lease payments to Pennsylvania's community colleges.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning</b> ..... | <b>\$ 1,372</b>   | <b>\$ 2,430</b>      | <b>\$ 2,465</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Transfer from General Fund.....      | \$ 48,869         | \$ 48,869            | \$ 48,869            |
| Interest.....                        | 41                | 35                   | 35                   |
| Total Receipts.....                  | 48,910            | 48,904               | 48,904               |
| <b>Total Funds Available</b> .....   | <b>\$ 50,282</b>  | <b>\$ 51,334</b>     | <b>\$ 51,369</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Education.....                       | \$ 47,852         | \$ 48,869            | \$ 48,869            |
| Total Disbursements.....             | -47,852           | -48,869              | -48,869              |
| <b>Cash Balance, Ending</b> .....    | <b>\$ 2,430</b>   | <b>\$ 2,465</b>      | <b>\$ 2,500</b>      |

# Compulsive and Problem Gambling Treatment Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Compulsive and Problem Gambling Treatment Fund to support a compulsive and problem gambling program within the Department of Health. This program provides public education, awareness and training regarding both the problem of compulsive and problem gambling and its treatment and prevention. Act 1 of 2010 amended the funding for this program by increasing revenues provided based on the greater of \$2 million or .002 multiplied by the gross terminal revenue of all active and operating gaming entities. It also provides for an annual \$3 million transfer to the Compulsive and Problem Gambling Treatment Fund for drug and alcohol addiction treatment services in the Department of Health.

Act 50 of 2010 created the Department of Drug and Alcohol Programs and requires that all drug and alcohol funding previously allocated to the Department of Health be transferred to the Department of Drug and Alcohol Programs. As a result, beginning in 2012-13, these funds are allocated to the Department of Drug and Alcohol Programs.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning</b> .....                           | <b>\$ 8,121</b>   | <b>\$ 8,694</b>      | <b>\$ 5,722</b>      |
| <b>Receipts:</b>   |                   |                      |                      |
| Transfer from the State Gaming Fund - Drug<br>and Alcohol..... | \$ 3,000          | \$ 3,000             | \$ 3,000             |
| Transfer from the State Gaming Fund.....                       | 5,242             | 4,384                | 4,800                |
| Interest .....   | 23                | 14                   | 5                    |
| Total Receipts .....   | 8,265             | 7,398                | 7,805                |
| <b>Total Funds Available</b> .....                             | <b>\$ 16,386</b>  | <b>\$ 16,092</b>     | <b>\$ 13,527</b>     |
| <b>Disbursements:</b>  |                   |                      |                      |
| Drug and Alcohol Programs.....                                 | \$ 7,692          | \$ 10,370            | \$ 8,800             |
| Total Disbursements .....                                      | -7,692            | -10,370              | -8,800               |
| <b>Cash Balance, Ending</b> .....                              | <b>\$ 8,694</b>   | <b>\$ 5,722</b>      | <b>\$ 4,727</b>      |



# Conrad Weiser Memorial Park Trust Fund

This fund was created to provide for control, management, supervision, restoration and improvement of the Conrad Weiser Memorial Park, Berks County. Source of revenue for the fund is interest from the \$20,000 perpetual endowment created by the estate of Colonel Conrad Weiser.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>   | <b>\$ 93</b>      | <b>\$ 94</b>         | <b>\$ 74</b>         |
| <b>Receipts:</b>                       |                   |                      |                      |
| Interest .....                         | \$ 1              | \$ 0                 | \$ 0                 |
| Total Receipts .....                   | 1                 | 0                    | 0                    |
| <b>Total Funds Available .....</b>     | <b>\$ 94</b>      | <b>\$ 94</b>         | <b>\$ 74</b>         |
| <b>Disbursements:</b>                  |                   |                      |                      |
| Historical and Museum Commission ..... | \$ 0              | \$ 20                | \$ 0                 |
| Total Disbursements .....              | 0                 | -20                  | 0                    |
| <b>Cash Balance, Ending .....</b>      | <b>\$ 94</b>      | <b>\$ 74</b>         | <b>\$ 74</b>         |

# Conservation District Fund

Act 110 of 2006 created the Conservation District Fund to assist local conservation districts in the conservation of soil, water and natural resources. Revenue may be provided from state appropriations, federal appropriations, interest earnings and other funds available to the State Conservation Commission. Act 13 of 2012 provided for the collection and distribution of unconventional gas well impact fees, including transfers to conservation districts from the Public Utility Commission. Fifty percent of the Act 13 revenue is distributed directly by the Public Utility Commission in equal payments to all county conservation districts. The remaining fifty percent of this revenue is deposited into the Conservation District Fund to provide additional conservation district support.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>            | <b>\$ 3,418</b>   | <b>\$ 5,238</b>      | <b>\$ 3,874</b>      |
| <b>Receipts:</b>                                |                   |                      |                      |
| Transfer from General Fund.....                 | \$ 3,375          | \$ 3,375             | \$ 3,375             |
| Transfer from Unconventional Gas Well Fund..... | 3,750             | 3,844                | 3,940                |
| Interest.....                                   | 10                | 6                    | 6                    |
| Total Receipts .....                            | 7,135             | 7,225                | 7,321                |
| <b>Total Funds Available .....</b>              | <b>\$ 10,553</b>  | <b>\$ 12,463</b>     | <b>\$ 11,195</b>     |
| <b>Disbursements:</b>                           |                   |                      |                      |
| Environmental Protection.....                   | \$ 3,538          | \$ 4,969             | \$ 4,476             |
| Agriculture.....                                | 1,777             | 3,620                | 2,839                |
| Total Disbursements .....                       | -5,315            | -8,589               | -7,315               |
| <b>Cash Balance, Ending .....</b>               | <b>\$ 5,238</b>   | <b>\$ 3,874</b>      | <b>\$ 3,880</b>      |

## Deferred Compensation Fund

Act 81 of 1987 established the Commonwealth Deferred Compensation Program. The program enables commonwealth employees to defer a portion of their salaries into a retirement savings plan. The State Employees' Retirement System is responsible for administration of the act.

Contributions to the fund began in 1988. The disbursements shown under the Executive Offices are employee contribution funds transferred to one of the investment plan options. Those funds, together with the interest they earn, are available to employees upon retirement.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|---------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 3,973</b>     | <b>\$ 32,428</b>     | <b>\$ 21,930</b>     |
| <b>Receipts:</b>                     |                     |                      |                      |
| Employee Contributions .....         | \$ 123,198          | \$ 125,662           | \$ 128,176           |
| Premium on Sale of Securities .....  | -225                | -227                 | -229                 |
| Net Investments .....                | 31,066 <sup>a</sup> | 30,435 <sup>a</sup>  | 31,021 <sup>a</sup>  |
| <b>Total Receipts .....</b>          | <b>154,039</b>      | <b>155,870</b>       | <b>158,968</b>       |
| <b>Total Funds Available .....</b>   | <b>\$ 158,012</b>   | <b>\$ 188,298</b>    | <b>\$ 180,898</b>    |
| <b>Disbursements:</b>                |                     |                      |                      |
| Benefits and Rollovers .....         | \$ 107,333          | \$ 101,966           | \$ 96,868            |
| Fees and Expenses .....              | 18,251              | 64,402               | 61,182               |
| <b>Total Disbursements .....</b>     | <b>-125,584</b>     | <b>-166,368</b>      | <b>-158,050</b>      |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 32,428</b>    | <b>\$ 21,930</b>     | <b>\$ 22,848</b>     |

<sup>a</sup> Includes interest earned on funds controlled by SERS and the Treasury Department.

## Deferred Compensation Fund — Short-Term Portfolio

Act 81 of 1987 established the Commonwealth Deferred Compensation Program. The program enables commonwealth employees to defer a portion of their salaries into a retirement savings plan. Available for the employees' investment selection is the Treasury Short-Term Money Market Account. In order to maintain the identity of the investments and deferred compensation contributions, the Deferred Compensation Fund - Short-Term Portfolio was established.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>            | <b>\$ 51,571</b>  | <b>\$ 53,987</b>     | <b>\$ 53,432</b>     |
| <b>Receipts:</b>                                |                   |                      |                      |
| Transfers from Deferred Compensation Fund ..... | \$ 9,235          | \$ 9,327             | \$ 9,513             |
| Interest .....                                  | 85                | 78                   | 78                   |
| <b>Total Receipts .....</b>                     | <b>9,320</b>      | <b>9,405</b>         | <b>9,591</b>         |
| <b>Total Funds Available .....</b>              | <b>\$ 60,891</b>  | <b>\$ 63,392</b>     | <b>\$ 63,023</b>     |
| <b>Disbursements:</b>                           |                   |                      |                      |
| State Employees' Retirement System .....        | \$ 6,904          | \$ 9,960             | \$ 8,531             |
| <b>Total Disbursements .....</b>                | <b>-6,904</b>     | <b>-9,960</b>        | <b>-8,531</b>        |
| <b>Cash Balance, Ending .....</b>               | <b>\$ 53,987</b>  | <b>\$ 53,432</b>     | <b>\$ 54,492</b>     |

## DNA Detection Fund

The DNA Detection Fund was created by Act 14 of Special Session One of 1995 to account for the collection and processing of Deoxyribonucleic Acid (DNA) samples by State Police from individuals convicted, adjudicated delinquent or granted accelerated rehabilitation disposition for a felony sex offense or other specified offense. Revenues are derived from mandatory fees which are assessed on sexual offenders. Expenditures are made to establish and maintain a DNA database and DNA bank. Act 57 of 2002 reestablished this fund as well as the State DNA Data Base and State DNA Data Bank. Additional requirements provide for testing and the imposition of related costs on certain offenders, while further defining the apportionment of liability and damages against defendants.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 10,055</b>  | <b>\$ 10,160</b>     | <b>\$ 9,255</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Assessments.....                     | \$ 1,954          | \$ 2,000             | \$ 2,000             |
| Interest.....                        | 20                | 15                   | 15                   |
| <b>Total Receipts .....</b>          | <b>1,974</b>      | <b>2,015</b>         | <b>2,015</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 12,029</b>  | <b>\$ 12,175</b>     | <b>\$ 11,270</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| State Police.....                    | \$ 1,869          | \$ 2,920             | \$ 4,191             |
| <b>Total Disbursements .....</b>     | <b>-1,869</b>     | <b>-2,920</b>        | <b>-4,191</b>        |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 10,160</b>  | <b>\$ 9,255</b>      | <b>\$ 7,079</b>      |

## Educational Assistance Program Fund

The Educational Assistance Program Fund was established in Act 212 of 2004 to fund the Educational Assistance Program for members of the National Guard.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 3,503</b>   | <b>\$ 6,137</b>      | <b>\$ 4,210</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Transfer from General Fund.....      | \$ 12,870         | \$ 9,500             | \$ 9,500             |
| Interest.....                        | 18                | 3                    | 3                    |
| <b>Total Receipts .....</b>          | <b>12,888</b>     | <b>9,503</b>         | <b>9,503</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 16,391</b>  | <b>\$ 15,640</b>     | <b>\$ 13,713</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Military and Veterans Affairs.....   | \$ 10,254         | \$ 11,430            | \$ 11,500            |
| <b>Total Disbursements .....</b>     | <b>-10,254</b>    | <b>-11,430</b>       | <b>-11,500</b>       |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 6,137</b>   | <b>\$ 4,210</b>      | <b>\$ 2,213</b>      |

# Emergency Medical Services Operating Fund

The fund was created by the Emergency Medical Services Act, Act 45 of 1985, to assist in activities relating to the prevention and reduction of premature death and disability in the commonwealth; to provide assistance, coordination and support of the development and maintenance of the comprehensive emergency medical services system; to determine qualifications, eligibility and certification of emergency medical services personnel; and to fund ambulance services. Revenue is derived from a \$10 fine levied on all moving traffic violations and a \$25 fee imposed on persons admitted to programs for Accelerated Rehabilitation Disposition (ARD) related to driving under the influence of drugs and/or alcohol. The initial legislation that supported the revenue for these programs expired on January 1, 2014. Act 126 of 2013 restored the \$10 surcharge funding that had been set to expire on January 1, 2014.

These fines are in addition to other fines imposed at the discretion of the court. This statement includes both the Emergency Medical and Catastrophic Medical and Rehabilitation components of the act.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 13,187</b>  | <b>\$ 13,376</b>     | <b>\$ 9,831</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Fines .....                          | \$ 12,556         | \$ 12,500            | \$ 12,500            |
| Interest .....                       | 299               | 318                  | 318                  |
| <b>Total Receipts .....</b>          | <b>12,855</b>     | <b>12,818</b>        | <b>12,818</b>        |
| <b>Total Funds Available .....</b>   | <b>\$ 26,042</b>  | <b>\$ 26,194</b>     | <b>\$ 22,649</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Health .....                         | \$ 12,666         | \$ 16,363            | \$ 14,400            |
| <b>Total Disbursements .....</b>     | <b>-12,666</b>    | <b>-16,363</b>       | <b>-14,400</b>       |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 13,376</b>  | <b>\$ 9,831</b>      | <b>\$ 8,249</b>      |

# Employment Fund for the Blind

This fund was created in 1967 to make loans to persons who are blind to purchase equipment, stock, merchandise and accessories necessary to put into operation vending or refreshment stands or other suitable business enterprises in suitable locations to be leased or arranged for by state agencies. Act 15 of 1999 transferred the authority to administer the fund from the Department of Human Services to the Department of Labor and Industry.

Monies credited to this fund include: (1) repayment of money advanced to persons who are blind for the purchase of merchandise, equipment, stock and accessories; (2) rental fees paid by persons who are blind for leasing equipment and accessories purchased, owned, installed and maintained by the Department of Labor and Industry; (3) a percentage of the profits from vending machines in state buildings where a restaurant or cafeteria is operated by the Department of General Services; and (4) any grants or contributions from the federal government.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                       | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>  | <b>\$ 2,211</b>   | <b>\$ 2,137</b>      | <b>\$ 2,047</b>      |
| <b>Receipts:</b>                      |                   |                      |                      |
| Vending Stand Equipment Rentals ..... | \$ 570            | \$ 241               | \$ 241               |
| Vending Machine Receipts .....        | 171               | 466                  | 466                  |
| Interest .....                        | 6                 | 3                    | 3                    |
| <b>Total Receipts .....</b>           | <b>747</b>        | <b>710</b>           | <b>710</b>           |
| <b>Total Funds Available .....</b>    | <b>\$ 2,958</b>   | <b>\$ 2,847</b>      | <b>\$ 2,757</b>      |
| <b>Disbursements:</b>                 |                   |                      |                      |
| Labor and Industry.....               | \$ 821            | \$ 800               | \$ 800               |
| <b>Total Disbursements .....</b>      | <b>-821</b>       | <b>-800</b>          | <b>-800</b>          |
| <b>Cash Balance, Ending.....</b>      | <b>\$ 2,137</b>   | <b>\$ 2,047</b>      | <b>\$ 1,957</b>      |

# Energy Conservation and Assistance Fund

This fund was created by Act 122 of 1986 to receive all oil overcharge settlements including the uncommitted balance of settlements received prior to the act. Appropriations are made from the fund for supplemental low-income weatherization and home energy assistance programs, and energy conservation activities.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Total Cash Balance, Beginning</b> ..... | \$ 7              | \$ 0                 | \$ 0                 |
| <b>Receipts:</b>                           |                   |                      |                      |
| Interest.....                              | \$ 0              | \$ 0                 | \$ 0                 |
| Total Receipts .....                       | 0                 | 0                    | 0                    |
| <b>Total Funds Available</b> .....         | \$ 7              | \$ 0                 | \$ 0                 |
| <b>Disbursements:</b>                      |                   |                      |                      |
| Human Services.....                        | \$ 7              | \$ 0                 | \$ 0                 |
| Total Disbursements .....                  | -7                | 0                    | 0                    |
| <b>Cash Balance, Ending</b> .....          | <u>\$ 0</u>       | <u>\$ 0</u>          | <u>\$ 0</u>          |

# Energy Development Fund

The Energy Development Fund was created by Act 280 of 1982. The fund provides the vehicle to accomplish the purposes of the Pennsylvania Energy Development Authority (PEDA) including the sale of bonds. Activities of the fund include preparation of the energy development plan, payment of administrative costs, the making of grants and loans for limited research intended to make the greatest possible contributions to energy conservation and development, and the establishment of reserves in respect to loans guaranteed or bonds issued by the authority. The fund is supported by loan repayments and interest earnings.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning</b> .....        | \$ 4,442          | \$ 4,629             | \$ 3,776             |
| <b>Receipts:</b>                            |                   |                      |                      |
| Loan Principal and Interest Repayments..... | \$ 128            | \$ 120               | \$ 105               |
| Interest .....                              | 99                | 108                  | 108                  |
| Total Receipts .....                        | 227               | 228                  | 213                  |
| <b>Total Funds Available</b> .....          | \$ 4,669          | \$ 4,857             | \$ 3,989             |
| <b>Disbursements:</b>                       |                   |                      |                      |
| Environmental Protection.....               | \$ 40             | \$ 1,081             | \$ 2,432             |
| Total Disbursements .....                   | -40               | -1,081               | -2,432               |
| <b>Cash Balance, Ending</b> .....           | <u>\$ 4,629</u>   | <u>\$ 3,776</u>      | <u>\$ 1,557</u>      |

# Environmental Education Fund

This fund was authorized by Act 24 of 1993 to provide environmental education programs and to provide grants to schools and other organizations. Funding is from the transfer of 5 percent of fines and penalties deposited in the special funds and restricted revenue accounts which are administered by the Department of Environmental Protection. Act 18 of 1995 requires that not less than 25 percent of the annual receipts of this fund shall be provided to the Department of Conservation and Natural Resources.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>    | <b>\$ 1,131</b>   | <b>\$ 830</b>        | <b>\$ 320</b>        |
| <b>Receipts:</b>                        |                   |                      |                      |
| Transfers from Other Funds.....         | \$ 658            | \$ 534               | \$ 534               |
| Interest.....                           | 4                 | 2                    | 2                    |
| Total Receipts .....                    | 662               | 536                  | 536                  |
| <b>Total Funds Available .....</b>      | <b>\$ 1,793</b>   | <b>\$ 1,366</b>      | <b>\$ 856</b>        |
| <b>Disbursements:</b>                   |                   |                      |                      |
| Conservation and Natural Resources..... | \$ 120            | \$ 187               | \$ 134               |
| Environmental Protection .....          | 843               | 859                  | 675                  |
| Total Disbursements .....               | -963              | -1,046               | -809                 |
| <b>Cash Balance, Ending .....</b>       | <b>\$ 830</b>     | <b>\$ 320</b>        | <b>\$ 47</b>         |

# Environmental Stewardship Fund

The Environmental Stewardship Fund is a special revenue fund composed of monies from certain landfill fees. The fund provides for farmland preservation projects, open space protection, abandoned mine reclamation, watershed protection and restoration, water and sewer infrastructure and the improvement and conservation of commonwealth and community parks and recreational facilities. The fund originally received revenue from a 25 cent per ton, or 25 cent per three cubic yards, fee for all solid waste received at a landfill in the commonwealth. Act 90 of 2002 added an additional \$4 per ton disposal fee for all solid waste disposed of at any municipal waste landfill. For 2002-03, the first \$50 million received from this fee was deposited into this special fund. In 2003-04, and thereafter, all revenue from these fees is deposited in this special fund. Act 13 of 2012 authorized an annual transfer from the Marcellus Legacy Fund into the Environmental Stewardship Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>            | <b>\$ 59,690</b>  | <b>\$ 68,051</b>     | <b>\$ 6,609</b>      |
| <b>Receipts:</b>                                |                   |                      |                      |
| Licenses and Fees.....                          | \$ 64,770         | \$ 65,000            | \$ 65,000            |
| Transfer from Marcellus Legacy Fund.....        | 28,210            | 42,324               | 42,317               |
| Interest.....                                   | 1,145             | 1,245                | 1,245                |
| <b>Total Receipts .....</b>                     | <b>94,125</b>     | <b>108,569</b>       | <b>108,562</b>       |
| <b>Total Funds Available .....</b>              | <b>\$ 153,815</b> | <b>\$ 176,620</b>    | <b>\$ 115,171</b>    |
| <b>Disbursements:</b>                           |                   |                      |                      |
| Treasury:                                       |                   |                      |                      |
| Debt Service for Growing Greener.....           | \$ 41,329         | \$ 42,136            | \$ 39,964            |
| Agriculture:                                    |                   |                      |                      |
| Agricultural Conservation Easement Program..... | 8,652             | 9,773                | 10,052               |
| Conservation and Natural Resources:             |                   |                      |                      |
| Community Conservation Grants.....              | 3,394             | 14,869               | 4,174                |
| Park and Forest Facility Rehabilitation.....    | 4,471             | 21,399               | 11,829               |
| Natural Diversity Conservation Grants.....      | 278               | 1,055                | 366                  |
| Environmental Protection:                       |                   |                      |                      |
| Watershed Protection and Restoration.....       | 13,129            | 64,030               | 25,402               |
| Abandoned Mine Reclamation and Remediation..... | 656               | 1,099                | 0                    |
| Infrastructure Investment Authority:            |                   |                      |                      |
| Stormwater, Water and Sewer Grants .....        | 13,855            | 15,650               | 16,097               |
| <b>Total Disbursements .....</b>                | <b>-85,764</b>    | <b>-170,011</b>      | <b>-107,884</b>      |
| <b>Cash Balance, Ending .....</b>               | <b>\$ 68,051</b>  | <b>\$ 6,609</b>      | <b>\$ 7,287</b>      |

## Farm Products Show Fund

The Farm Products Show Fund is a special revenue fund composed of monies received from the leasing of space to exhibitors and from rental, entry fees and other monies received or collected by the Farm Products Show Commission. It also includes a transfer from the PA Race Horse Development Fund. The fund is used for salaries and expenses of the Farm Products Show Commission, for the maintenance of the Farm Show Building and for prizes and premiums.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>              | <b>\$ 1,158</b>   | <b>\$ 1,123</b>      | <b>\$ 720</b>        |
| <b>Receipts:</b>                                  |                   |                      |                      |
| Transfer from PA Race Horse Development Fund..... | \$ 4,000          | \$ 4,000             | \$ 5,000             |
| Rentals.....                                      | 2,218             | 2,789                | 2,604                |
| Parking.....                                      | 720               | 1,810                | 1,830                |
| Exhibit Fees.....                                 | 387               | 397                  | 399                  |
| Service Charges.....                              | 936               | 570                  | 573                  |
| Concession.....                                   | 1,715             | 955                  | 960                  |
| Interest.....                                     | 4                 | 5                    | 5                    |
| Other.....  | 122               | 294                  | 244                  |
| <b>Total Receipts .....</b>                       | <b>10,102</b>     | <b>10,820</b>        | <b>11,615</b>        |
| <b>Total Funds Available .....</b>                | <b>\$ 11,260</b>  | <b>\$ 11,943</b>     | <b>\$ 12,335</b>     |
| <b>Disbursements:</b>                             |                   |                      |                      |
| Agriculture.....                                  | \$ 10,137         | \$ 11,223            | \$ 11,791            |
| <b>Total Disbursements .....</b>                  | <b>-10,137</b>    | <b>-11,223</b>       | <b>-11,791</b>       |
| <b>Cash Balance, Ending .....</b>                 | <b>\$ 1,123</b>   | <b>\$ 720</b>        | <b>\$ 544</b>        |

## Fire Insurance Tax Fund

The revenue for the Fire Insurance Tax Fund results from the 2 percent tax paid upon premiums received from foreign (out-of-state) fire insurance companies on business done within the commonwealth. The funds are distributed based on the population and market value of real estate of each municipality. In addition, the distribution formula provides for differential payment for paid and volunteer firefighters. The amount to be distributed based on paid firefighters is transferred to the Municipal Pension Aid Fund for payment. This money must be paid by the local governmental organization into the relief, pension or retirement fund of the recognized fire fighting organization serving the city, town, township or borough.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 88,098</b>  | <b>\$ 84,091</b>     | <b>\$ 84,061</b>     |
| <b>Receipts:</b>                     |                   |                      |                      |
| Tax Payable to Municipalities.....   | \$ 84,093         | \$ 84,970            | \$ 85,820            |
| <b>Total Receipts .....</b>          | <b>84,093</b>     | <b>84,970</b>        | <b>85,820</b>        |
| <b>Total Funds Available .....</b>   | <b>\$ 172,191</b> | <b>\$ 169,061</b>    | <b>\$ 169,881</b>    |
| <b>Disbursements:</b>                |                   |                      |                      |
| Auditor General.....                 | \$ 88,100         | \$ 85,000            | \$ 86,000            |
| <b>Total Disbursements .....</b>     | <b>-88,100</b>    | <b>-85,000</b>       | <b>-86,000</b>       |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 84,091</b>  | <b>\$ 84,061</b>     | <b>\$ 83,881</b>     |



# Fish Fund

The Fish Fund is a special revenue fund composed of monies from fishing license fees, fines, penalties, federal contributions and other sources. It provides for the administration and enforcement of the fish laws and the protection and propagation of aquatic life.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 63,765</b>  | <b>\$ 66,631</b>     | <b>\$ 61,800</b>     |
| <b>Receipts:</b>                     |                   |                      |                      |
| Licenses and Fees.....               | \$ 26,892         | \$ 26,158            | \$ 26,158            |
| Fines and Penalties.....             | 425               | 400                  | 400                  |
| Restricted Funds.....                | 4,713             | 4,700                | 4,700                |
| Federal Receipts.....                | 7,121             | 7,860                | 7,319                |
| H2O PA Program.....                  | 0                 | 11,245               | 0                    |
| Interest.....                        | 914               | 900                  | 900                  |
| Sale of Goods.....                   | 169               | 169                  | 169                  |
| Sale of Publications.....            | 10                | 30                   | 30                   |
| Other.....                           | 1,256             | 1,644                | 1,415                |
| <b>Total Receipts .....</b>          | <b>41,500</b>     | <b>53,106</b>        | <b>41,091</b>        |
| <b>Total Funds Available .....</b>   | <b>\$ 105,265</b> | <b>\$ 119,737</b>    | <b>\$ 102,891</b>    |
| <b>Disbursements:</b>                |                   |                      |                      |
| Fish and Boat Commission.....        | \$ 38,634         | \$ 57,937            | \$ 41,323            |
| <b>Total Disbursements .....</b>     | <b>-38,634</b>    | <b>-57,937</b>       | <b>-41,323</b>       |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 66,631</b>  | <b>\$ 61,800</b>     | <b>\$ 61,568</b>     |

# Game Fund

The Game Fund is a special revenue fund composed of monies from hunting license fees, sale of wood products, fines and penalties, rents, federal contributions and interest. It provides for the administration and enforcement of the game laws and the protection and propagation of game species.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 46,050</b>  | <b>\$ 39,181</b>     | <b>\$ 19,021</b>     |
| <b>Receipts:</b>                     |                   |                      |                      |
| Licenses and Fees.....               | \$ 40,994         | \$ 40,481            | \$ 43,364            |
| Fines and Penalties.....             | 1,496             | 1,280                | 1,580                |
| Gas and Oil Leases.....              | 22,693            | 21,000               | 21,050               |
| Federal Receipts.....                | 20,225            | 29,095               | 21,165               |
| Interest.....                        | 1,202             | 1,076                | 1,076                |
| Sale of Goods.....                   | 1,339             | 1,803                | 1,895                |
| Sale of Wood Products.....           | 6,929             | 6,000                | 6,525                |
| Sale of Publications.....            | 646               | 682                  | 693                  |
| Other.....                           | 2,415             | 1,018                | 1,186                |
| <b>Total Receipts .....</b>          | <b>97,939</b>     | <b>102,435</b>       | <b>98,534</b>        |
| <b>Total Funds Available .....</b>   | <b>\$ 143,989</b> | <b>\$ 141,616</b>    | <b>\$ 117,555</b>    |
| <b>Disbursements:</b>                |                   |                      |                      |
| Game Commission.....                 | \$ 104,808        | \$ 122,595           | \$ 106,959           |
| <b>Total Disbursements .....</b>     | <b>-104,808</b>   | <b>-122,595</b>      | <b>-106,959</b>      |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 39,181</b>  | <b>\$ 19,021</b>     | <b>\$ 10,596</b>     |

# Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund

This fund was established by Act 102 of 1994 and derives revenue from private contributions and a voluntary \$1 add-on to the fee for an original or renewal driver's license, state identification card, or vehicle registration.

After the payment of initial departmental operating costs associated with the fund and in support of the Organ Donation Advisory Committee, any remaining funds are spent as prescribed by the act: 10 percent for hospital and medical expenses, funeral expenses and incidental expenses incurred by the donor or the donor's family in conjunction with making a vital organ donation; 50 percent for grants to certified organ procurement organizations for the development and implementation of organ donation awareness programs; 15 percent in cooperation with certified organ procurement organizations for the "project-make-a-choice program"; and 25 percent for the implementation of organ donation awareness programs in secondary schools.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>          | <b>\$ 2,376</b>   | <b>\$ 1,848</b>      | <b>\$ 1,332</b>      |
| <b>Receipts:</b>                              |                   |                      |                      |
| Donations - State Income Tax Forms .....      | \$ 22             | \$ 22                | \$ 22                |
| Donations - Driver's License Applicants ..... | 311               | 311                  | 311                  |
| Donations - Motor Vehicle Registrations ..... | 558               | 558                  | 558                  |
| Donations - Private .....                     | 1                 | 1                    | 1                    |
| Interest .....                                | 5                 | 5                    | 5                    |
| Total Receipts .....                          | 897               | 897                  | 897                  |
| <b>Total Funds Available .....</b>            | <b>\$ 3,273</b>   | <b>\$ 2,745</b>      | <b>\$ 2,229</b>      |
| <b>Disbursements:</b>                         |                   |                      |                      |
| Education.....                                | \$ 305            | \$ 293               | \$ 200               |
| Health.....                                   | 1,120             | 1,120                | 996                  |
| Total Disbursements .....                     | -1,425            | -1,413               | -1,196               |
| <b>Cash Balance, Ending .....</b>             | <b>\$ 1,848</b>   | <b>\$ 1,332</b>      | <b>\$ 1,033</b>      |

# Growing Greener Bond Fund

This fund was created under the authority of Act 45 of 2005 to receive and distribute the proceeds from the sale of \$625 million in bonds. This money will be used to finance various environmental projects such as watershed protection, mine drainage remediation, advanced energy, flood protection, brownfields remediation, state parks and forests facilities, open space conservation, farmland preservation, capital improvement projects for fishing, boating and hunting, and for county environmental initiatives. This budget includes a special allocation of \$45 million from this fund for the *Investing in Penn's Woods* initiative, a two-year \$211 million investment in state parks and forests infrastructure. Because of premiums earned on bond issuances and accrued interest, this additional funding is available to support this initiative.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>    | <b>\$ 41,293</b>  | <b>\$ 33,495</b>     | <b>\$ 2,993</b>      |
| <b>Receipts:</b>                        |                   |                      |                      |
| Referendum Bonds.....                   | \$ 0              | \$ 0                 | \$ 20,000            |
| Premium/Discount on Sale of Bonds.....  | 0                 | 0                    | 0                    |
| Interest.....                           | 81                | 25                   | 0                    |
| <b>Total Receipts .....</b>             | <b>81</b>         | <b>25</b>            | <b>20,000</b>        |
| <b>Total Funds Available .....</b>      | <b>\$ 41,374</b>  | <b>\$ 33,520</b>     | <b>\$ 22,993</b>     |
| <b>Disbursements:</b>                   |                   |                      |                      |
| Treasury .....                          | \$ 3              | \$ 0                 | \$ 13                |
| Agriculture:                            |                   |                      |                      |
| Purchase of County Easements.....       | 0                 | 77                   | 60                   |
| Community and Economic Development:     |                   |                      |                      |
| Main Street Downtown Development.....   | 462               | 2,000                | 1,500                |
| Industrial Sites Reuse.....             | 121               | 1,000                | 1,500                |
| Conservation and Natural Resources:     |                   |                      |                      |
| Parks & Recreation Improvements.....    | 363               | 900                  | 700                  |
| State Parks/Forest Projects.....        | 24                | 5,000                | 8,500                |
| Open Space Conservation.....            | 1,323             | 17,000               | 791                  |
| Environmental Protection:               |                   |                      |                      |
| Authority Projects.....                 | 686               | 500                  | 3,000                |
| Environmental Improvement Projects..... | 2,492             | 1,000                | 1,500                |
| Acid Mine Drainage Abatement.....       | 1,928             | 1,000                | 1,000                |
| Fish and Boat Commission:               |                   |                      |                      |
| Capital Improvement Projects.....       | 461               | 2,000                | 2,000                |
| Game Commission:                        |                   |                      |                      |
| Capital Improvement Projects.....       | 16                | 50                   | 50                   |
| <b>Total Disbursements .....</b>        | <b>-7,879</b>     | <b>-30,527</b>       | <b>-20,614</b>       |
| <b>Cash Balance, Ending .....</b>       | <b>\$ 33,495</b>  | <b>\$ 2,993</b>      | <b>\$ 2,379</b>      |

## Growing Greener Bond Sinking Fund

Payment of interest and principal due on outstanding Growing Greener bonds is made from this fund. The annual authorization from the Environmental Stewardship Fund for general obligation debt service and interest on monies in the Growing Greener Bond Fund provide revenues to this fund.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>              | <b>\$ 1</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Receipts:</b>                                  |                   |                      |                      |
| Transfer from Environmental Stewardship Fund..... | \$ 42,735         | \$ 40,202            | \$ 39,964            |
| Build America Bond Federal Subsidies.....         | 0                 | 1,170                | 1,291                |
| Total Receipts .....                              | 42,735            | 41,372               | 41,255               |
| <b>Total Funds Available .....</b>                | <b>\$ 42,736</b>  | <b>\$ 41,372</b>     | <b>\$ 41,255</b>     |
| <b>Disbursements:</b>                             |                   |                      |                      |
| Treasury.....                                     | \$ 42,736         | \$ 41,372            | \$ 41,255            |
| Total Disbursements .....                         | -42,736           | -41,372              | -41,255              |
| <b>Cash Balance, Ending .....</b>                 | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |

## Hazardous Material Response Fund

The Hazardous Material Response Fund was created by Act 165 of 1990 and amended by Act 121 of 2000 to carry out Pennsylvania's responsibilities under Title III of the Federal Superfund Amendments and Reauthorization Act (SARA Title III). Revenue is generated from toxic chemical registration fees and toxic chemical release form fees. Expenditures are for training hazardous material response teams, public education programs, grants to counties for SARA Title III activities, cost recovery grants, facility and vehicle inspections, and testing and administration of the program including data collection and management.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                       | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>  | <b>\$ 3,448</b>   | <b>\$ 3,048</b>      | <b>\$ 2,314</b>      |
| <b>Receipts:</b>                      |                   |                      |                      |
| Toxic Chemical Release Form Fee ..... | \$ 1,015          | \$ 820               | \$ 820               |
| Chemical Inventory Fee .....          | 356               | 360                  | 360                  |
| Interest .....                        | 184               | 130                  | 130                  |
| Other.....                            | 112               | 90                   | 90                   |
| Total Receipts .....                  | 1,667             | 1,400                | 1,400                |
| <b>Total Funds Available .....</b>    | <b>\$ 5,115</b>   | <b>\$ 4,448</b>      | <b>\$ 3,714</b>      |
| <b>Disbursements:</b>                 |                   |                      |                      |
| Emergency Management.....             | \$ 2,031          | \$ 2,014             | \$ 1,900             |
| Labor and Industry.....               | 36                | 120                  | 120                  |
| Total Disbursements .....             | -2,067            | -2,134               | -2,020               |
| <b>Cash Balance, Ending .....</b>     | <b>\$ 3,048</b>   | <b>\$ 2,314</b>      | <b>\$ 1,694</b>      |

# Hazardous Sites Cleanup Fund

This fund was created by Act 58 of 1987 to finance the cleanup and restoration of abandoned hazardous waste sites in the commonwealth. Expenditures from this fund are for cleaning up abandoned hazardous waste sites throughout the commonwealth and restoring the land to productive use. Revenue is generated from a Hazardous Waste Fee as well as money received from parties determined responsible for site contamination. Prior to 2002-03, the fund received one-quarter mill of the Capital Stock and Franchise Tax. Act 45 of 2005 provided for transfers to the fund from the Environmental Stewardship Fund in 2005-06 and 2006-07. Act 77 of 2007 provided for a one-time transfer in 2007-08 of monies lapsed from certain appropriations within the Legislative Department. Beginning in 2008-09, the act also includes an annual transfer to the fund of \$40 million of revenue received from the Capital Stock and Franchise Tax. Act 13 of 2012 includes an annual transfer from the Marcellus Legacy Fund beginning in 2014-15.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Total Cash Balance, Beginning.....</b>                       | <b>\$ 53,911</b>  | <b>\$ 62,027</b>     | <b>\$ 46,218</b>     |
| <b>Receipts:</b>  |                   |                      |                      |
| Capital Stock and Franchise Tax.....                            | \$ 40,000         | \$ 40,000            | \$ 40,000            |
| Transfer from Marcellus Legacy Fund.....                        | 0                 | 3,662                | 8,658                |
| Hazardous Waste Fee.....  | 1,655             | 1,999                | 1,999                |
| Cost Recovery.....  | 1,532             | 1,540                | 1,285                |
| Interest.....   | 486               | 530                  | 530                  |
| Total Receipts .....  | <u>43,673</u>     | <u>47,731</u>        | <u>52,472</u>        |
| <b>Total Funds Available .....</b>                              | <b>\$ 97,584</b>  | <b>\$ 109,758</b>    | <b>\$ 98,690</b>     |
| <b>Disbursements:</b>   |                   |                      |                      |
| Environmental Protection.....                                   | \$ 28,577         | \$ 59,165            | \$ 51,936            |
| Transfer to Industrial Sites Environmental Assessment Fund..... | 2,000             | 2,000                | 2,000                |
| Transfer to Industrial Sites Cleanup Fund.....                  | 2,000             | 1,500                | 2,000                |
| Transfer to Household Hazardous Waste Account.....              | 1,000             | 875                  | 1,000                |
| Valley Forge Superfund.....                                     | 1,980             | 0                    | 0                    |
| Total Disbursements .....                                       | <u>-35,557</u>    | <u>-63,540</u>       | <u>-56,936</u>       |
| <b>Cash Balance, Ending .....</b>                               | <b>\$ 62,027</b>  | <b>\$ 46,218</b>     | <b>\$ 41,754</b>     |

## Higher Education Assistance Fund

This fund statement presents financial activity within the Higher Education Assistance Fund that is related only to programs funded by state and federal appropriations. The Pennsylvania Higher Education Assistance Agency (PHEAA) administers other programs through the Higher Education Assistance Fund which are not included in this presentation. Funding is used primarily for the following purposes: (1) grants to students; (2) grants to nonsectarian private post-secondary educational institutions; (3) grants to institutions of higher learning for the purpose of helping the institution secure federal funds to provide direct financial aid to students; (4) funds to institutions for the Federal Work Study Program; (5) grants to minority students entering graduate professional schools under the Bond-Hill Program; (6) funds to recruit gifted students to Cheyney University; (7) funds for the higher education of disadvantaged students; and (8) funds for the higher education of blind or deaf students. Revenues to this fund are derived from General Fund appropriations by the General Assembly, federal funds and interest earnings.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>    | <b>\$ 32,491</b>  | <b>\$ 37,186</b>     | <b>\$ 33,490</b>     |
| <b>Receipts:</b>                        |                   |                      |                      |
| Transfer from General Fund .....        | \$ 386,475        | \$ 391,475           | \$ 407,066           |
| Investment Earnings .....               | 584               | 550                  | 550                  |
| Federal Revenue.....                    | 1,876             | 1,596                | 1,588                |
| Other.....                              | 90,199            | 91,463               | 117,000              |
| <b>Total Receipts .....</b>             | <b>479,134</b>    | <b>485,084</b>       | <b>526,204</b>       |
| <b>Total Funds Available .....</b>      | <b>\$ 511,625</b> | <b>\$ 522,270</b>    | <b>\$ 559,694</b>    |
| <b>Disbursements:</b>                   |                   |                      |                      |
| Higher Education Assistance Agency..... | \$ 474,439        | \$ 488,780           | \$ 525,654           |
| <b>Total Disbursements .....</b>        | <b>-474,439</b>   | <b>-488,780</b>      | <b>-525,654</b>      |
| <b>Cash Balance, Ending .....</b>       | <b>\$ 37,186</b>  | <b>\$ 33,490</b>     | <b>\$ 34,040</b>     |

## Highway Beautification Fund

The Highway Beautification Fund was created by Act 5 of Special Session Three of 1966. Highway beautification activities are supported by licenses, fees, fines, penalties and interest. Activities include the regulating of outdoor advertising and junkyards.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 728</b>     | <b>\$ 733</b>        | <b>\$ 626</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Licenses and Fees.....               | \$ 306            | \$ 310               | \$ 310               |
| Interest.....                        | 2                 | 1                    | 1                    |
| <b>Total Receipts .....</b>          | <b>308</b>        | <b>311</b>           | <b>311</b>           |
| <b>Total Funds Available .....</b>   | <b>\$ 1,036</b>   | <b>\$ 1,044</b>      | <b>\$ 937</b>        |
| <b>Disbursements:</b>                |                   |                      |                      |
| Transportation.....                  | \$ 303            | \$ 418               | \$ 408               |
| <b>Total Disbursements .....</b>     | <b>-303</b>       | <b>-418</b>          | <b>-408</b>          |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 733</b>     | <b>\$ 626</b>        | <b>\$ 529</b>        |

# Historical Preservation Fund

This fund was created for expenditure by the Historical and Museum Commission for the preservation, care and maintenance of state historical properties, museums and records and for the financing of historical research and publication programs. Money in the fund can also be used to purchase publications and souvenirs of a historical nature for sale at commission administered properties. This fund is made up of monies from the sale of publications by the Pennsylvania Historical and Museum Commission and all monies received from admission fees or other sales by the commission at the state historical properties and/or museums. Act 173 of 2002 enables the commission to sell most commonwealth publications to the public and provides that net proceeds from the publication sales and from the sale of historical properties administered by the commission shall be deposited into the fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                       | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>  | <b>\$ 2,977</b>   | <b>\$ 3,260</b>      | <b>\$ 3,166</b>      |
| <b>Receipts:</b>                      |                   |                      |                      |
| Admission Fees.....                   | \$ 1,036          | \$ 1,000             | \$ 1,128             |
| Interest .....                        | 7                 | 5                    | 5                    |
| Other.....                            | 758               | 500                  | 500                  |
| <b>Total Receipts .....</b>           | <b>1,801</b>      | <b>1,505</b>         | <b>1,633</b>         |
| <b>Total Funds Available .....</b>    | <b>\$ 4,778</b>   | <b>\$ 4,765</b>      | <b>\$ 4,799</b>      |
| <b>Disbursements:</b>                 |                   |                      |                      |
| Historical and Museum Commission..... | \$ 1,518          | \$ 1,599             | \$ 1,771             |
| <b>Total Disbursements .....</b>      | <b>-1,518</b>     | <b>-1,599</b>        | <b>-1,771</b>        |
| <b>Cash Balance, Ending .....</b>     | <b>\$ 3,260</b>   | <b>\$ 3,166</b>      | <b>\$ 3,028</b>      |

# HOME Investment Trust Fund

This fund was established by Act 172 of 1992 in order to administer Pennsylvania's program under the National Affordable Housing Act of 1990. Funding is provided by the Federal Department of Housing and Urban Development on an annual basis. Expenditures are for development and support of affordable rental housing and home ownership through the acquisition, new construction, reconstruction or rehabilitation of housing.

Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development. Beginning in 2000-01 the majority of federal funds are granted directly through the implementation of the United States Department of Housing and Urban Development Integrated Disbursement and Information System and do not flow through the Department of Community and Economic Development. Administrative funds are appropriated to the department to continue the program.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>    | <b>\$ 57</b>      | <b>\$ 32</b>         | <b>\$ 0</b>          |
| <b>Receipts:</b>                        |                   |                      |                      |
| Federal Revenue.....                    | \$ 1,050          | \$ 1,575             | \$ 2,000             |
| <b>Total Receipts .....</b>             | <b>1,050</b>      | <b>1,575</b>         | <b>2,000</b>         |
| <b>Total Funds Available .....</b>      | <b>\$ 1,107</b>   | <b>\$ 1,607</b>      | <b>\$ 2,000</b>      |
| <b>Disbursements:</b>                   |                   |                      |                      |
| Community and Economic Development..... | \$ 1,075          | \$ 1,607             | \$ 2,000             |
| <b>Total Disbursements .....</b>        | <b>-1,075</b>     | <b>-1,607</b>        | <b>-2,000</b>        |
| <b>Cash Balance, Ending .....</b>       | <b>\$ 32</b>      | <b>\$ 0</b>          | <b>\$ 0</b>          |

# Homeowner Assistance Settlement Fund

This fund was established by Act 70 of 2012. Payments received pursuant to the Homeowner Assistance Settlement Agreement are deposited into this fund. Disbursements are made for the Homeowner's Emergency Mortgage Assistance Program, for housing consumer protection programs and for civil legal assistance related to housing issues.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>       | <b>\$ 43,115</b>  | <b>\$ 31,187</b>     | <b>\$ 19,219</b>     |
| <b>Receipts:</b>                           |                   |                      |                      |
| Interest.....                              | \$ 59             | \$ 32                | \$ 20                |
| Total Receipts .....                       | 59                | 32                   | 20                   |
| <b>Total Funds Available .....</b>         | <b>\$ 43,174</b>  | <b>\$ 31,219</b>     | <b>\$ 19,239</b>     |
| <b>Disbursements:</b>                      |                   |                      |                      |
| Pennsylvania Housing Finance Agency.....   | \$ 10,800         | \$ 10,800            | \$ 10,800            |
| Attorney General.....                      | 587               | 600                  | 600                  |
| Transfer to Access to Justice Account..... | 600               | 600                  | 600                  |
| Total Disbursements .....                  | -11,987           | -12,000              | -12,000              |
| <b>Cash Balance, Ending .....</b>          | <b>\$ 31,187</b>  | <b>\$ 19,219</b>     | <b>\$ 7,239</b>      |

# Housing Affordability and Rehabilitation Enhancement Fund

This fund was established by Act 105 of 2010. Revenue consists of a transfer from the Unconventional Gas Well Fund. Disbursements are made in accordance with the Housing Finance Agency Law.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>            | <b>\$ 1</b>       | <b>\$ 5,001</b>      | <b>\$ 2</b>          |
| <b>Receipts:</b>                                |                   |                      |                      |
| Transfer from Unconventional Gas Well Fund..... | \$ 8,717          | \$ 9,647             | \$ 5,000             |
| Interest.....                                   | 0                 | 1                    | 1                    |
| Total Receipts .....                            | 8,717             | 9,648                | 5,001                |
| <b>Total Funds Available .....</b>              | <b>\$ 8,718</b>   | <b>\$ 14,649</b>     | <b>\$ 5,003</b>      |
| <b>Disbursements:</b>                           |                   |                      |                      |
| Pennsylvania Housing Finance Agency.....        | \$ 3,717          | \$ 14,647            | \$ 5,001             |
| Total Disbursements .....                       | -3,717            | -14,647              | -5,001               |
| <b>Cash Balance, Ending .....</b>               | <b>\$ 5,001</b>   | <b>\$ 2</b>          | <b>\$ 2</b>          |



# Industrial Development Fund

Periodic General Fund appropriations made by the General Assembly to the Pennsylvania Industrial Development Authority (PIDA) are credited to this fund. From 1992 to 1994, these appropriations were replaced by an annual \$70 million transfer of Corporate Net Income tax revenues as provided by Act 22 of 1991. This transfer ended at the close of the 1993-94 fiscal year as part of the PIDA recapitalization.

The fund makes loans to local industrial development agencies to stimulate economic activity in areas of high unemployment. Repayments of loans and other revenues, generally not credited to this fund, are used by PIDA to make additional loans.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>    | <b>\$ 22</b>      | <b>\$ 47</b>         | <b>\$ 47</b>         |
| <b>Receipts:</b>                        |                   |                      |                      |
| Interest.....                           | \$ 0              | \$ 0                 | \$ 0                 |
| Total Receipts .....                    | 0                 | 0                    | 0                    |
| <b>Total Funds Available .....</b>      | <b>\$ 22</b>      | <b>\$ 47</b>         | <b>\$ 47</b>         |
| <b>Disbursements:</b>                   |                   |                      |                      |
| Community and Economic Development..... | \$ -25            | \$ 0                 | \$ 0                 |
| Total Disbursements .....               | 25                | 0                    | 0                    |
| <b>Cash Balance, Ending .....</b>       | <b>\$ 47</b>      | <b>\$ 47</b>         | <b>\$ 47</b>         |

# Industrial Sites Cleanup Fund

Act 2 of 1995 created the Industrial Sites Cleanup Fund to provide grants and loans to political subdivisions, local economic development agencies and others who, as part of an economic development strategy, undertake voluntary cleanup of property contaminated by industrial activity. Act 6 of 2000 allows the Department of Community and Economic Development to provide performance-based loans, which may be forgiven if performance measures are met. Also, Act 6 expanded the program to include remediation of non-hazardous waste or debris. Revenue to the fund consists of transfers from the Hazardous Sites Cleanup Fund, any funds appropriated by the General Assembly, interest earnings and loan repayments. Grants and loans are prioritized based on the benefit of the project to the public health and safety, the cost effectiveness of the project, the economic distress of the area and the potential of the project to result in economic development.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>            | <b>\$ 18,428</b>  | <b>\$ 19,973</b>     | <b>\$ 10,646</b>     |
| <b>Receipts:</b>                                |                   |                      |                      |
| Loan Principal and Interest Repayments.....     | \$ 823            | \$ 800               | \$ 800               |
| Transfer from Hazardous Sites Cleanup Fund..... | 2,000             | 1,500                | 2,000                |
| Interest.....                                   | 267               | 250                  | 250                  |
| Total Receipts .....                            | 3,090             | 2,550                | 3,050                |
| <b>Total Funds Available .....</b>              | <b>\$ 21,518</b>  | <b>\$ 22,523</b>     | <b>\$ 13,696</b>     |
| <b>Disbursements:</b>                           |                   |                      |                      |
| Community and Economic Development.....         | \$ 1,545          | \$ 11,877            | \$ 5,614             |
| Total Disbursements .....                       | -1,545            | -11,877              | -5,614               |
| <b>Cash Balance, Ending .....</b>               | <b>\$ 19,973</b>  | <b>\$ 10,646</b>     | <b>\$ 8,082</b>      |

# Insurance Fraud Prevention Trust Fund

The Insurance Fraud Prevention Trust Fund was created by Act 166 of 1994. The purpose of the fund is to finance activities in the commonwealth to prevent, combat and reduce insurance fraud, by improving and supporting insurance fraud law enforcement, prosecutions and prevention. The source of funds includes assessments on the insurance companies that conduct business in the Commonwealth of Pennsylvania, fines and penalties, and interest earnings.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>      | <b>\$ 3,740</b>   | <b>\$ 1,273</b>      | <b>\$ 563</b>        |
| <b>Receipts:</b>                          |                   |                      |                      |
| Assessments, Fines and Penalties.....     | \$ 12,969         | \$ 13,184            | \$ 13,539            |
| Interest.....                             | 15                | 2                    | 2                    |
| <b>Total Receipts .....</b>               | <b>12,984</b>     | <b>13,186</b>        | <b>13,541</b>        |
| <b>Total Funds Available .....</b>        | <b>\$ 16,724</b>  | <b>\$ 14,459</b>     | <b>\$ 14,104</b>     |
| <b>Disbursements:</b>                     |                   |                      |                      |
| Insurance Fraud Prevention Authority..... | \$ 15,451         | \$ 13,896            | \$ 14,100            |
| <b>Total Disbursements .....</b>          | <b>-15,451</b>    | <b>-13,896</b>       | <b>-14,100</b>       |
| <b>Cash Balance, Ending .....</b>         | <b>\$ 1,273</b>   | <b>\$ 563</b>        | <b>\$ 4</b>          |

# Insurance Liquidation Fund

The Insurance Department is responsible for administering the liquidation of insolvent domestic insurance carriers pursuant to orders of the Commonwealth Court under Article V of the Insurance Department Act. This fund is used to permit the Treasury Department to invest the assets of insolvent insurance carriers. These assets are used to pay claims and expenses incurred in the administration of domestic insurance carrier insolvencies.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 67,887</b>  | <b>\$ 68,456</b>     | <b>\$ 67,668</b>     |
| <b>Receipts:</b>                     |                   |                      |                      |
| Net Investment Adjustment.....       | \$ 1              | \$ 0                 | \$ 0                 |
| Interest .....                       | 1,393             | 1,464                | 1,464                |
| Other.....                           | -825              | 344                  | -48                  |
| <b>Total Receipts .....</b>          | <b>569</b>        | <b>1,808</b>         | <b>1,416</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 68,456</b>  | <b>\$ 70,264</b>     | <b>\$ 69,084</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Insurance .....                      | \$ 0              | \$ 2,596             | \$ 200               |
| <b>Total Disbursements .....</b>     | <b>0</b>          | <b>-2,596</b>        | <b>-200</b>          |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 68,456</b>  | <b>\$ 67,668</b>     | <b>\$ 68,884</b>     |

# Insurance Regulation and Oversight Fund

This fund was established by Act 46 of 2013 to provide for the Insurance Department's regulation, management, development and oversight of the commonwealth's insurance industry.

The Insurance Regulation and Oversight Fund will receive 50 percent of all licenses and fees collected by the Insurance Department, all augmentations and reimbursements made to the department by regulated entities and in 2013-14, 100 percent of all penalties, fines, assessments, and settlements. The surcharge moving vehicle violations will remain in the General Fund. This fund will be used by the department in lieu of a General Government Operations appropriation from the General Fund.

At the end of the fiscal year, the fund retains an amount equal to no more than 100% of the total expenditures and commitments by the department from the immediately preceeding fiscal year. If the balance in the fund at the end of the fiscal year exceeds the retention amount, then that amount of excess funds is to be returned to the General Fund within 30 days of the end of the fiscal year.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 0</b>       | <b>\$ 26,197</b>     | <b>\$ 24,625</b>     |
| <b>Receipts:</b>                     |                   |                      |                      |
| Licenses and Fees.....               | \$ 29,461         | \$ 26,881            | \$ 26,881            |
| Fines and Penalties.....             | 5,949             | 0                    | 0                    |
| Interest.....                        | 7                 | 28                   | 28                   |
| Enhanced Regulatory Assessment.....  | 9,560             | 0                    | 0                    |
| Other.....                           | 978               | 809                  | 809                  |
| Return to General Fund.....          | 0                 | -6,448               | -4,353               |
| <b>Total Receipts .....</b>          | <b>45,955</b>     | <b>21,270</b>        | <b>23,365</b>        |
| <b>Total Funds Available .....</b>   | <b>\$ 45,955</b>  | <b>\$ 47,467</b>     | <b>\$ 47,990</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Insurance .....                      | \$ 19,758         | \$ 22,842            | \$ 24,269            |
| <b>Total Disbursements .....</b>     | <b>-19,758</b>    | <b>-22,842</b>       | <b>-24,269</b>       |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 26,197</b>  | <b>\$ 24,625</b>     | <b>\$ 23,721</b>     |

# Job Training Fund

This fund was created by Act 5 of 2005 to facilitate advances in workforce development in the commonwealth. The Job Training Fund awards annual grants to entities in specified rural counties which run workforce education programs and services for job training assistance to incumbent workers, dislocated workers, adult and youth workers and other workforce development programs. Receipts in the fund are transfers from the Special Administration Fund and are supplemented by interest earnings and other monies appropriated to the fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>           | <b>\$ 608</b>     | <b>\$ 354</b>        | <b>\$ 357</b>        |
| <b>Receipts:</b>                               |                   |                      |                      |
| Transfer from Special Administration Fund..... | \$ 0              | \$ 5,000             | \$ 5,000             |
| Interest.....                                  | 3                 | 3                    | 3                    |
| <b>Total Receipts .....</b>                    | <b>3</b>          | <b>5,003</b>         | <b>5,003</b>         |
| <b>Total Funds Available .....</b>             | <b>\$ 611</b>     | <b>\$ 5,357</b>      | <b>\$ 5,360</b>      |
| <b>Disbursements:</b>                          |                   |                      |                      |
| Labor and Industry.....                        | \$ 257            | \$ 5,000             | \$ 5,000             |
| <b>Total Disbursements .....</b>               | <b>-257</b>       | <b>-5,000</b>        | <b>-5,000</b>        |
| <b>Cash Balance, Ending .....</b>              | <b>\$ 354</b>     | <b>\$ 357</b>        | <b>\$ 360</b>        |

## Justice Reinvestment Fund

The Justice Reinvestment Fund was created by Act 196 of 2012 to support programs and activities that will improve the delivery of criminal justice services within the commonwealth. Receipts are derived from savings to the Department of Corrections (DOC) through implementation of Act 122 of 2012, which establishes the Justice Reinvestment Initiative (JRI). Disbursements are made according to the provisions of Act 196 and include fixed amounts in 2013-14 and 2014-15 to the Pennsylvania Commission on Crime and Delinquency (PCCD) and the Pennsylvania Commission on Sentencing. Amounts remaining in the fund after these disbursements are distributed by formula to various JRI programs managed by the PCCD, DOC, and the Pennsylvania Board of Probation and Parole.

Disbursements fund various state and county programs, such as victim services; offender risk assessment modeling; county probation grants; county innovative policing and contracts to divert short- and medium-minimum offenders from incarceration; state parole processes and coordinated safe community reentry programs.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>        | <b>\$ 0</b>       | <b>\$ 19</b>         | <b>\$ 0</b>          |
| <b>Receipts:</b>                            |                   |                      |                      |
| Transfer from General Fund.....             | \$ 43             | \$ 991               | \$ 1,437             |
| <b>Total Receipts .....</b>                 | <b>43</b>         | <b>991</b>           | <b>1,437</b>         |
| <b>Total Funds Available .....</b>          | <b>\$ 43</b>      | <b>\$ 1,010</b>      | <b>\$ 1,437</b>      |
| <b>Disbursements:</b>                       |                   |                      |                      |
| PA Commission on Crime and Delinquency..... | \$ 12             | \$ 727               | \$ 1,026             |
| PA Commission on Sentencing.....            | 12                | 283                  | 400                  |
| Corrections.....                            | 0                 | 0                    | 9                    |
| Board of Probation and Parole.....          | 0                 | 0                    | 2                    |
| <b>Total Disbursements .....</b>            | <b>-24</b>        | <b>-1,010</b>        | <b>-1,437</b>        |
| <b>Cash Balance, Ending .....</b>           | <b>\$ 19</b>      | <b>\$ 0</b>          | <b>\$ 0</b>          |

## Keystone Recreation, Park and Conservation Fund

The Keystone Recreation, Park and Conservation Fund is a special fund composed of monies from the sale of specific bonds and certain tax revenues. This fund provides for increased acquisitions, improvements and expansions of commonwealth and community parks, recreation facilities, historic sites, zoos, public libraries, nature preserves and wildlife habitats.

Act 50 of 1993 approved the transfer of 15 percent of revenues from the state Realty Transfer Tax to this fund. These monies are distributed to programs according to the formula contained in the act.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Total Cash Balance, Beginning.....</b> | <b>\$ 92,205</b>  | <b>\$ 101,076</b>    | <b>\$ 0</b>          |
| <b>Receipts:</b>                          |                   |                      |                      |
| Realty Transfer Tax.....                  | \$ 64,806         | \$ 70,288            | \$ 76,518            |
| Interest.....                             | 1,883             | 2,084                | 2,084                |
| <b>Total Receipts .....</b>               | <b>66,689</b>     | <b>72,372</b>        | <b>78,602</b>        |
| <b>Total Funds Available.....</b>         | <b>\$ 158,894</b> | <b>\$ 173,448</b>    | <b>\$ 78,602</b>     |
| <b>Disbursements:</b>                     |                   |                      |                      |
| Conservation and Natural Resources.....   | \$ 36,018         | \$ 124,264           | \$ 51,092            |
| Education.....                            | 14,621            | 25,354               | 17,292               |
| Historical and Museum Commission.....     | 7,179             | 23,830               | 10,218               |
| <b>Total Disbursements .....</b>          | <b>-57,818</b>    | <b>-173,448</b>      | <b>-78,602</b>       |
| <b>Cash Balance, Ending .....</b>         | <b>\$ 101,076</b> | <b>\$ 0</b>          | <b>\$ 0</b>          |

## Land and Water Development Fund

This fund was created in 1968 to finance projects to eliminate land and water scars, air pollution and subsidence due to past coal mining operations, to aid political subdivisions in constructing or improving sewage treatment plants, to develop public outdoor recreation lands and to aid local governments in acquiring land for recreation purposes. In addition, administrative expenses incurred in support of any of these activities may be paid with monies in this fund. Initially, revenue to the fund was derived from the sale of Land and Water Development Bonds up to the \$500 million approved by the electorate on May 16, 1967. All appropriated funds from the bonds have been expended.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 247</b>     | <b>\$ 97</b>         | <b>\$ 97</b>         |
| <b>Receipts:</b>                     |                   |                      |                      |
| Sale of Refuse Bank Materials.....   | \$ 0              | \$ 0                 | \$ 0                 |
| Total Receipts .....                 | 0                 | 0                    | 0                    |
| <b>Total Funds Available .....</b>   | <b>\$ 247</b>     | <b>\$ 97</b>         | <b>\$ 97</b>         |
| <b>Disbursements:</b>                |                   |                      |                      |
| Environmental Protection .....       | \$ 150            | \$ 0                 | \$ 0                 |
| Total Disbursements .....            | -150              | 0                    | 0                    |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 97</b>      | <b>\$ 97</b>         | <b>\$ 97</b>         |

## Land and Water Development Sinking Fund

Payment of interest and principal due on outstanding Land and Water Development bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on invested balances in this fund and in the Land and Water Development Fund provide the revenues to the fund.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>                    | <b>\$ 9</b>       | <b>\$ 18</b>         | <b>\$ 25</b>         |
| <b>Receipts:</b>  |                   |                      |                      |
| Remining Financial Assurance Assist Fund Interest ..... | \$ 9              | \$ 7                 | \$ 7                 |
| Interest.....   | 0                 | 0                    | 0                    |
| Total Receipts .....                                    | 9                 | 7                    | 7                    |
| <b>Total Funds Available .....</b>                      | <b>\$ 18</b>      | <b>\$ 25</b>         | <b>\$ 32</b>         |
| <b>Disbursements:</b>                                   |                   |                      |                      |
| Treasury.....   | \$ 0              | \$ 0                 | \$ 0                 |
| Total Disbursements .....                               | 0                 | 0                    | 0                    |
| <b>Cash Balance, Ending .....</b>                       | <b>\$ 18</b>      | <b>\$ 25</b>         | <b>\$ 32</b>         |

## Liquid Fuels Tax Fund

The Liquid Fuels Tax Fund was created in 1931 to assist in funding the local roads system. Through December 2013, one-half cent per gallon of gasoline and diesel fuel taxes was deposited into the fund for semi-annual distribution to county governments and to pay registration fees for vehicles operated by mass transportation systems. Beginning January 2014, per Act 89 of 2013, a new millage rate will replace the one-half cent per gallon on gasoline and diesel fuel tax. The new rate is 4.17% of the mills imposed under Title 75, Section 9502 (A) (5). After payment of fees, remaining funds are allocated to the counties on a three-year average refund to total refund formula and must be used for highway purposes. Since the majority of counties have direct jurisdiction over a limited number of roads, a large portion of these funds are further allocated by the counties to their political subdivisions. To streamline payments to counties, the Department of Revenue delegated the authority for these payments and attendant expenses to the Department of Transportation effective in 1999-00.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 5,208</b>   | <b>\$ 3,692</b>      | <b>\$ 2,744</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Tax on Gasoline .....                | \$ 22,328         | \$ 24,504            | \$ 24,504            |
| Tax on Diesel Fuel .....             | 6,858             | 6,509                | 6,509                |
| <b>Total Receipts .....</b>          | <b>29,186</b>     | <b>31,013</b>        | <b>31,013</b>        |
| <b>Total Funds Available .....</b>   | <b>\$ 34,394</b>  | <b>\$ 34,705</b>     | <b>\$ 33,757</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Transfer to Boat Fund.....           | \$ 0              | \$ 100               | \$ 100               |
| Transportation.....                  | 30,702            | 31,861               | 31,887               |
| <b>Total Disbursements.....</b>      | <b>-30,702</b>    | <b>-31,961</b>       | <b>-31,987</b>       |
| <b>Cash Balance, Ending.....</b>     | <b>\$ 3,692</b>   | <b>\$ 2,744</b>      | <b>\$ 1,770</b>      |

## Liquor License Fund

The Liquor License Fund serves as a pass-through account for liquor and/or beer license fees from hotels, restaurants and clubs. These fees are returned semi-annually to the municipalities in which the licenses are located. Interest earned on fund deposits is credited to the General Fund.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 2,324</b>   | <b>\$ 2,374</b>      | <b>\$ 2,294</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| License Fees.....                    | \$ 4,571          | \$ 4,500             | \$ 4,500             |
| <b>Total Receipts .....</b>          | <b>4,571</b>      | <b>4,500</b>         | <b>4,500</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 6,895</b>   | <b>\$ 6,874</b>      | <b>\$ 6,794</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| Liquor Control Board.....            | \$ 4,521          | \$ 4,580             | \$ 4,640             |
| <b>Total Disbursements .....</b>     | <b>-4,521</b>     | <b>-4,580</b>        | <b>-4,640</b>        |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 2,374</b>   | <b>\$ 2,294</b>      | <b>\$ 2,154</b>      |

# Local Cigarette Tax Fund

The Local Cigarette Tax Fund is a fiduciary fund composed of monies received from the collection of a local option cigarette tax in cities of the first class. Act 131 of 2014 allows a school district, when authorized by the governing body of a first class city (Philadelphia), to impose and assess an excise tax on the sale or possession of cigarettes at the rate of \$0.10 per cigarette. This tax is only assessed on cigarettes currently subject to a levy under Article XII of the Tax Reform Code of 1971. The authorization for this cigarette tax shall expire on June 30, 2019.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>                  | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Receipts:</b>                                      |                   |                      |                      |
| Philadelphia Cigarette Tax Collections.....           | \$ 0              | \$ 49,512            | \$ 60,178            |
| Total Receipts .....                                  | 0                 | 49,512               | 60,178               |
| <b>Total Funds Available .....</b>                    | <b>\$ 0</b>       | <b>\$ 49,512</b>     | <b>\$ 60,178</b>     |
| <b>Disbursements:</b>                                 |                   |                      |                      |
| Distribution to the Philadelphia School District..... | \$ 0              | \$ 48,177            | \$ 58,398            |
| Department of Revenue.....                            | 0                 | 1,335                | 1,780                |
| Total Disbursements .....                             | 0                 | -49,512              | -60,178              |
| <b>Cash Balance, Ending .....</b>                     | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |

# Local Criminal Justice Sinking Fund

Payment of interest and principal due on outstanding local criminal justice bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on invested balances in this fund provide the revenues to this fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 566</b>     | <b>\$ 260</b>        | <b>\$ 170</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Transfer from General Fund .....     | \$ 0              | \$ 85                | \$ 0                 |
| Interest .....                       | 1                 | 1                    | 1                    |
| Total Receipts .....                 | 1                 | 86                   | 1                    |
| <b>Total Funds Available .....</b>   | <b>\$ 567</b>     | <b>\$ 346</b>        | <b>\$ 171</b>        |
| <b>Disbursements:</b>                |                   |                      |                      |
| Treasury.....                        | \$ 307            | \$ 176               | \$ 171               |
| Total Disbursements .....            | -307              | -176                 | -171                 |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 260</b>     | <b>\$ 170</b>        | <b>\$ 0</b>          |

# Local Government Capital Project Loan Fund

This fund was created in 1990 to assist municipal governments in acquiring equipment and facilities by providing low-interest loans to those governments which find conventional loan costs to be prohibitive. Loans are provided at a rate of 2 percent for periods not to exceed 10 years. Revenues received from loan repayment and interest accrual are returned to the fund on a revolving basis. Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development. Act 46 of 1997 extended this fund indefinitely.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>        | <b>\$ 3,226</b>   | <b>\$ 3,268</b>      | <b>\$ 2,428</b>      |
| <b>Receipts:</b>                            |                   |                      |                      |
| Loan Principal and Interest Repayments..... | \$ 252            | \$ 200               | \$ 200               |
| Interest .....                              | 7                 | 5                    | 5                    |
| Total Receipts .....                        | 259               | 205                  | 205                  |
| <b>Total Funds Available .....</b>          | <b>\$ 3,485</b>   | <b>\$ 3,473</b>      | <b>\$ 2,633</b>      |
| <b>Disbursements:</b>                       |                   |                      |                      |
| Community and Economic Development.....     | \$ 217            | \$ 1,045             | \$ 1,000             |
| Total Disbursements .....                   | -217              | -1,045               | -1,000               |
| <b>Cash Balance, Ending .....</b>           | <b>\$ 3,268</b>   | <b>\$ 2,428</b>      | <b>\$ 1,633</b>      |

# Machinery and Equipment Loan Fund

This fund was established by Act 120 of 1988 to provide low-interest machinery and equipment financing for Pennsylvania businesses in order to facilitate their growth, competitiveness and value-added capacity. The fund was initially capitalized by an appropriation from the Pennsylvania Economic Revitalization Fund. It is now funded from loan repayments, transfers from the General Fund, Small Business First Fund, and interest earnings. Act 22 of 2004 required the Commonwealth Financing Authority to transfer \$75 million in bond proceeds to the Department of Community and Economic Development for deposit in the fund. Act 161 of 2014 transitioned the administration of this fund to the Pennsylvania Industrial Development Authority.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>        | <b>\$ 121,591</b> | <b>\$ 115,799</b>    | <b>\$ 5,691</b>      |
| <b>Receipts:</b>                            |                   |                      |                      |
| Loan Principal and Interest Repayments..... | \$ 11,808         | \$ 11,750            | \$ 11,750            |
| Loan Service Fees.....                      | 4                 | 4                    | 4                    |
| Other.....                                  | 11                | 8,080                | 11                   |
| Interest.....                               | 1,494             | 300                  | 50                   |
| Total Receipts .....                        | 13,317            | 20,134               | 11,815               |
| <b>Total Funds Available .....</b>          | <b>\$ 134,908</b> | <b>\$ 135,933</b>    | <b>\$ 17,506</b>     |
| <b>Disbursements:</b>                       |                   |                      |                      |
| Community and Economic Development.....     | \$ 19,109         | \$ 45,242            | \$ 11,778            |
| Transfer to General Fund.....               | 0                 | 85,000               | 0                    |
| Total Disbursements .....                   | -19,109           | -130,242             | -11,778              |
| <b>Cash Balance, Ending .....</b>           | <b>\$ 115,799</b> | <b>\$ 5,691</b>      | <b>\$ 5,728</b>      |



# Manufacturing Fund

The Manufacturing Fund, created in 1915, is a self-sustaining enterprise providing institutionalized offenders an opportunity for vocational rehabilitation. Receipts are derived from the sale of inmate manufactured goods to government agencies or government-aided organizations. Expenditures are made for the purchase of raw materials, machinery replacement, inmate wages and other costs related to the sale and manufacture of their products.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 19,222</b>  | <b>\$ 22,890</b>     | <b>\$ 8,732</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Sale of Products.....                | \$ 68,032         | \$ 72,135            | \$ 73,660            |
| Interest.....                        | 401               | 425                  | 425                  |
| <b>Total Receipts .....</b>          | <b>68,433</b>     | <b>72,560</b>        | <b>74,085</b>        |
| <b>Total Funds Available .....</b>   | <b>\$ 87,655</b>  | <b>\$ 95,450</b>     | <b>\$ 82,817</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Corrections.....                     | \$ 64,765         | \$ 86,718            | \$ 79,057            |
| <b>Total Disbursements .....</b>     | <b>-64,765</b>    | <b>-86,718</b>       | <b>-79,057</b>       |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 22,890</b>  | <b>\$ 8,732</b>      | <b>\$ 3,760</b>      |

# Marcellus Legacy Fund

This fund was created by Act 13 of 2012 to provide for the distribution of unconventional gas well impact fees to counties, municipalities, and Commonwealth agencies. The fee revenue will be used for statewide initiatives in the areas of acid mine drainage abatement, gas well management and plugging, development and rehabilitation of greenways and recreational trails, sewage treatment projects, replacement and repair of deteriorated bridges in municipalities with unconventional gas wells. Receipts deposited into the Marcellus Legacy Fund come from transfers from the Unconventional Gas Well Fund and the Oil and Gas Lease Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>                  | <b>\$ 86,066</b>  | <b>\$ 64,123</b>     | <b>\$ 35,390</b>     |
| <b>Receipts:</b>                                      |                   |                      |                      |
| Transfer from Unconventional Gas Well Fund.....       | \$ 84,601         | \$ 73,245            | \$ 73,168            |
| Transfer from Oil and Gas Lease Fund.....             | 20,000            | 35,000               | 40,000               |
| Interest.....   | 92                | 61                   | 61                   |
| <b>Total Receipts .....</b>                           | <b>104,693</b>    | <b>108,306</b>       | <b>113,229</b>       |
| <b>Total Funds Available .....</b>                    | <b>\$ 190,759</b> | <b>\$ 172,429</b>    | <b>\$ 148,619</b>    |
| <b>Disbursements:</b>                                 |                   |                      |                      |
| Public Utility Commission:                            |                   |                      |                      |
| County Grants.....                                    | \$ 12,315         | \$ 10,987            | \$ 10,975            |
| Transfer to Commonwealth Financing Authority.....     | 28,855            | 16,420               | 14,634               |
| Transfer to Commonwealth Financing Authority-H2O..... | 18,034            | 9,156                | 9,146                |
| Community and Economic Development.....               | 0                 | 7,695                | 0                    |
| Environmental Protection.....                         | 663               | 19,328               | 0                    |
| PENNVEST.....   | 18,034            | 9,156                | 9,146                |
| Transfer to Highway Bridge Improvement.....           | 20,525            | 18,311               | 18,292               |
| Transfer to Environmental Stewardship Fund.....       | 28,210            | 42,324               | 42,317               |
| Transfer to Hazardous Sites Cleanup Fund.....         | 0                 | 3,662                | 8,658                |
| <b>Total Disbursements .....</b>                      | <b>-126,636</b>   | <b>-137,039</b>      | <b>-113,168</b>      |
| <b>Cash Balance, Ending .....</b>                     | <b>\$ 64,123</b>  | <b>\$ 35,390</b>     | <b>\$ 35,451</b>     |

# Medical Care Availability and Reduction of Error Fund

Act 13 of 2002, the Medical Care Availability and Reduction of Error (Mcare) Act, established the Medical Care Availability and Reduction of Error Fund and transferred to it the assets, liabilities, rights and responsibilities of the Medical Professional Liability Catastrophe Loss Fund effective October 15, 2002. The Mcare Fund is used to pay claims against participating health care providers for losses or damages awarded in medical professional liability actions against them in excess of the basic insurance coverage required by the act. In addition to the transfer of assets from the Medical Professional Liability Catastrophe Loss Fund, revenue includes an assessment on health care providers. Beginning in 2004, the moving violation surcharge revenue that accrued to the Catastrophic Loss Benefits Continuation Fund accrues to this fund for a period of ten years. Act 50 of 2009 provided that \$100 million be transferred from the fund to the General Fund in 2009-10 and redirected the moving violation surcharge to the General Fund for 2009-10 and 2010-11. Act 26 of 2011 redirected the surcharge to the General Fund for 2011-12 and for each fiscal year thereafter.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available          | 2015-16<br>Estimated         |
|--------------------------------------|-------------------|-------------------------------|------------------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 213,346</b> | <b>\$ 247,708</b>             | <b>\$ 234,807</b>            |
| <b>Receipts:</b>                     |                   |                               |                              |
| Assessments.....                     | \$ 238,356        | \$ 197,000                    | \$ 153,000                   |
| Interest .....                       | 1,727             | 1,713                         | 1,713                        |
| Other.....                           | 184               | 100                           | 100                          |
| <b>Total Receipts .....</b>          | <b>240,267</b>    | <b>198,813</b>                | <b>154,813</b>               |
| <b>Total Funds Available .....</b>   | <b>\$ 453,613</b> | <b>\$ 446,521</b>             | <b>\$ 389,620</b>            |
| <b>Disbursements:</b>                |                   |                               |                              |
| Insurance.....                       | \$ 205,905        | \$ 211,714                    | \$ 196,964                   |
| Assessment Relief Payment.....       | 0                 | 0                             | 139,013                      |
| <b>Total Disbursements .....</b>     | <b>-205,905</b>   | <b>-211,714</b>               | <b>-335,977</b>              |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 247,708</b> | <b>\$ 234,807<sup>a</sup></b> | <b>\$ 53,643<sup>a</sup></b> |

<sup>a</sup> Ending balance includes \$30 million in the MCARE reserve account.

## Milk Marketing Fund

The Milk Marketing Fund is a special revenue fund composed of monies received from license fees, fines, penalties and permits relating to the milk industry. The purpose of this fund is to provide for the operation of the Milk Marketing Board and to serve as a depository for money due dairy farmers from underpayments by milk dealers.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 4,073</b>   | <b>\$ 4,006</b>      | <b>\$ 3,478</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| License and Fees .....               | \$ 2,434          | \$ 2,381             | \$ 2,381             |
| Fines and Penalties.....             | 6                 | 13                   | 13                   |
| Interest.....                        | 8                 | 6                    | 6                    |
| <b>Total Receipts .....</b>          | <b>2,448</b>      | <b>2,400</b>         | <b>2,400</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 6,521</b>   | <b>\$ 6,406</b>      | <b>\$ 5,878</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| Milk Marketing Board.....            | \$ 2,515          | \$ 2,928             | \$ 2,840             |
| <b>Total Disbursements .....</b>     | <b>-2,515</b>     | <b>-2,928</b>        | <b>-2,840</b>        |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 4,006</b>   | <b>\$ 3,478</b>      | <b>\$ 3,038</b>      |

## Mine Safety Fund

Act 55 of 2008 created the Mine Safety Fund to recover expenses for responding to mine safety. The monies are used for mine safety activities and the administration of the Act.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 138</b>     | <b>\$ 113</b>        | <b>\$ 83</b>         |
| <b>Receipts:</b>                     |                   |                      |                      |
| Fines and Penalties.....             | \$ 33             | \$ 33                | \$ 33                |
| <b>Total Receipts .....</b>          | <b>33</b>         | <b>33</b>            | <b>33</b>            |
| <b>Total Funds Available .....</b>   | <b>\$ 171</b>     | <b>\$ 146</b>        | <b>\$ 116</b>        |
| <b>Disbursements:</b>                |                   |                      |                      |
| Environmental Protection .....       | \$ 58             | \$ 63                | \$ 33                |
| <b>Total Disbursements .....</b>     | <b>-58</b>        | <b>-63</b>           | <b>-33</b>           |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 113</b>     | <b>\$ 83</b>         | <b>\$ 83</b>         |

# Minority Business Development Fund

This fund was created by Act 206 of 1974 to accommodate the operation of the Pennsylvania Minority Business Development Authority. Revenues to the fund are from loan repayments, transfer of General Fund appropriations and interest. The authority has the power to issue bonds or other obligations which would provide further revenue to the fund. Expenditures are made for loans to minority business enterprises and for operating expenses of the authority.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>        | <b>\$ 4,884</b>   | <b>\$ 4,498</b>      | <b>\$ 2,669</b>      |
| <b>Receipts:</b>                            |                   |                      |                      |
| Loan Principal and Interest Repayments..... | \$ 504            | \$ 500               | \$ 500               |
| Interest.....                               | 10                | 7                    | 7                    |
| Other.....                                  | 1                 | 3                    | 3                    |
| <b>Total Receipts .....</b>                 | <b>515</b>        | <b>510</b>           | <b>510</b>           |
| <b>Total Funds Available .....</b>          | <b>\$ 5,399</b>   | <b>\$ 5,008</b>      | <b>\$ 3,179</b>      |
| <b>Disbursements:</b>                       |                   |                      |                      |
| Community and Economic Development.....     | \$ 901            | \$ 2,339             | \$ 1,302             |
| <b>Total Disbursements .....</b>            | <b>-901</b>       | <b>-2,339</b>        | <b>-1,302</b>        |
| <b>Cash Balance, Ending .....</b>           | <b>\$ 4,498</b>   | <b>\$ 2,669</b>      | <b>\$ 1,877</b>      |

# Monetary Penalty Endowments Trust Fund

The Monetary Penalty Endowments Trust Fund is a special revenue fund created by Act 1 of 2013 to deposit monetary penalties assessed to higher education institutions. Fund revenues are comprised of monies from installment payments made by the institutions and interest. Fund expenditures are made by the Pennsylvania Commission on Crime and Delinquency to support child abuse treatment and prevention programs within the commonwealth.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning.....</b>         | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 36,054</b>     |
| <b>Receipts:</b>                            |                   |                      |                      |
| NCAA - Penn State Settlement.....           | \$ 0              | \$ 36,000            | \$ 12,000            |
| Interest .....                              | 0                 | 54                   | 2,160                |
| <b>Total Receipts.....</b>                  | <b>0</b>          | <b>36,054</b>        | <b>14,160</b>        |
| <b>Total Funds Available.....</b>           | <b>\$ 0</b>       | <b>\$ 36,054</b>     | <b>\$ 50,214</b>     |
| <b>Disbursements:</b>                       |                   |                      |                      |
| PA Commission on Crime and Delinquency..... | \$ 0              | \$ 0                 | \$ 4,800             |
| <b>Total Disbursements.....</b>             | <b>0</b>          | <b>0</b>             | <b>-4,800</b>        |
| <b>Cash Balance, Ending.....</b>            | <b>\$ 0</b>       | <b>\$ 36,054</b>     | <b>\$ 45,414</b>     |

# Motor Vehicle Transaction Recovery Fund

The Motor Vehicle Transaction Recovery Fund was created by Act 83 of 1990 to provide protection from dealers or other agents who fail to forward fees and taxes pertaining to an application for titling or registration of a vehicle to the Department of Transportation. Revenues to the fund consist of assessments (or reassessments should the balance of the fund fall below \$500,000) on every applicant for motor vehicle dealer registration plates or for the authority to act as agent of the department with respect to vehicle titling and registration.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 2,263</b>   | <b>\$ 2,257</b>      | <b>\$ 2,215</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Title & Registration Fees.....       | \$ -11            | \$ 35                | \$ 35                |
| Interest .....                       | 5                 | 3                    | 3                    |
| Total Receipts .....                 | -6                | 38                   | 38                   |
| <b>Total Funds Available .....</b>   | <b>\$ 2,257</b>   | <b>\$ 2,295</b>      | <b>\$ 2,253</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| Transportation.....                  | \$ 0              | \$ 80                | \$ 80                |
| Total Disbursements .....            | 0                 | -80                  | -80                  |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 2,257</b>   | <b>\$ 2,215</b>      | <b>\$ 2,173</b>      |

# Multimodal Transportation Fund

The Multimodal Transportation Fund was created by Act 89 of 2013 to provide additional funding for passenger rail, rail freight, ports and waterways, aviation, bicycle and pedestrian facilities, roads and bridges, and other modes of transportation. The program is funded by deposits from the Pennsylvania Turnpike Commission, a portion of certain Motor Vehicle Fees, and beginning in 2015-16 the Oil Company Franchise Tax.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning.....</b>               | <b>\$ 0</b>       | <b>\$ 17,731</b>     | <b>\$ 0</b>          |
| <b>Receipts:</b>                                  |                   |                      |                      |
| Pennsylvania Turnpike Commission.....             | \$ 0              | \$ 30,000            | \$ 30,000            |
| Motor Vehicle Fees.....                           | 27,795            | 68,198               | 73,000               |
| Oil Company Franchise Tax.....                    | 0                 | 0                    | 35,000               |
| Interest.....                                     | 3                 | 10                   | 10                   |
| Total Receipts.....                               | 27,798            | 98,208               | 138,010              |
| <b>Total Funds Available.....</b>                 | <b>\$ 27,798</b>  | <b>\$ 115,939</b>    | <b>\$ 138,010</b>    |
| <b>Disbursements:</b>                             |                   |                      |                      |
| Transportation.....                               | \$ 10,067         | \$ 75,931            | \$ 80,260            |
| Transfer to Commonwealth Financing Authority..... | 0                 | 40,008               | 57,750               |
| Total Disbursements.....                          | -10,067           | -115,939             | -138,010             |
| <b>Cash Balance, Ending.....</b>                  | <b>\$ 17,731</b>  | <b>\$ 0</b>          | <b>\$ 0</b>          |

# Municipal Pension Aid Fund

This fund was created by Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, and is administered by the Auditor General. Beginning in July 1985, this fund receives a portion of the revenues from the Foreign Casualty Insurance Premium Tax and the Foreign Fire Insurance Premium Tax. These revenues and earnings are for distribution to municipalities for various municipal, police and fire pension funds, including post-retirement adjustments mandated by Act 147 of 1988. Beginning in 2005-06, fund disbursements include additional post-retirement adjustments according to the provisions of Act 64 of 2002.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual       | 2014-15<br>Available    | 2015-16<br>Estimated    |
|---|-------------------------|-------------------------|-------------------------|
| <b>Cash Balance, Beginning .....</b>        | <b>\$ 264,489</b>       | <b>\$ 254,087</b>       | <b>\$ 253,231</b>       |
| <b>Receipts:</b>                            |                         |                         |                         |
| Foreign Casualty Insurance Premium Tax..... | \$ 257,297              | \$ 257,193              | \$ 259,627              |
| Foreign Fire Insurance Premium Tax.....     | 10,055                  | 9,258                   | 8,501                   |
| Interest .....                              | -44                     | -45                     | -45                     |
| Total Receipts .....                        | 267,308                 | 266,406                 | 268,083                 |
| <b>Total Funds Available .....</b>          | <b>\$ 531,797</b>       | <b>\$ 520,493</b>       | <b>\$ 521,314</b>       |
| <b>Disbursements:</b>                       |                         |                         |                         |
| Auditor General.....                        | \$ 277,710 <sup>a</sup> | \$ 267,262 <sup>b</sup> | \$ 267,664 <sup>c</sup> |
| Total Disbursements .....                   | -277,710                | -267,262                | -267,664                |
| <b>Cash Balance, Ending .....</b>           | <b>\$ 254,087</b>       | <b>\$ 253,231</b>       | <b>\$ 253,650</b>       |

a Includes post-retirement payment of \$2,116,798 as authorized by Act 147 of 1988 and \$8,818,732 per Act 64 of 2002.

b Includes post-retirement payment of \$1,942,173 as authorized by Act 147 of 1988 and \$8,127,070 per Act 64 of 2002.

c Includes post-retirement payment of \$1,768,543 as authorized by Act 147 of 1988 and \$7,489,664 per Act 64 of 2002.

# Municipalities Financial Recovery Revolving Aid Fund

This fund was created by Act 157 of 1988 to make loans and grants to assist municipalities that are declared financially distressed. Initial funding was provided through the transfer of unused funds remaining from a 1986-87 General Fund appropriation for Distressed Community Emergency Aid. In addition, Act 157 stipulated that all repayments on loans made from the fund should be redeposited into the fund and used to make additional loans and grants to distressed municipalities. Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>        | <b>\$ 11,870</b>  | <b>\$ 16,727</b>     | <b>\$ 8,160</b>      |
| <b>Receipts:</b>                            |                   |                      |                      |
| Transfer from General Fund.....             | \$ 7,096          | \$ 4,000             | \$ 3,000             |
| Loan Principal and Interest Repayments..... | 309               | 402                  | 200                  |
| Interest .....                              | 31                | 28                   | 28                   |
| Total Receipts .....                        | 7,436             | 4,430                | 3,228                |
| <b>Total Funds Available .....</b>          | <b>\$ 19,306</b>  | <b>\$ 21,157</b>     | <b>\$ 11,388</b>     |
| <b>Disbursements:</b>                       |                   |                      |                      |
| Community and Economic Development.....     | \$ 2,579          | \$ 12,997            | \$ 9,000             |
| Total Disbursements .....                   | -2,579            | -12,997              | -9,000               |
| <b>Cash Balance, Ending .....</b>           | <b>\$ 16,727</b>  | <b>\$ 8,160</b>      | <b>\$ 2,388</b>      |

# Neighborhood Improvement Zone Fund

This fund was established by Act 50 of 2009. This fund is administered by the State Treasurer and the primary administrator of the program is the Department of Revenue. An entity collecting a local tax within the neighborhood improvement zone shall, within 30 days of the end of a fiscal quarter, submit all the local taxes collected to the State Treasurer for transfer to the fund. Interest income derived from investment of the money in the fund shall be credited by the Treasury Department to the fund. Funds may only be utilized for payment of debt service on bonds issued for the improvement and development of all or any part of the neighborhood improvement zone and the purpose of constructing a facility or facility complex. Funds may not be utilized for purposes of renovating or repairing a facility or facility complex, except for capital maintenance and improvement projects. The reconciliation between the state tax share transferred and the actual liability incurred, could result in the return of the excess state tax share in the subsequent fiscal year.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 0</b>       | <b>\$ 3</b>          | <b>\$ 0</b>          |
| <b>Receipts:</b>                     |                   |                      |                      |
| State Tax Share.....                 | \$ 48,224         | \$ 55,903            | \$ 53,153            |
| State Tax Share Return .....         | -1,993            | -16,283              | 0                    |
| Local Tax Share.....                 | 1,492             | 1,621                | 1,647                |
| Interest.....                        | 3                 | 0                    | 0                    |
| <b>Total Receipts .....</b>          | <b>47,726</b>     | <b>41,241</b>        | <b>54,800</b>        |
| <b>Total Funds Available .....</b>   | <b>\$ 47,726</b>  | <b>\$ 41,244</b>     | <b>\$ 54,800</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Treasury.....                        | \$ 47,723         | \$ 41,244            | \$ 54,800            |
| <b>Total Disbursements .....</b>     | <b>-47,723</b>    | <b>-41,244</b>       | <b>-54,800</b>       |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 3</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |

# Non-Coal Surface Mining Conservation and Reclamation Fund

This fund was created by Act 219 of 1984 to finance reclamation projects on land scarred by non-coal surface mining. Projects include recontouring, terracing and planting trees, shrubs and grasses. Revenues are provided by charging non-coal surface mining operators for licenses and permits and by fining them for failing to apply for the licenses and permits as well as by forfeiture of collateral bonds, cash or securities for failure to comply with an approved reclamation plan.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 10,695</b>  | <b>\$ 10,214</b>     | <b>\$ 8,995</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Licenses and Fees.....               | \$ 1,991          | \$ 2,071             | \$ 2,071             |
| Penalties.....                       | 125               | 100                  | 100                  |
| Interest.....                        | 289               | 245                  | 245                  |
| Collateral.....                      | 102               | 0                    | 0                    |
| Forfeiture.....                      | 4                 | 0                    | 0                    |
| Payment in Lieu of Bonds.....        | 48                | 49                   | 49                   |
| <b>Total Receipts .....</b>          | <b>2,559</b>      | <b>2,465</b>         | <b>2,465</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 13,254</b>  | <b>\$ 12,679</b>     | <b>\$ 11,460</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Environmental Protection .....       | \$ 3,040          | \$ 3,684             | \$ 4,296             |
| <b>Total Disbursements .....</b>     | <b>-3,040</b>     | <b>-3,684</b>        | <b>-4,296</b>        |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 10,214</b>  | <b>\$ 8,995</b>      | <b>\$ 7,164</b>      |

# Nutrient Management Fund

This fund was created under the authority of Act 6 of 1993 to fund loans and grants for the implementation of nutrient management plans by agricultural operations. Revenue comes from commonwealth and federal appropriations, interest, loan repayments and gifts. Act 18 of 1995 transferred some responsibilities for the Nutrient Management Program from the Department of Environmental Protection to the Department of Agriculture.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 1,875</b>   | <b>\$ 1,939</b>      | <b>\$ 913</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Transfer from General Fund.....      | \$ 2,714          | \$ 2,714             | \$ 2,714             |
| Interest.....                        | 4                 | 5                    | 5                    |
| Fees.....                            | 55                | 25                   | 25                   |
| Fines .....                          | 5                 | 63                   | 25                   |
| Total Receipts .....                 | <u>2,778</u>      | <u>2,807</u>         | <u>2,769</u>         |
| <b>Total Funds Available .....</b>   | <b>\$ 4,653</b>   | <b>\$ 4,746</b>      | <b>\$ 3,682</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| Agriculture .....                    | \$ 791            | \$ 1,039             | \$ 1,050             |
| Environmental Protection .....       | 1,923             | 2,794                | 2,073                |
| Total Disbursements .....            | <u>-2,714</u>     | <u>-3,833</u>        | <u>-3,123</u>        |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 1,939</b>   | <b>\$ 913</b>        | <b>\$ 559</b>        |

# Oil and Gas Lease Fund

Created in 1955, this fund is used to finance conservation, recreation, dams or flood control projects or to match any federal grants made for these purposes. Revenues are derived from rents and royalties from oil and gas leases of commonwealth owned land with the exception of rents and royalties from land owned by either the Pennsylvania Game or Fish and Boat Commissions. Those revenues are paid into the Game and Fish Funds. Act 50 of 2009 provides \$50 million for an annual appropriation from the fund to the Department of Conservation and Natural Resources. In addition, any monies above the \$50 million must be specifically appropriated by the General Assembly. Act 46 of 2010 authorized a transfer of \$180 million to the General Fund. Act 13 of 2012 authorized annual transfers to the Marcellus Legacy Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>    | <b>\$ 87,691</b>  | <b>\$ 113,839</b>    | <b>\$ 72,630</b>     |
| <b>Receipts:</b>                        |                   |                      |                      |
| Rents and Royalties.....                | \$ 147,440        | \$ 132,640           | \$ 132,640           |
| Interest.....                           | 477               | 524                  | 524                  |
| Other.....                              | 44                | 1,000                | 0                    |
| Total Receipts .....                    | <u>147,961</u>    | <u>134,164</u>       | <u>133,164</u>       |
| <b>Total Funds Available .....</b>      | <b>\$ 235,652</b> | <b>\$ 248,003</b>    | <b>\$ 205,794</b>    |
| <b>Disbursements:</b>                   |                   |                      |                      |
| Conservation and Natural Resources..... | \$ 45,267         | \$ 77,827            | \$ 59,210            |
| State Parks Operations.....             | 39,160            | 45,009               | 38,765               |
| State Forests Operations.....           | 17,386            | 17,537               | 19,045               |
| Transfer to Marcellus Legacy Fund.....  | 20,000            | 35,000               | 40,000               |
| Total Disbursements .....               | <u>-121,813</u>   | <u>-175,373</u>      | <u>-157,020</u>      |
| <b>Cash Balance, Ending .....</b>       | <b>\$ 113,839</b> | <b>\$ 72,630</b>     | <b>\$ 48,774</b>     |



# Patient Safety Trust Fund

Act 13 of 2002, known as the Medical Care Availability and Reduction of Error Act, established the Patient Safety Trust Fund for the purpose of independent review of medical facilities which will result in ensuring patient safety and reducing medical errors. Revenue to the fund includes a surcharge on medical facility licensing fees. These fees are assessed by the Department of Health, deposited in the General Fund and transferred to the Patient Safety Fund. The Patient Safety Authority established by Act 13 contracts with entities who collect, analyze and evaluate data regarding reports of serious events and incidents at medical facilities and identify patterns in frequency or severity at individual medical facilities or in certain regions of this commonwealth.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 7,512</b>   | <b>\$ 7,368</b>      | <b>\$ 7,583</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Surcharges.....                      | \$ 6,648          | \$ 7,830             | \$ 7,250             |
| Contract/Grants.....                 | 826               | 543                  | 0                    |
| Interest .....                       | 14                | 11                   | 11                   |
| <b>Total Receipts .....</b>          | <b>7,488</b>      | <b>8,384</b>         | <b>7,261</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 15,000</b>  | <b>\$ 15,752</b>     | <b>\$ 14,844</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Patient Safety Authority.....        | \$ 7,632          | \$ 8,169             | \$ 7,877             |
| <b>Total Disbursements .....</b>     | <b>-7,632</b>     | <b>-8,169</b>        | <b>-7,877</b>        |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 7,368</b>   | <b>\$ 7,583</b>      | <b>\$ 6,967</b>      |

# Pennsylvania Economic Revitalization Fund

The Pennsylvania Economic Revitalization Fund was created by Act 104 of 1984 as a three-year \$190 million program financed through a bond issue authorized by the electorate. The fund was formally established in the 1988-89 budget as an economic development fund and authorization for the fund was eliminated in 1995-96. Activity continues because of the long-term nature of existing projects. Upon completion of project activity, the remaining balance in this fund will be transferred to the General Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>        | <b>\$ 2,181</b>   | <b>\$ 2,572</b>      | <b>\$ 2,976</b>      |
| <b>Receipts:</b>                            |                   |                      |                      |
| Loan Principal and Interest Repayments..... | \$ 387            | \$ 400               | \$ 400               |
| Interest.....                               | 4                 | 4                    | 4                    |
| <b>Total Receipts.....</b>                  | <b>391</b>        | <b>404</b>           | <b>404</b>           |
| <b>Total Funds Available.....</b>           | <b>\$ 2,572</b>   | <b>\$ 2,976</b>      | <b>\$ 3,380</b>      |
| <b>Disbursements:</b>                       |                   |                      |                      |
| Transfer to General Fund.....               | \$ 0              | \$ 0                 | \$ 0                 |
| <b>Total Disbursements.....</b>             | <b>0</b>          | <b>0</b>             | <b>0</b>             |
| <b>Cash Balance, Ending.....</b>            | <b>\$ 2,572</b>   | <b>\$ 2,976</b>      | <b>\$ 3,380</b>      |

# Pennsylvania eHealth Partnership Fund

This fund was established by Act 121 of 2012. The fund is administered by the Pennsylvania eHealth Partnership Authority. The authority will develop, establish and maintain a health information exchange that complies with federal and state law. The authority will expire on July 5, 2017.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning</b> .....            | <b>\$ 1,861</b>   | <b>\$ 2,142</b>      | <b>\$ 2,600</b>      |
| <b>Receipts:</b>                                |                   |                      |                      |
| Contracts/Grants/Fees.....                      | \$ 465            | \$ 1,161             | \$ 0                 |
| Transfer from General Fund.....                 | 1,540             | 3,850                | 1,500                |
| Federal Funds.....                              | 0                 | 17,837               | 3,874                |
| Interest.....                                   | 3                 | 3                    | 3                    |
| <b>Total Receipts</b> .....                     | <b>2,008</b>      | <b>22,851</b>        | <b>5,377</b>         |
| <b>Total Funds Available</b> .....              | <b>\$ 3,869</b>   | <b>\$ 24,993</b>     | <b>\$ 7,977</b>      |
| <b>Disbursements:</b>                           |                   |                      |                      |
| Pennsylvania eHealth Partnership Authority..... | \$ 1,727          | \$ 22,393            | \$ 7,699             |
| <b>Total Disbursements</b> .....                | <b>-1,727</b>     | <b>-22,393</b>       | <b>-7,699</b>        |
| <b>Cash Balance, Ending</b> .....               | <b>\$ 2,142</b>   | <b>\$ 2,600</b>      | <b>\$ 278</b>        |

# Pennsylvania Gaming Economic Development and Tourism Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Pennsylvania Gaming Economic Development and Tourism Fund (GEDTF) to receive a daily assessment of 5 percent of each licensed gaming entity's gross terminal revenue. Proceeds of the fund are distributed through specific enacted capital budgets. Funds for economic development and tourism projects in Philadelphia and Allegheny counties were authorized in Act 53 of 2007. In addition, pursuant to Act 63 of 2008, GEDTF proceeds can be used to fund debt service for water and sewer projects, flood control projects, and high hazard unsafe dam projects located elsewhere in Pennsylvania as approved by the Commonwealth Financing Authority.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning</b> .....              | <b>\$ 71,654</b>  | <b>\$ 46,800</b>     | <b>\$ 15,249</b>     |
| <b>Receipts:</b>                                  |                   |                      |                      |
| Gross Terminal Revenue Assessments.....           | \$ 117,092        | \$ 118,187           | \$ 120,838           |
| Transfer from Property Tax Relief Fund.....       | 0                 | 0                    | 35,000               |
| Build America Bonds Federal Interest Subsidy..... | 9,268             | 9,206                | 9,083                |
| Interest.....                                     | 130               | 83                   | 83                   |
| <b>Total Receipts</b> .....                       | <b>126,490</b>    | <b>127,476</b>       | <b>165,004</b>       |
| <b>Total Funds Available</b> .....                | <b>\$ 198,144</b> | <b>\$ 174,276</b>    | <b>\$ 180,253</b>    |
| <b>Disbursements:</b>                             |                   |                      |                      |
| Community and Economic Development.....           | \$ 93,905         | \$ 101,825           | \$ 102,200           |
| General Services.....                             | 737               | 625                  | 5,424 <sup>a</sup>   |
| Transfer to Commonwealth Financing Authority..... | 56,702            | 56,577               | 56,438               |
| <b>Total Disbursements</b> .....                  | <b>-151,344</b>   | <b>-159,027</b>      | <b>-164,062</b>      |
| <b>Cash Balance, Ending</b> .....                 | <b>\$ 46,800</b>  | <b>\$ 15,249</b>     | <b>\$ 16,191</b>     |

<sup>a</sup> Includes a \$4.613M remaining pledge installment owed by a casino operator that is due on April 1, 2015. This installment amount is illustrated due to cashflow timing and is not expected to be paid by this fund or any other commonwealth fund.

# Pennsylvania Historical and Museum Commission Trust Fund

This fund, created by Act 113 of 1931, is administered by the Governor, Auditor General, State Treasurer and the Pennsylvania Historical and Museum Commission. The interest received from investment of the \$33,000 perpetual endowment to this fund in bonds of the commonwealth or any of its political subdivisions is credited to the fund. Interest earned on investments is used for the restoration, maintenance and improvement of the Cornwall Charcoal Furnace, Cornwall Borough, Lebanon County.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                       | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>  | <b>\$ 183</b>     | <b>\$ 184</b>        | <b>\$ 184</b>        |
| <b>Receipts:</b>                      |                   |                      |                      |
| Interest.....                         | \$ 1              | \$ 0                 | \$ 0                 |
| Total Receipts .....                  | 1                 | 0                    | 0                    |
| <b>Total Funds Available .....</b>    | <b>\$ 184</b>     | <b>\$ 184</b>        | <b>\$ 184</b>        |
| <b>Disbursements:</b>                 |                   |                      |                      |
| Historical and Museum Commission..... | \$ 0              | \$ 0                 | \$ 0                 |
| Total Disbursements .....             | 0                 | 0                    | 0                    |
| <b>Cash Balance, Ending .....</b>     | <b>\$ 184</b>     | <b>\$ 184</b>        | <b>\$ 184</b>        |

# Pennsylvania Infrastructure Bank

This fund was established by Act 57 of 1997 to make loans to, or enter into leases with, qualified borrowers to finance the costs of transportation projects. Acts 165 and 7A of 2004 expanded this program to include financing of rail freight infrastructure. Receipts are derived from loan repayments and interest earnings.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>        | <b>\$ 58,524</b>  | <b>\$ 55,058</b>     | <b>\$ 42,345</b>     |
| <b>Receipts:</b>                            |                   |                      |                      |
| Loan Principal and Interest Repayments..... | \$ 15,338         | \$ 15,622            | \$ 16,937            |
| Interest.....                               | 1,331             | 1,253                | 1,253                |
| Other.....                                  | 2                 | 742                  | 0                    |
| Total Receipts .....                        | 16,671            | 17,617               | 18,190               |
| <b>Total Funds Available .....</b>          | <b>\$ 75,195</b>  | <b>\$ 72,675</b>     | <b>\$ 60,535</b>     |
| <b>Disbursements:</b>                       |                   |                      |                      |
| Transportation.....                         | \$ 20,137         | \$ 30,330            | \$ 30,000            |
| Total Disbursements .....                   | -20,137           | -30,330              | -30,000              |
| <b>Cash Balance, Ending .....</b>           | <b>\$ 55,058</b>  | <b>\$ 42,345</b>     | <b>\$ 30,535</b>     |

# Pennsylvania Municipal Retirement Fund

Act 15 of 1974 created the Pennsylvania Municipal Retirement System which replaced the Municipal Employees Retirement Law and the Municipal Police Retirement Law and combined all employees covered under both into a state-related municipal system. The fund established under Act 15 provides for payment of retirement allowances to officers, employees, firemen and police of political subdivisions (counties, cities, boroughs and townships of the first and second class). Any municipality may elect by ordinance to join the system. Revenues are generated from the contributions of the members of the system and investment earnings. The board established has control over the system's operation. The net investment adjustment shown below is to reflect carrying value of long-term investments as of June 30. A municipality may, upon meeting the requirements set forth in Act 15, elect to withdraw from participation in this fund. Withdrawals may substantially increase the level of disbursements reflected in this presentation.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Estimated |
|---|---------------------|----------------------|----------------------|
| <b>Total Cash Balance, Beginning.....</b>     | <b>\$ 1,729,430</b> | <b>\$ 2,019,435</b>  | <b>\$ 2,055,624</b>  |
| <b>Receipts:</b>                              |                     |                      |                      |
| Contributions.....                            | \$ 62,996           | \$ 68,036            | \$ 73,479            |
| Interest.....                                 | 26,482              | 27,940               | 29,476               |
| Premium / Discount on Sale of Securities..... | 118,908             | 15,497               | 16,349               |
| Net Investment Adjustment.....                | 167,881             | 17,027               | 92,497               |
| Other.....                                    | 11                  | 0                    | 0                    |
| <b>Total Receipts .....</b>                   | <b>376,278</b>      | <b>128,500</b>       | <b>211,801</b>       |
| <b>Total Funds Available.....</b>             | <b>\$ 2,105,708</b> | <b>\$ 2,147,935</b>  | <b>\$ 2,267,425</b>  |
| <b>Disbursements:</b>                         |                     |                      |                      |
| Municipal Retirement Board.....               | \$ 86,273           | \$ 92,311            | \$ 98,773            |
| <b>Total Disbursements .....</b>              | <b>-86,273</b>      | <b>-92,311</b>       | <b>-98,773</b>       |
| <b>Cash Balance, Ending .....</b>             | <b>\$ 2,019,435</b> | <b>\$ 2,055,624</b>  | <b>\$ 2,168,652</b>  |

# Pennsylvania Race Horse Development Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Pennsylvania Race Horse Development Fund to support and advance the commonwealth's horse racing industry. Operating tracks receive a daily assessment as determined by the Department of Revenue. The daily assessment from each licensed gaming entity is based on a formula established in the act, which is capped at 12 percent of an entity's gross terminal revenue for that day. Proceeds are distributed to licensees conducting live horse racing. Track owners deposit 80 percent of the proceeds into a purse account. Thoroughbred tracks commit the remaining proceeds to the Breeders' Fund and a Horseman's Organization Fund. Standardbred tracks commit proceeds to the Sire Stakes Fund, the Pennsylvania Standardbred Breeders Development Fund, and a Horsemen's Organizational Fund. Act 1 of 2010 provided for a transfer from the Pennsylvania Race Horse Development Fund to the General Fund for fiscal years 2009-10 through 2012-13. The 2015-16 budget proposes an annual transfer to the State Racing Fund to permanently sustain operations.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>     | <b>\$ 396</b>     | <b>\$ 3,507</b>      | <b>\$ 3,280</b>      |
| <b>Receipts:</b>                         |                   |                      |                      |
| Assessments.....                         | \$ 246,067        | \$ 246,600           | \$ 250,180           |
| Interest.....                            | 18                | 11                   | 11                   |
| <b>Total Receipts .....</b>              | <b>246,085</b>    | <b>246,611</b>       | <b>250,191</b>       |
| <b>Total Funds Available .....</b>       | <b>\$ 246,481</b> | <b>\$ 250,118</b>    | <b>\$ 253,471</b>    |
| <b>Disbursements:</b>                    |                   |                      |                      |
| Revenue.....                             | \$ 221,456        | \$ 228,340           | \$ 225,020           |
| Agriculture.....                         | 13,418            | 13,898               | 13,659               |
| Transfer to Farm Products Show Fund..... | 4,000             | 4,000                | 5,000                |
| Transfer to General Fund.....            | 500               | 0                    | 0                    |
| Transfer to Racing Fund.....             | 3,600             | 600                  | 6,500                |
| <b>Total Disbursements .....</b>         | <b>-242,974</b>   | <b>-246,838</b>      | <b>-250,179</b>      |
| <b>Cash Balance, Ending .....</b>        | <b>\$ 3,507</b>   | <b>\$ 3,280</b>      | <b>\$ 3,292</b>      |

# Pennsylvania Veterans Memorial Trust Fund

Act 60 of 1988 established the Pennsylvania Veterans Memorial Trust Fund to be administered by the Pennsylvania Veterans Memorial Commission. Revenues come from General Fund appropriations and public or private contributions. Funds were expended to erect a monument to Pennsylvania Veterans who served in armed conflicts in which the United States was a participant. Act 63 of 2002 expanded the use of this fund to include operation and maintenance of the memorial.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 278</b>     | <b>\$ 244</b>        | <b>\$ 169</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Public and Private Donations.....    | \$ 3              | \$ 4                 | \$ 4                 |
| Interest .....                       | 0                 | 0                    | 0                    |
| <b>Total Receipts .....</b>          | <b>3</b>          | <b>4</b>             | <b>4</b>             |
| <b>Total Funds Available .....</b>   | <b>\$ 281</b>     | <b>\$ 248</b>        | <b>\$ 173</b>        |
| <b>Disbursements:</b>                |                   |                      |                      |
| Military and Veterans Affairs.....   | \$ 37             | \$ 79                | \$ 50                |
| <b>Total Disbursements .....</b>     | <b>-37</b>        | <b>-79</b>           | <b>-50</b>           |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 244</b>     | <b>\$ 169</b>        | <b>\$ 123</b>        |

# PENNVEST Bond Authorization Fund

This fund, created under the authority of Act 16 of 1988, receives the proceeds from the sale of bonds authorized by general referendum, transfers from the Water Facilities Loan Fund or from the Capital Facilities Fund for site development. Expenditures are for transfers of funds to the PENNVEST Fund, the PENNVEST Drinking Water Revolving Fund, the PENNVEST Water Pollution Control Revolving Fund, the PENNVEST Revolving Fund or the PENNVEST Non-Revolving Equity Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>     | <b>\$ 9,780</b>   | <b>\$ 7,213</b>      | <b>\$ 7,224</b>      |
| <b>Receipts:</b>                         |                   |                      |                      |
| Referendum Bonds.....                    | \$ 0              | \$ 0                 | \$ 8,000             |
| Premium on Sale of Bonds.....            | 0                 | 0                    | 0                    |
| Interest.....                            | 21                | 11                   | 25                   |
| <b>Total Receipts .....</b>              | <b>21</b>         | <b>11</b>            | <b>8,025</b>         |
| <b>Total Funds Available .....</b>       | <b>\$ 9,801</b>   | <b>\$ 7,224</b>      | <b>\$ 15,249</b>     |
| <b>Disbursements:</b>                    |                   |                      |                      |
| Treasury.....                            | \$ 0              | \$ 0                 | \$ 0                 |
| Infrastructure Investment Authority..... | 2,588             | 0                    | 0                    |
| <b>Total Disbursements .....</b>         | <b>-2,588</b>     | <b>0</b>             | <b>0</b>             |
| <b>Cash Balance, Ending .....</b>        | <b>\$ 7,213</b>   | <b>\$ 7,224</b>      | <b>\$ 15,249</b>     |

# PENNVEST Drinking Water Revolving Fund

This fund was created under the authority of Act 16 of 1988 to receive funds from the federal government to establish a revolving loan program for drinking water projects. Required matching state funds are transferred from the PENNVEST Bond Authorization Fund and the PENNVEST Fund. Because of the lag in receiving federal funds, cash is borrowed from other PENNVEST funds. Negative receipts reflect the repayment of these loans.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>                          | <b>\$ 144,285</b> | <b>\$ 143,423</b>    | <b>\$ 194,450</b>    |
| <b>Receipts:</b>  |                   |                      |                      |
| PENNVEST Fund.....  | \$ 0              | \$ 5,000             | \$ 6,000             |
| Federal Funds.....  | 26,598            | 63,282               | 70,535               |
| Transfer from PENNVEST Water Pollution Control Revolving Fund | 37,078            | 20,000               | 20,000               |
| Loan Principal and Interest Repayments.....                   | 7,830             | 56,300               | 56,300               |
| Interest.....   | 1,990             | 2,445                | 2,445                |
| <b>Total Receipts .....</b>                                   | <b>73,496</b>     | <b>147,027</b>       | <b>155,280</b>       |
| <b>Total Funds Available .....</b>                            | <b>\$ 217,781</b> | <b>\$ 290,450</b>    | <b>\$ 349,730</b>    |
| <b>Disbursements:</b>   |                   |                      |                      |
| Infrastructure Investment Authority.....                      | \$ 74,358         | \$ 96,000            | \$ 101,000           |
| <b>Total Disbursements .....</b>                              | <b>-74,358</b>    | <b>-96,000</b>       | <b>-101,000</b>      |
| <b>Cash Balance, Ending .....</b>                             | <b>\$ 143,423</b> | <b>\$ 194,450</b>    | <b>\$ 248,730</b>    |

# PENNVEST Fund

This fund was created under the authority of Act 16 of 1988 to receive funds from sources other than the sale of general obligation bonds. These sources include appropriations from the General Fund, payments of revolving loans, interest received from revolving and non-revolving loans, investment income and the sale of assets. In addition to grants and loans for water and sewer projects, these funds can be used for administrative costs and matching funds for federal grants.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>              | <b>\$ 175,716</b> | <b>\$ 232,410</b>    | <b>\$ 137,489</b>    |
| <b>Receipts:</b>                                  |                   |                      |                      |
| Revolving Loan Payments.....                      | \$ 191,232        | \$ 65,000            | \$ 65,000            |
| Transfer from Environmental Stewardship Fund..... | 13,855            | 15,650               | 16,097               |
| Transfer from Marcellus Legacy Fund.....          | 18,034            | 9,156                | 9,146                |
| Interest.....                                     | 3,505             | 5,000                | 4,149                |
| Other.....  | -36               | 0                    | 0                    |
| <b>Total Receipts .....</b>                       | <b>226,590</b>    | <b>94,806</b>        | <b>94,392</b>        |
| <b>Total Funds Available .....</b>                | <b>\$ 402,306</b> | <b>\$ 327,216</b>    | <b>\$ 231,881</b>    |
| <b>Disbursements:</b>                             |                   |                      |                      |
| Infrastructure Investment Authority:              |                   |                      |                      |
| Grants.....                                       | \$ 0              | \$ 1,000             | \$ 2,000             |
| Administration.....                               | 2,437             | 4,561                | 5,976                |
| Growing Greener Grants.....                       | 5,434             | 15,000               | 15,000               |
| Revenue Bond Loan Pool.....                       | 0                 | 10                   | 10                   |
| Marcellus Grants.....                             | 0                 | 9,156                | 9,146                |
| Revolving Loans and Administration.....           | 162,025           | 150,000              | 120,000              |
| State Conditional Fund.....                       | 0                 | 10,000               | 10,000               |
| <b>Total Disbursements .....</b>                  | <b>-169,896</b>   | <b>-189,727</b>      | <b>-162,132</b>      |
| <b>Cash Balance, Ending .....</b>                 | <b>\$ 232,410</b> | <b>\$ 137,489</b>    | <b>\$ 69,749</b>     |

# PENNVEST Non-Revolving Equity Fund

This fund, created under the authority of Act 16 of 1988, receives monies transferred from the PENNVEST Bond Authorization Fund. These funds are used for non-revolving loans authorized by the act. These non-revolving loans can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST Redemption Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>     | <b>\$ 30</b>      | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Receipts:</b>                         |                   |                      |                      |
| Bond Authorization Fund.....             | \$ 0              | \$ 0                 | \$ 0                 |
| Transfer to PENNVEST Fund.....           | -30               | 0                    | 0                    |
| Total Receipts .....                     | -30               | 0                    | 0                    |
| <b>Total Funds Available .....</b>       | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Disbursements:</b>                    |                   |                      |                      |
| Infrastructure Investment Authority..... | \$ 0              | \$ 0                 | \$ 0                 |
| Total Disbursements .....                | 0                 | 0                    | 0                    |
| <b>Cash Balance, Ending .....</b>        | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |

# PENNVEST Redemption Fund

This fund, created under the authority of Act 16 of 1988, receives repayments of non-revolving loans and investment interest along with the annual appropriation from the General Fund for general obligation debt service. Revenues are used to pay debt service on general obligation bonds issued for PENNVEST.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 1,481</b>   | <b>\$ 2,199</b>      | <b>\$ 2,257</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Transfer from General Fund.....      | \$ 7,224          | \$ 4,116             | \$ 4,010             |
| Interest on Securities.....          | 3                 | 5                    | 5                    |
| Non-Revolving Loan Repayments.....   | 11,483            | 13,853               | 13,853               |
| Total Receipts .....                 | 18,710            | 17,974               | 17,868               |
| <b>Total Funds Available .....</b>   | <b>\$ 20,191</b>  | <b>\$ 20,173</b>     | <b>\$ 20,125</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Treasury.....                        | \$ 17,992         | \$ 17,916            | \$ 17,822            |
| Total Disbursements .....            | -17,992           | -17,916              | -17,822              |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 2,199</b>   | <b>\$ 2,257</b>      | <b>\$ 2,303</b>      |



# PENNVEST Revolving Fund

This fund, created under the authority of Act 16 of 1988, receives monies transferred from the PENNVEST Bond Authorization Fund. Funds are used for revolving loans which can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST Fund. In 2006-07, funds were redirected to the PENNVEST Non-Revolving Equity Fund and other PENNVEST funds.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>     | <b>\$ 36</b>      | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Receipts:</b>                         |                   |                      |                      |
| Bond Authorization Fund.....             | \$ 0              | \$ 0                 | \$ 0                 |
| Interest.....                            | 0                 | 0                    | 0                    |
| Transfer to PENNVEST Fund.....           | -36               | 0                    | 0                    |
| <b>Total Receipts .....</b>              | <b>-36</b>        | <b>0</b>             | <b>0</b>             |
| <b>Total Funds Available .....</b>       | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Disbursements:</b>                    |                   |                      |                      |
| Infrastructure Investment Authority..... | \$ 0              | \$ 0                 | \$ 0                 |
| <b>Total Disbursements .....</b>         | <b>0</b>          | <b>0</b>             | <b>0</b>             |
| <b>Cash Balance, Ending .....</b>        | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |

# PENNVEST Trustee Fund

This fund was created in Treasury by the Pennsylvania Infrastructure Investment Authority (PENNVEST) to record the accounting transactions of their trustee. The trustee will transfer the proceeds from the sale of Commercial Paper and Revenue Bonds to the Authority for loans to the public entities receiving State funds for construction projects.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>     | <b>\$ 28</b>      | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Receipts:</b>                         |                   |                      |                      |
| Transfer to PENNVEST Fund.....           | \$ -18            | \$ 0                 | \$ 0                 |
| Interest.....                            | 0                 | 0                    | 0                    |
| <b>Total Receipts .....</b>              | <b>-18</b>        | <b>0</b>             | <b>0</b>             |
| <b>Total Funds Available .....</b>       | <b>\$ 10</b>      | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Disbursements:</b>                    |                   |                      |                      |
| Infrastructure Investment Authority..... | \$ 10             | \$ 0                 | \$ 0                 |
| <b>Total Disbursements .....</b>         | <b>-10</b>        | <b>0</b>             | <b>0</b>             |
| <b>Cash Balance, Ending .....</b>        | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |

# PENNVEST Water Pollution Control Revolving Fund

This fund was created under the authority of Act 16 of 1988 for funds received from the federal government to establish a revolving loan program for sewer projects. Required matching state funds are transferred from the PENNVEST Bond Authorization Fund and the PENNVEST Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>                      | <b>\$ 510,495</b> | <b>\$ 531,675</b>    | <b>\$ 543,402</b>    |
| <b>Receipts:</b>  |                   |                      |                      |
| PENNVEST Fund.....  | \$ 0              | \$ 10,722            | \$ 11,200            |
| Federal Funds.....  | 53,915            | 150,050              | 100,000              |
| Transfer from PENNVEST Drinking Water Revolving Fund..... | 0                 | 20,000               | 20,000               |
| Loan Principal and Interest Repayments.....               | 109,288           | 200,000              | 200,000              |
| Interest.....   | 7,783             | 11,005               | 11,005               |
| Other.....  | -4                | 0                    | 0                    |
| <b>Total Receipts .....</b>                               | <b>170,982</b>    | <b>391,777</b>       | <b>342,205</b>       |
| <b>Total Funds Available .....</b>                        | <b>\$ 681,477</b> | <b>\$ 923,452</b>    | <b>\$ 885,607</b>    |
| <b>Disbursements:</b>                                     |                   |                      |                      |
| Infrastructure Investment Authority.....                  | \$ 149,802        | \$ 380,050           | \$ 332,000           |
| <b>Total Disbursements .....</b>                          | <b>-149,802</b>   | <b>-380,050</b>      | <b>-332,000</b>      |
| <b>Cash Balance, Ending .....</b>                         | <b>\$ 531,675</b> | <b>\$ 543,402</b>    | <b>\$ 553,607</b>    |

# Persian Gulf Conflict Veterans' Compensation Bond Fund

This fund was created by Act 29 of 2006 to receive and distribute the proceeds from the sale of \$20 million in bonds approved by the electorate in November of 2006. This money is used for payments of compensation to commonwealth veterans who were active in the Persian Gulf Theater of operations during the period from August 2, 1990 to August 31, 1991 and who have received the Southwest Asia Service Medal. The maximum compensation is \$525 except in the cases of death or if the veteran was a prisoner of war. In such instances the maximum compensation is \$5,000. Applications will be accepted until August 31, 2015.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2012-13<br>Actual | 2013-14<br>Available | 2014-15<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 2,820</b>   | <b>\$ 2,632</b>      | <b>\$ 2,337</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Interest.....                        | \$ 6              | \$ 5                 | \$ 5                 |
| Other.....                           | -2                | 0                    | 0                    |
| <b>Total Receipts .....</b>          | <b>4</b>          | <b>5</b>             | <b>5</b>             |
| <b>Total Funds Available .....</b>   | <b>\$ 2,824</b>   | <b>\$ 2,637</b>      | <b>\$ 2,342</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| Military and Veterans Affairs.....   | \$ 192            | \$ 300               | \$ 300               |
| <b>Total Disbursements .....</b>     | <b>-192</b>       | <b>-300</b>          | <b>-300</b>          |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 2,632</b>   | <b>\$ 2,337</b>      | <b>\$ 2,042</b>      |

# Persian Gulf Conflict Veterans' Compensation Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Persian Gulf Conflict Veterans' Compensation Program. The annual appropriation from the General Fund for general obligation debt service provides revenues to the fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2012-13<br>Actual | 2013-14<br>Available | 2014-15<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Receipts:</b>                     |                   |                      |                      |
| Transfer from General Fund.....      | \$ 498            | \$ 506               | \$ 503               |
| Total Receipts .....                 | 498               | 506                  | 503                  |
| <b>Total Funds Available .....</b>   | <b>\$ 498</b>     | <b>\$ 506</b>        | <b>\$ 503</b>        |
| <b>Disbursements:</b>                |                   |                      |                      |
| Treasury.....                        | \$ 498            | \$ 506               | \$ 503               |
| Total Disbursements .....            | -498              | -506                 | -503                 |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |

# Pharmaceutical Assistance Fund

The revenue for the Pharmaceutical Assistance Fund (PACE) is received from the Lottery Fund. This fund provides a limited pharmaceutical assistance program for older Pennsylvanians who are 65 years of age or over and whose annual income does not exceed the maximum specified for program eligibility. The PACE Fund is used for pharmaceutical claims processing for the Department of Health's Special Pharmaceutical Benefits Program and its disease specific programs, as well as the Insurance Department's Auto Cat and the Worker's Compensation Security Fund. Funds not expended in the fiscal year in which they are appropriated are available for use in the following fiscal year. For additional information on the programs refer to the program descriptions in the Departments of Aging, Health, and Insurance.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>             | <b>\$ 133,006</b> | <b>\$ 75,386</b>     | <b>\$ 46,423</b>     |
| <b>Receipts:</b>                                 |                   |                      |                      |
| Transfer from Lottery Fund .....                 | \$ 130,000        | \$ 155,000           | \$ 160,000           |
| Interest .....                                   | 723               | 409                  | 231                  |
| Disease Specific Programs.....                   | 5,313             | 5,508                | 6,240                |
| Special Pharmaceutical Services .....            | 35,448            | 60,075               | 67,567               |
| Auto Cat Program.....                            | 807               | 942                  | 944                  |
| Workers' Compensation Security Fund Program..... | 2,570             | 3,274                | 3,276                |
| Other.....                                       | -64               | 3,609                | 0                    |
| Total Receipts .....                             | 174,797           | 228,817              | 238,258              |
| <b>Total Funds Available .....</b>               | <b>\$ 307,803</b> | <b>\$ 304,203</b>    | <b>\$ 284,681</b>    |
| <b>Disbursements:</b>                            |                   |                      |                      |
| Aging .....                                      | \$ 183,306        | \$ 187,981           | \$ 187,510           |
| Health .....                                     | 44,901            | 65,583 <sup>a</sup>  | 73,807 <sup>a</sup>  |
| Insurance.....                                   | 4,210             | 4,216 <sup>a</sup>   | 4,220 <sup>a</sup>   |
| Total Disbursements .....                        | -232,417          | -257,780             | -265,537             |
| <b>Cash Balance, Ending .....</b>                | <b>\$ 75,386</b>  | <b>\$ 46,423</b>     | <b>\$ 19,144</b>     |

<sup>a</sup> Expenditures from restricted accounts in the Department of Aging.

# Philadelphia Regional Port Authority Fund

The Philadelphia Regional Port Authority was created by Act 50 of 1989 to acquire and operate the port facilities of the former Philadelphia Port Corporation. The Philadelphia Regional Port Authority Fund handles payroll of the authority via transfer of funds from the authority's private bank accounts. The authority is authorized to issue bonds to finance port improvements and may pay off such bonds.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>                    | <b>\$ 416</b>     | <b>\$ 557</b>        | <b>\$ 731</b>        |
| <b>Receipts:</b>  |                   |                      |                      |
| Transfer from Philadelphia Regional Port Authority..... | \$ 7,930          | \$ 8,000             | \$ 8,200             |
| Interest.....   | 1                 | 2                    | 2                    |
| Total Receipts .....                                    | 7,931             | 8,002                | 8,202                |
| <b>Total Funds Available .....</b>                      | <b>\$ 8,347</b>   | <b>\$ 8,559</b>      | <b>\$ 8,933</b>      |
| <b>Disbursements:</b>                                   |                   |                      |                      |
| Philadelphia Regional Port Operations.....              | \$ 7,790          | \$ 7,828             | \$ 8,023             |
| Total Disbursements .....                               | -7,790            | -7,828               | -8,023               |
| <b>Cash Balance, Ending .....</b>                       | <b>\$ 557</b>     | <b>\$ 731</b>        | <b>\$ 910</b>        |

# Philadelphia Taxicab and Limousine Regulatory Fund

This fund was created by Act 64 of 2013 to act as the primary operating fund for the Philadelphia Parking Authority to regulate taxicabs and limousines in the city of the first class. Revenues in the fund are derived from assessments and fees to taxicab, limousine, and dispatcher utility groups. Monies in the fund are used by the Authority for administration and enforcement of the taxicab and limousine program.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 0</b>       | <b>\$ 137</b>        | <b>\$ 137</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Assessments.....                     | \$ 737            | \$ 7,072             | \$ 8,442             |
| Interest.....                        | 0                 | 0                    | 0                    |
| Other.....                           | 0                 | 0                    | 0                    |
| Total Receipts .....                 | 737               | 7,072                | 8,442                |
| <b>Total Funds Available .....</b>   | <b>\$ 737</b>     | <b>\$ 7,209</b>      | <b>\$ 8,579</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| Philadelphia Parking Authority.....  | \$ 600            | \$ 7,072             | \$ 8,442             |
| Total Disbursements .....            | -600              | -7,072               | -8,442               |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 137</b>     | <b>\$ 137</b>        | <b>\$ 137</b>        |

# Philadelphia Taxicab Medallion Fund

This fund was created by Act 64 of 2013 for the Philadelphia Parking Authority to administer the taxicab medallion program. Revenues are generated from the sale of medallions. Expenditures are those limited to the operation and enforcement of the medallion program.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 0</b>       | <b>\$ 642</b>        | <b>\$ 642</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Sale of Medallions.....              | \$ 642            | \$ 500               | \$ 2,000             |
| Interest.....                        | 0                 | 0                    | 0                    |
| <b>Total Receipts .....</b>          | <b>642</b>        | <b>500</b>           | <b>2,000</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 642</b>     | <b>\$ 1,142</b>      | <b>\$ 2,642</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| Philadelphia Parking Authority.....  | \$ 0              | \$ 500               | \$ 2,000             |
| <b>Total Disbursements .....</b>     | <b>0</b>          | <b>-500</b>          | <b>-2,000</b>        |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 642</b>     | <b>\$ 642</b>        | <b>\$ 642</b>        |

# Port of Pittsburgh Commission Fund

The Port of Pittsburgh Commission was created by Act 133 of 1992 to promote and encourage capital investment in port facilities and port-related projects within the port district encompassing Allegheny, Armstrong, Beaver, Butler, Clarion, Fayette, Greene, Lawrence, Washington and Westmoreland counties.

Act 140 of 2000 expanded the authority of the commission to allow for economic development projects, including certain recreation projects sponsored by third parties. Act 111 of 2001 added Indiana County, and Act 131 of 2006 added Blair County to the Port District.

Grants supporting the commission's operations are deposited into this fund along with interest earnings from deposited funds. The commission also has the authority to issue bonds to finance port improvements and may pledge its revenues to pay off such bonds.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 3,479</b>   | <b>\$ 2,628</b>      | <b>\$ 2,236</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| State Grants.....                    | \$ 0              | \$ 500               | \$ 500               |
| Federal Grants.....                  | 1,476             | 1,500                | 1,500                |
| Loan Repayments.....                 | 2                 | 0                    | 0                    |
| Interest .....                       | 9                 | 4                    | 4                    |
| <b>Total Receipts .....</b>          | <b>1,487</b>      | <b>2,004</b>         | <b>2,004</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 4,966</b>   | <b>\$ 4,632</b>      | <b>\$ 4,240</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| Port of Pittsburgh Commission.....   | \$ 2,338          | \$ 2,396             | \$ 2,456             |
| <b>Total Disbursements .....</b>     | <b>-2,338</b>     | <b>-2,396</b>        | <b>-2,456</b>        |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 2,628</b>   | <b>\$ 2,236</b>      | <b>\$ 1,784</b>      |

# Property Tax Relief Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, created the Property Tax Relief Fund to provide local property and wage tax relief payments to school districts. The fund receives revenue from the State Gaming Fund representing the balance of money collected in the State Gaming Fund after other distributions. Act 1 of Special Session 1 of 2006, the Taxpayer Relief Act, further provides for the distribution of funds from the Property Tax Relief Fund to school districts. In addition, transfers are made to the State Lottery Fund for an expanded Property Rent Rebate Program and supplemental senior citizen tax reduction payments. Act 78 of 2012 provides for additional funding for the Volunteer Fire Company Grants out of the Property Tax Relief Reserve Fund. The fiscal year ending balances include the Property Tax Relief Reserve Account and funding for property tax relief payments made in August and October each year.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual              | 2014-15<br>Available           | 2015-16<br>Estimated           |
|--|--------------------------------|--------------------------------|--------------------------------|
| <b>Cash Balance, Beginning.....</b>                              | <b>\$ 564,752</b>              | <b>\$ 535,987</b>              | <b>\$ 514,492</b>              |
| <b>Receipts:</b>   |                                |                                |                                |
| Transfer from State Gaming Fund.....                             | \$ 747,163                     | \$ 755,520                     | \$ 773,097                     |
| Transfer from Property Tax/Rent Relief Restricted Account.....   | 0                              | 0                              | 35,000                         |
| Property Tax Relief Reserve Fund Loan Repayment.....             | 6,578                          | 6,385                          | 6,385                          |
| Interest.....  | 594                            | 600                            | 600                            |
| Total Receipts .....   | 754,335                        | 762,505                        | 815,082                        |
| <b>Total Funds Available .....</b>                               | <b>\$ 1,319,087</b>            | <b>\$ 1,298,492</b>            | <b>\$ 1,329,574</b>            |
| <b>Disbursements:</b>  |                                |                                |                                |
| Property Tax Relief Payments:                                    |                                |                                |                                |
| Education:   |                                |                                |                                |
| General Property Tax Relief.....                                 | \$ 595,000                     | \$ 595,000                     | \$ 595,000                     |
| Sterling Act.....  | 16,600                         | 21,200                         | 21,200                         |
| Subtotal: Education Property Tax Relief Payments.....            | 611,600                        | 616,200                        | 616,200                        |
| Revenue:   |                                |                                |                                |
| Expanded Prop Tax/Rent Rebate/Senior Tax Reductions.....         | 136,700                        | 133,500                        | 136,400                        |
| Cities and High-Burden.....                                      | 29,800                         | 29,300                         | 30,400                         |
| Subtotal: Revenue Property Tax Relief Payments.....              | 166,500                        | 162,800                        | 166,800                        |
| Total Property Tax Relief Disbursements.....                     | 778,100                        | 779,000                        | 783,000                        |
| Emergency Management:  |                                |                                |                                |
| Volunteer Company Grants.....                                    | 5,000                          | 5,000                          | 5,000                          |
| Transfer to PA Gaming Economic Development and Tourism Fund..... | 0                              | 0                              | 35,000                         |
| Total Disbursements.....   | -783,100                       | -784,000                       | -823,000                       |
| <b>Cash Balance, Ending.....</b>                                 | <b>\$ 535,987 <sup>a</sup></b> | <b>\$ 514,492 <sup>b</sup></b> | <b>\$ 506,574 <sup>c</sup></b> |

a 2013-14 Available includes a balance of \$42,713,863 in the Property Tax Relief Reserve Account.

b 2014-15 Available includes a balance of \$21,170,909 in the Property Tax Relief Reserve Account.

c 2015-16 Estimated includes a balance of \$1,455,409 in the Property Tax Relief Reserve Account.

# Public Transportation Assistance Fund

The Public Transportation Assistance Fund was established by Act 26 of 1991 to assist the capital, asset maintenance and other transportation needs of the commonwealth's transit entities. Act 44 of 2007 revised the purpose of this fund by transferring programs to the new Public Transportation Trust Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>              | <b>\$ 7,639</b>   | <b>\$ 7,686</b>      | <b>\$ 10,972</b>     |
| <b>Receipts:</b>                                  |                   |                      |                      |
| Tire Fee, Rental Fee and Lease Tax.....           | \$ 102,125        | \$ 102,300           | \$ 103,100           |
| Sales and Use Tax.....                            | 90,505            | 95,800               | 114,700              |
| Interest.....                                     | 34                | 18                   | 18                   |
| <b>Total Receipts .....</b>                       | <b>192,664</b>    | <b>198,118</b>       | <b>217,818</b>       |
| <b>Total Funds Available .....</b>                | <b>\$ 200,303</b> | <b>\$ 205,804</b>    | <b>\$ 228,790</b>    |
| <b>Disbursements:</b>                             |                   |                      |                      |
| Transportation:                                   |                   |                      |                      |
| Grants.....                                       | \$ 174,597        | \$ 176,652           | \$ 197,495           |
| Transfer to Public Transportation Trust Fund..... | 18,020            | 18,180               | 20,139               |
| <b>Total Disbursements .....</b>                  | <b>-192,617</b>   | <b>-194,832</b>      | <b>-217,634</b>      |
| <b>Cash Balance, Ending .....</b>                 | <b>\$ 7,686</b>   | <b>\$ 10,972</b>     | <b>\$ 11,156</b>     |

# Public Transportation Trust Fund

The Public Transportation Trust Fund was created by Act 44 of 2007 to provide dedicated funding for public transportation in the commonwealth. Act 89 of 2013 increased funding and revenue sources for the fund. Revenues come from scheduled payments by the Pennsylvania Turnpike Commission, a portion of the Sales and Use Tax, certain motor vehicle fees, vehicle code fines and surcharges, and transfers from the Public Transportation Assistance Fund and the Lottery Fund. Monies in this fund are disbursed as grants to public transit agencies for operating costs, capital and asset improvements, and programs of statewide significance.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning.....</b>                      | <b>\$ 142,266</b> | <b>\$ 162,352</b>    | <b>\$ 72,317</b>     |
| <b>Receipts:</b>   |                   |                      |                      |
| Sales and Use Tax.....                                   | \$ 420,508        | \$ 445,111           | \$ 532,925           |
| Pennsylvania Turnpike Commission.....                    | 250,000           | 420,000              | 420,000              |
| Transfer from Lottery Fund.....                          | 92,956            | 94,443               | 95,907               |
| Transfer from Public Transportation Assistance Fund..... | 18,020            | 18,180               | 20,139               |
| Motor Vehicle Fees.....                                  | 30,692            | 129,042              | 217,203              |
| Vehicle Code Fines .....                                 | 6,302             | 34,500               | 41,000               |
| Interest.....  | 2,117             | 2,000                | 2,000                |
| <b>Total Receipts.....</b>                               | <b>820,595</b>    | <b>1,143,276</b>     | <b>1,329,174</b>     |
| <b>Total Funds Available.....</b>                        | <b>\$ 962,861</b> | <b>\$ 1,305,628</b>  | <b>\$ 1,401,491</b>  |
| <b>Disbursements:</b>                                    |                   |                      |                      |
| Transportation.....                                      | \$ 800,509        | \$ 1,233,311         | \$ 1,360,225         |
| <b>Total Disbursements.....</b>                          | <b>-800,509</b>   | <b>-1,233,311</b>    | <b>-1,360,225</b>    |
| <b>Cash Balance, Ending.....</b>                         | <b>\$ 162,352</b> | <b>\$ 72,317</b>     | <b>\$ 41,266</b>     |

# Purchasing Fund

Created in 1933, this fund finances the purchase of materials, supplies, services and equipment by the Department of General Services and Executive Offices for use by other departments, boards and commissions. Salaries for the personnel administering the fund are paid by the fund. Revenue sources are periodic appropriations from the General Fund and reimbursements by other departments, boards and commissions for the materials and supplies provided them.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>     | <b>\$ 25,071</b>  | <b>\$ 15,103</b>     | <b>\$ 7,351</b>      |
| <b>Receipts:</b>                         |                   |                      |                      |
| Reimbursements to General Services.....  | \$ 363,912        | \$ 449,236           | \$ 465,000           |
| Reimbursements to Executive Offices..... | 60,579            | 65,000               | 67,873               |
| Interest.....                            | 60                | 94                   | 94                   |
| <b>Total Receipts .....</b>              | <b>424,551</b>    | <b>514,330</b>       | <b>532,967</b>       |
| <b>Total Funds Available .....</b>       | <b>\$ 449,622</b> | <b>\$ 529,433</b>    | <b>\$ 540,318</b>    |
| <b>Disbursements:</b>                    |                   |                      |                      |
| General Services.....                    | \$ 369,250        | \$ 460,082           | \$ 455,000           |
| Executive Offices.....                   | 65,269            | 62,000               | 68,984               |
| <b>Total Disbursements .....</b>         | <b>-434,519</b>   | <b>-522,082</b>      | <b>-523,984</b>      |
| <b>Cash Balance, Ending .....</b>        | <b>\$ 15,103</b>  | <b>\$ 7,351</b>      | <b>\$ 16,334</b>     |



# Racing Fund

The Racing Fund is a special revenue fund composed of monies received from taxes and license fees collected by the State Horse Racing Commission and the State Harness Racing Commission for the regulation of horse and harness racing. The administration and enforcement of racing in Pennsylvania is governed by the Race Horse Industry Reform Act (Act 93 of 1983 and subsequent amendments). Licensed racing corporations annually conducting at least 100 days of racing remit wagering taxes at the rate of 1.5%. License and fee revenue is derived from the licensing of jockeys and other persons participating in racing as prescribed by the State Racing Commission. Penalties and interest on taxes due, interest on securities and uncashed tickets comprise miscellaneous revenue. Act 30 of 2013 provided a one-time transfer of \$4.2 million from the Pennsylvania Race Horse Development Fund. Act 52 of 2014 established the Advance Deposit Wagering Tax which is assessed to non-licensed corporations that offer and accept pari-mutuel wagers. Shortly after enactment, the non-licensed corporations filed a legal challenge against imposition of this tax; no receipts are shown in 2014-15 and 2015-16 pending the outcome of the court case.

The Race Horse Industry Reform Act also provides for allocations from the State Racing Fund to two restricted accounts, the Pennsylvania Breeders Fund and the Sire Stakes Fund, providing such revenue is available after payment of commission efforts regarding administration and enforcement. In recent years, such revenue has not been available and all deposits to the restricted accounts have come solely from the Pennsylvania Race Horse Development Fund.

Due to continuing revenue declines, this budget proposes an annual \$6.5 million transfer from the Pennsylvania Race Horse Development Fund to the State Racing Fund to ensure that the Department of Agriculture continues to perform its regulatory obligations in support of horse racing in Pennsylvania.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>               | <b>\$ 14,727</b>  | <b>\$ 23,566</b>     | <b>\$ 20,048</b>     |
| <b>Receipts:</b>                                   |                   |                      |                      |
| Admission and Wagering.....                        | \$ 10,147         | \$ 10,510            | \$ 9,879             |
| Licenses and Fees.....                             | 691               | 673                  | 603                  |
| Transfers from PA Race Horse Development Fund..... | 3,600             | 600                  | 6,500                |
| Advance Deposit Wagering Tax.....                  | 2,201             | 0                    | 0                    |
| Other.....   | 1,673             | 1,912                | 1,412                |
| Restricted Revenues.....                           | 36,337            | 33,800               | 33,800               |
| Interest.....                                      | 573               | 357                  | 357                  |
| Total Receipts .....                               | <u>55,222</u>     | <u>47,852</u>        | <u>52,551</u>        |
| <b>Total Funds Available .....</b>                 | <b>\$ 69,949</b>  | <b>\$ 71,418</b>     | <b>\$ 72,599</b>     |
| <b>Disbursements:</b>                              |                   |                      |                      |
| Agriculture.....                                   | \$ 15,028         | \$ 16,633            | \$ 18,214            |
| Revenue.....                                       | 0                 | 237                  | 237                  |
| Loan Repayment to General Fund.....                | 300               | 0                    | 0                    |
| Agriculture - Restricted Funds.....                | 31,055            | 34,500               | 34,500               |
| Total Disbursements .....                          | <u>-46,383</u>    | <u>-51,370</u>       | <u>-52,951</u>       |
| <b>Cash Balance, Ending .....</b>                  | <b>\$ 23,566</b>  | <b>\$ 20,048</b>     | <b>\$ 19,648</b>     |

# Real Estate Recovery Fund

This fund was established in 1980 to reimburse aggrieved persons any amounts unpaid from final judgements against any person licensed by the Real Estate Commission. Revenue is derived from additional fees paid by licensees, with interest on investments being retained by the fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 113</b>     | <b>\$ 578</b>        | <b>\$ 529</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Additional License Fees .....        | \$ 462            | \$ 100               | \$ 100               |
| Interest .....                       | 1                 | 1                    | 1                    |
| <b>Total Receipts .....</b>          | <b>463</b>        | <b>101</b>           | <b>101</b>           |
| <b>Total Funds Available .....</b>   | <b>\$ 576</b>     | <b>\$ 679</b>        | <b>\$ 630</b>        |
| <b>Disbursements:</b>                |                   |                      |                      |
| State .....                          | \$ -2             | \$ 150               | \$ 150               |
| <b>Total Disbursements .....</b>     | <b>2</b>          | <b>-150</b>          | <b>-150</b>          |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 578</b>     | <b>\$ 529</b>        | <b>\$ 480</b>        |

# Recycling Fund

This fund was created by Act 101 of 1988 to finance the planning, processing, resource recovery and recycling of solid waste. Revenue is generated by a fee on all waste disposed of in landfills or processed by resource recovery facilities. Expenditures are for recycling and planning grants, market and waste minimization studies, and public information and education activities throughout the commonwealth. Act 125 of 1998 allowed for up to \$1.5 million annually for five years of Recycling Fund money to finance the cleanup of illegally deposited waste on state forest and state park lands.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>             | <b>\$ 71,904</b>  | <b>\$ 76,605</b>     | <b>\$ 61,805</b>     |
| <b>Receipts:</b>                                 |                   |                      |                      |
| Recycling Fees .....                             | \$ 36,246         | \$ 36,550            | \$ 36,550            |
| Interest .....                                   | 1,281             | 1,385                | 1,385                |
| Transfer from Hazardous Sites Cleanup Fund ..... | 1,000             | 875                  | 1,000                |
| <b>Total Receipts .....</b>                      | <b>38,527</b>     | <b>38,810</b>        | <b>38,935</b>        |
| <b>Total Funds Available .....</b>               | <b>\$ 110,431</b> | <b>\$ 115,415</b>    | <b>\$ 100,740</b>    |
| <b>Disbursements:</b>                            |                   |                      |                      |
| Environmental Protection .....                   | \$ 33,826         | \$ 53,610            | \$ 47,618            |
| <b>Total Disbursements .....</b>                 | <b>-33,826</b>    | <b>-53,610</b>       | <b>-47,618</b>       |
| <b>Cash Balance, Ending .....</b>                | <b>\$ 76,605</b>  | <b>\$ 61,805</b>     | <b>\$ 53,122</b>     |

# Rehabilitation Center Fund

This fund was created by Act 55 of 1959 for the operation of the Hiram G. Andrews Rehabilitation Center and is funded from fees for services rendered by the center. Most of these services are rendered to vocational rehabilitation clients. The Department of Labor and Industry is pursuing diversification and privatization of services offered at the center. These plans include training enhancement for clients of the center and economic development opportunities for the Johnstown region.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning</b> ..... | <b>\$ 8,554</b>   | <b>\$ 11,095</b>     | <b>\$ 9,343</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Client Fees .....                    | \$ 21,386         | \$ 20,000            | \$ 20,000            |
| Interest.....                        | 18                | 18                   | 18                   |
| PHEAA Grants.....                    | 96                | 96                   | 96                   |
| Labor and Industry .....             | 205               | 200                  | 200                  |
| Other.....                           | 1,231             | 1,500                | 1,500                |
| Total Receipts .....                 | 22,936            | 21,814               | 21,814               |
| <b>Total Funds Available</b> .....   | <b>\$ 31,490</b>  | <b>\$ 32,909</b>     | <b>\$ 31,157</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Labor and Industry.....              | \$ 20,395         | \$ 23,566            | \$ 23,566            |
| Total Disbursements .....            | -20,395           | -23,566              | -23,566              |
| <b>Cash Balance, Ending</b> .....    | <b>\$ 11,095</b>  | <b>\$ 9,343</b>      | <b>\$ 7,591</b>      |

# Remining Financial Assurance Fund

Act 173 of 1992 authorized this fund to assist mine operators who qualify to purchase reclamation bonds or make payment in lieu of reclamation bonds. Revenues are the transfer of up to \$5 million from the Land and Water Development Fund and from in lieu of bond premium payments. Interest earnings are deposited in the Land and Water Development Sinking Fund. Expenditures from this fund occur only when mine operators default.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning</b> .....                                 | <b>\$ 4,008</b>   | <b>\$ 4,141</b>      | <b>\$ 3,936</b>      |
| <b>Receipts:</b>   |                   |                      |                      |
| Interest transfer to Land and Water<br>Development Sinking Fund..... | \$ -9             | \$ -7                | \$ -7                |
| Interest.....  | 9                 | 7                    | 7                    |
| Operator Annual Fee.....   | 133               | 119                  | 119                  |
| Total Receipts .....   | 133               | 119                  | 119                  |
| <b>Total Funds Available</b> .....                                   | <b>\$ 4,141</b>   | <b>\$ 4,260</b>      | <b>\$ 4,055</b>      |
| <b>Disbursements:</b>  |                   |                      |                      |
| Environmental Protection .....                                       | \$ 0              | \$ 324               | \$ 50                |
| Total Disbursements .....  | 0                 | -324                 | -50                  |
| <b>Cash Balance, Ending</b> .....                                    | <b>\$ 4,141</b>   | <b>\$ 3,936</b>      | <b>\$ 4,005</b>      |

# Rightful Owners' Claims Payment Fund

The Rightful Owners' Claims Payment Fund was created by Act 45 of 2003 to make reimbursements and prompt payment of claims to an owner for a restitution payment previously held as unclaimed by any court, public corporation, public authority or instrumentality of the commonwealth, or by a public officer or political subdivision. Under the act, five percent of the funds transferred annually into the Treasury will be deposited into the Rightful Owners' Claims Payment Fund to create the capability to make a reimbursement in the event a claim is filed. The remaining ninety-five percent balance of the restitution monies annually escheated from the entities identified are to be deposited to the Crime Victims' Compensation Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning.....</b>             | <b>\$ 27</b>      | <b>\$ 53</b>         | <b>\$ 36</b>         |
| <b>Receipts:</b>                                |                   |                      |                      |
| Transfers from Unclaimed Property Accounts..... | \$ 510            | \$ 426               | \$ 435               |
| Total Receipts .....                            | 510               | 426                  | 435                  |
| <b>Total Funds Available .....</b>              | <b>\$ 537</b>     | <b>\$ 479</b>        | <b>\$ 471</b>        |
| <b>Disbursements:</b>                           |                   |                      |                      |
| Treasury Payments to Claimants.....             | \$ 484            | \$ 443               | \$ 452               |
| Total Disbursements.....                        | -484              | -443                 | -452                 |
| <b>Cash Balance, Ending .....</b>               | <b>\$ 53</b>      | <b>\$ 36</b>         | <b>\$ 19</b>         |

# School Employees' Retirement Fund

The Public School Employees' Retirement Fund provides for receipt and accounting of member and employer contributions, investment of those funds and payment of benefits to retired school employees.

According to the provisions of Act 29 of 1994, starting with the employer contribution payment for the third quarter of 1995 (school salaries paid from July 1, 1995 to September 30, 1995), employers defined as school entities (school districts, intermediate units, and area vocational technical schools) pay 100 percent of the employer share of contributions to the fund. The commonwealth pays school entities a portion of these costs from appropriated funds based on a statutory formula. Commonwealth contributions of the employer share for non-school entities are also paid from appropriated funds. These contributions are paid directly to the fund.

Earnings from investments provide additional revenue and pay for the expenses of the Public School Employees' Retirement Board. The board is responsible for management of the fund and payment of benefits. The employer contribution rate is determined by the fund's actuary and adopted by the board.

Act 40 of 2003 changed the retirement system's amortization, thereby lowering the employer contribution costs. Act 120 of 2010 amended the benefit structure for most new employees hired after July 1, 2011 and amended the funding provisions. Act 120 also established a new shared risk benefit plan.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is included to reflect the carrying value of long-term investments.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual    | 2014-15<br>Available | 2015-16<br>Estimated |
|--|----------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>             | <b>\$ 48,712,183</b> | <b>\$ 52,128,399</b> | <b>\$ 53,581,149</b> |
| <b>Receipts:</b>                                 |                      |                      |                      |
| Transfer from General Fund —                     |                      |                      |                      |
| Employer Contribution (non-school entities)..... | \$ 10,683            | \$ 15,000            | \$ 18,000            |
| Transfers from State Retirement System.....      | 10,631               | 11,000               | 11,000               |
| Transfer from Tobacco and Health Venture.....    | 0                    | 225,000              | 0                    |
| Contributions of School Employees.....           | 967,306              | 979,000              | 1,006,000            |
| Contributions of Employers.....                  | 1,940,214            | 2,792,000            | 3,462,000            |
| Net Investment Adjustment.....                   | 6,870,163            | 3,982,000            | 4,074,000            |
| <b>Total Receipts .....</b>                      | <b>9,798,997</b>     | <b>8,004,000</b>     | <b>8,571,000</b>     |
| <b>Total Funds Available .....</b>               | <b>\$ 58,511,180</b> | <b>\$ 60,132,399</b> | <b>\$ 62,152,149</b> |
| <b>Disbursements:</b>                            |                      |                      |                      |
| Treasury .....                                   | \$ 243               | \$ 250               | \$ 250               |
| Public School Employees' Retirement Board .....  | 6,382,538            | 6,551,000            | 6,820,000            |
| <b>Total Disbursements .....</b>                 | <b>-6,382,781</b>    | <b>-6,551,250</b>    | <b>-6,820,250</b>    |
| <b>Cash Balance, Ending .....</b>                | <b>\$ 52,128,399</b> | <b>\$ 53,581,149</b> | <b>\$ 55,331,899</b> |

# School Retirees' Health Insurance Fund

This fund was created by Act 9 of 2001. The fund is used to establish and maintain a reserve sufficient to pay the expected claims experience of the Health Options Program (HOP). The HOP is a Public School Employees' Retirement System (PSERS) sponsored voluntary health insurance program for the sole benefit of PSERS retirees, their spouses or surviving spouses, and their dependents. This presentation only reflects the activity of the claims reserve account. PSERS administers other activity through the fund which is not included herein. The revenue for HOP is from premiums paid by its participants for the benefit coverage they elect and, beginning in 2006, federal funds to subsidize Medicare Part D prescription drug benefits for HOP participants enrolled in that program. The May 2002 initial transfer consisted of funds paid in by those insured and associated investment revenue in the amount of \$27 million that had accumulated in the Public School Employees' Retirement Fund prior to the creation of the separate health insurance fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>     | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Receipts:</b>                         |                   |                      |                      |
| Insurance Claims.....                    | \$ 33,257         | \$ 3,021             | \$ 0 <sup>a</sup>    |
| Total Receipts .....                     | <u>33,257</u>     | <u>3,021</u>         | <u>0</u>             |
| <b>Total Funds Available .....</b>       | <b>\$ 33,257</b>  | <b>\$ 3,021</b>      | <b>\$ 0</b>          |
| <b>Disbursements:</b>                    |                   |                      |                      |
| School Employees' Retirement System..... | \$ 33,257         | \$ 3,021             | \$ 0 <sup>a</sup>    |
| Total Disbursements .....                | <u>-33,257</u>    | <u>-3,021</u>        | <u>0</u>             |
| <b>Cash Balance, Ending .....</b>        | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |

<sup>a</sup> Beginning in September 2014, the funds received from the centers for Medicare & Medicaid Services are directly deposited into the accounts held by a Third Party Administrator.

# Self-Insurance Guaranty Fund

This fund was created by Act 44 of 1993, the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claims arising from defaulting self-insurance employers and defaulting members of self-insurance pooling arrangements under the Workers' Compensation Act for injuries occurring on or after October 30, 1993. The fund is maintained by assessments on self-insurers. Act 53 of 2000 provides for payments of claims resulting from injuries prior to October 30, 1993, through a Prefund Account funded by transfers from the Workers' Compensation Administration Fund. Act 49 of 2001 limited annual transfers to the Prefund Account to \$3.8 million. The Prefund Account and the fund are administered by the Department of Labor and Industry.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                       | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>  | <b>\$ 58,515</b>  | <b>\$ 57,562</b>     | <b>\$ 54,749</b>     |
| <b>Receipts:</b>                      |                   |                      |                      |
| Assessments.....                      | \$ 1,077          | \$ 3,000             | \$ 3,000             |
| Workmen's Compensation Transfers..... | 4,657             | 0                    | 0                    |
| Interest.....                         | 1,020             | 1,116                | 1,116                |
| Internal Interest Transfers.....      | -1,017            | -920                 | -920                 |
| Total Receipts .....                  | <u>5,737</u>      | <u>3,196</u>         | <u>3,196</u>         |
| <b>Total Funds Available .....</b>    | <b>\$ 64,252</b>  | <b>\$ 60,758</b>     | <b>\$ 57,945</b>     |
| <b>Disbursements:</b>                 |                   |                      |                      |
| Labor and Industry.....               | \$ 6,690          | \$ 6,009             | \$ 5,000             |
| Total Disbursements .....             | <u>-6,690</u>     | <u>-6,009</u>        | <u>-5,000</u>        |
| <b>Cash Balance, Ending .....</b>     | <b>\$ 57,562</b>  | <b>\$ 54,749</b>     | <b>\$ 52,945</b>     |

## Small Business First Fund

Act 67 of 1996 created the Small Business First Fund. The fund replaced the Air Quality Improvement Fund, Storage Tank Loan Fund and the Pennsylvania Capital Loan Fund. Balances and program commitments in those funds were transferred to the Small Business First Fund. The fund may receive transfers from the Minority Business Development Fund to facilitate its programs for small businesses. Act 50 of 2009 enabled the fund to transfer monies to the Machinery and Equipment Loan Fund in support of its activities.

This program provides low-interest loans for small businesses of 100 employees or less. Eligible projects include land and building acquisition and construction; machinery and equipment purchases; working capital; compliance with environmental regulations and municipal or commercial recycling. In addition, companies eligible to participate in this program are those impacted by the reduction in defense-related activities and those involved in exports, advanced technology and the hospitality industry. Act 161 of 2014 transitioned the administration of this fund to the Pennsylvania Industrial Development Authority.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>        | <b>\$ 93,479</b>  | <b>\$ 101,877</b>    | <b>\$ 8,225</b>      |
| <b>Receipts:</b>                            |                   |                      |                      |
| Loan Principal and Interest Repayments..... | \$ 14,726         | \$ 13,000            | \$ 13,000            |
| Interest.....                               | 1,323             | 300                  | 50                   |
| Transfer from Trustee.....                  | 0                 | 7,300                | 0                    |
| Other.....                                  | 27                | 7,311                | 30                   |
| <b>Total Receipts .....</b>                 | <b>16,076</b>     | <b>27,911</b>        | <b>13,080</b>        |
| <b>Total Funds Available .....</b>          | <b>\$ 109,555</b> | <b>\$ 129,788</b>    | <b>\$ 21,305</b>     |
| <b>Disbursements:</b>                       |                   |                      |                      |
| Community and Economic Development.....     | \$ 7,678          | \$ 26,563            | \$ 15,000            |
| Transfer to General Fund.....               | 0                 | 95,000               | 0                    |
| <b>Total Disbursements .....</b>            | <b>-7,678</b>     | <b>-121,563</b>      | <b>-15,000</b>       |
| <b>Cash Balance, Ending .....</b>           | <b>\$ 101,877</b> | <b>\$ 8,225</b>      | <b>\$ 6,305</b>      |

## Solid Waste-Resource Recovery Development Fund

Created in 1974, this fund provides financial assistance to municipalities in the planning, development, construction and operation of resource recovery and solid waste disposal facilities. Loans for new facilities are restricted to municipalities in seventh and eighth class counties. Revenue is provided through appropriations by the General Assembly and by the repayment of loans made to municipalities.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 441</b>     | <b>\$ 443</b>        | <b>\$ 444</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Interest.....                        | \$ 2              | \$ 1                 | \$ 1                 |
| <b>Total Receipts .....</b>          | <b>2</b>          | <b>1</b>             | <b>1</b>             |
| <b>Total Funds Available .....</b>   | <b>\$ 443</b>     | <b>\$ 444</b>        | <b>\$ 445</b>        |
| <b>Disbursements:</b>                |                   |                      |                      |
| Environmental Protection .....       | \$ 0              | \$ 0                 | \$ 0                 |
| <b>Total Disbursements .....</b>     | <b>0</b>          | <b>0</b>             | <b>0</b>             |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 443</b>     | <b>\$ 444</b>        | <b>\$ 445</b>        |

## Special Administration Fund

The purpose of this fund, administered by the Department of Labor and Industry, is to cover those administrative expenses of the Unemployment Compensation Law not properly and validly chargeable to the Administration Fund. The receipts of the fund are generated from interest and penalties collected from claimants and employers under provisions of the Unemployment Compensation Law. Act 5 of 2005 requires that all monies in excess of \$200,000 in the fund, less encumbrances for litigation, shall be transferred by June 25th of each year to either the Unemployment Compensation Contribution Fund or the Job Training Fund or both.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                       | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>  | <b>\$ 4,770</b>   | <b>\$ 9,352</b>      | <b>\$ 200</b>        |
| <b>Receipts:</b>                      |                   |                      |                      |
| Penalty and Interest Collections..... | \$ 10,971         | \$ 11,265            | \$ 11,594            |
| Interest.....                         | 16                | 13                   | 13                   |
| <b>Total Receipts .....</b>           | <b>10,987</b>     | <b>11,278</b>        | <b>11,607</b>        |
| <b>Total Funds Available .....</b>    | <b>\$ 15,757</b>  | <b>\$ 20,630</b>     | <b>\$ 11,807</b>     |
| <b>Disbursements:</b>                 |                   |                      |                      |
| Transfer to Job Training Fund.....    | \$ 0              | \$ 5,000             | \$ 5,000             |
| Labor and Industry.....               | 6,405             | 15,430               | 6,607                |
| <b>Total Disbursements .....</b>      | <b>-6,405</b>     | <b>-20,430</b>       | <b>-11,607</b>       |
| <b>Cash Balance, Ending .....</b>     | <b>\$ 9,352</b>   | <b>\$ 200</b>        | <b>\$ 200</b>        |

## State College Experimental Farm Fund

Act 56, approved May 13, 1887, authorized the sale of the eastern and western experimental farms which were purchased with federal land grant monies in 1862. These farms were sold for \$17,000 in 1888 and the proceeds were placed in this fund to be invested in bonds of the commonwealth at 6 percent per annum with the interest serving as an ongoing revenue to this fund. Interest earned is disbursed to the Pennsylvania State University.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 24</b>      | <b>\$ 24</b>         | <b>\$ 24</b>         |
| <b>Receipts:</b>                     |                   |                      |                      |
| Interest.....                        | \$ 0              | \$ 0                 | \$ 0                 |
| <b>Total Receipts .....</b>          | <b>0</b>          | <b>0</b>             | <b>0</b>             |
| <b>Total Funds Available .....</b>   | <b>\$ 24</b>      | <b>\$ 24</b>         | <b>\$ 24</b>         |
| <b>Disbursements:</b>                |                   |                      |                      |
| Treasury.....                        | \$ 0              | \$ 0                 | \$ 0                 |
| <b>Total Disbursements .....</b>     | <b>0</b>          | <b>0</b>             | <b>0</b>             |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 24</b>      | <b>\$ 24</b>         | <b>\$ 24</b>         |



# State Employees' Retirement Fund

This fund was created in 1923 to accumulate reserves for the payment of pensions to eligible former state employees. Money in this fund is used to pay retirement, disability and death benefits to members of the State Employees' Retirement System and their beneficiaries. Membership in the system is mandatory for most state employees and available to employees of non-state entities, such as the Pennsylvania State University, the Turnpike Commission, the Delaware River Port Authority and other public and quasi-public institutions authorized by the Retirement Code.

The fund receives revenue from employee contributions, employer contributions and income derived from its investment portfolio. Employer contributions are an actuarially determined percentage of payroll sufficient to fund current and future benefit payments. Investment income is used to credit interest to each member's account; to pay the administrative expenses of the retirement system; and to accumulate monies for the payment of future benefits. Management of the fund and payment of benefits are overseen by the State Employees' Retirement Board.

Act 40 of 2003 changed the retirement system's amortization period, thereby lowering the employer contribution costs. Act 120 of 2010 amended the benefit structure for most new employees hired after December 31, 2010 and amended the funding provisions. Act 120 also established a new shared risk benefit plan.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is to reflect the carrying value of long-term investments.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual    | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|----------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 25,344,120</b> | <b>\$ 27,802,230</b> | <b>\$ 28,507,195</b> |
| <b>Receipts:</b>                     |                      |                      |                      |
| Contributions of Employees.....      | \$ 374,466           | \$ 368,356           | \$ 364,500           |
| Contributions of Employers.....      | 885,320              | 1,266,254            | 1,519,713            |
| Transfer from PSERS.....             | 13,905               | 14,322               | 14,752               |
| Directed Commissions.....            | 102                  | 105                  | 105                  |
| Net Investment Adjustment.....       | 4,091,966            | 2,085,162            | 2,138,166            |
| Other.....                           | 888                  | 896                  | 896                  |
| <b>Total Receipts .....</b>          | <b>5,366,646</b>     | <b>3,735,095</b>     | <b>4,038,132</b>     |
| <b>Total Funds Available .....</b>   | <b>\$ 30,710,766</b> | <b>\$ 31,537,325</b> | <b>\$ 32,545,327</b> |
| <b>Disbursements:</b>                |                      |                      |                      |
| Treasury.....                        | \$ 265               | \$ 250               | \$ 300               |
| Benefits and Expenses.....           | 2,908,272            | 3,029,880            | 3,202,619            |
| <b>Total Disbursements .....</b>     | <b>-2,908,537</b>    | <b>-3,030,130</b>    | <b>-3,202,919</b>    |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 27,802,230</b> | <b>\$ 28,507,195</b> | <b>\$ 29,342,408</b> |

# State Gaming Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the State Gaming Fund to receive all licenses fees provided for in the act and 34 percent of the gross terminal revenue (GTR) generated by licensed gaming facilities. These monies are to be distributed annually to various programs as set forth in the act with the remainder being transferred to the Property Tax Relief Fund in order to provide property tax relief as required by Act 1 of Special Session 1 of 2006. Also licensed gaming facilities deposit an additional 4 percent of GTR into the fund for local share distributions where gaming facilities are located.

Act 1 of 2010 expanded gaming in the commonwealth to include table games and required licensed gaming facilities with table games to deposit an additional 2 percent of the gross table games revenue into the fund for local share distributions.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual              | 2014-15<br>Available           | 2015-16<br>Estimated           |
|---|--------------------------------|--------------------------------|--------------------------------|
| <b>Cash Balance, Beginning .....</b>  | <b>\$ 171,805</b>              | <b>\$ 170,505</b>              | <b>\$ 150,993</b>              |
| <b>Receipts:</b>  |                                |                                |                                |
| State Tax Revenue.....  | \$ 796,228                     | \$ 803,674                     | \$ 821,701                     |
| Licensee Deposit Accts.....   | 54,739                         | 56,803                         | 58,126                         |
| Local Share Assessment.....   | 150,684                        | 152,093                        | 155,505                        |
| Interest.....   | 319                            | 322                            | 329                            |
| Other .....   | 11,851                         | 7,100                          | 7,100                          |
| Total Receipts .....  | 1,013,821                      | 1,019,992                      | 1,042,761                      |
| <b>Total Funds Available .....</b>  | <b>\$ 1,185,626</b>            | <b>\$ 1,190,497</b>            | <b>\$ 1,193,754</b>            |
| <b>Disbursements:</b>   |                                |                                |                                |
| Revenue:  |                                |                                |                                |
| Transfer to Compulsive and Problem<br>Gambling Treatment Fund.....                    | \$ 5,242                       | \$ 4,384                       | \$ 4,800                       |
| Transfer to Compulsive and Problem<br>Gambling Treatment Fund - Drug and Alcohol..... | 3,000                          | 3,000                          | 3,000                          |
| Payment in Lieu of Taxes:   |                                |                                |                                |
| Conservation and Natural Resources.....   | 5,100                          | 5,146                          | 5,146                          |
| Fish and Boat Commission.....   | 17                             | 40                             | 40                             |
| Game Commission.....  | 3,549                          | 3,586                          | 3,686                          |
| Emergency Management:   |                                |                                |                                |
| Volunteer Company Grants.....   | 25,000                         | 25,000                         | 25,000                         |
| Gaming Control Board:   |                                |                                |                                |
| Local Law Enforcement Grants.....   | 128                            | 2,000                          | 2,000                          |
| Local Share Assessment Distribution:  |                                |                                |                                |
| Revenue.....  | 117,415                        | 118,513                        | 121,171                        |
| Community and Economic Development.....   | 35,215                         | 35,544                         | 36,342                         |
| Education.....  | 1,230                          | 1,242                          | 1,269                          |
| Transfer to General Fund.....   | 0                              | 8,000                          | 0                              |
| Administrative Appropriations:  |                                |                                |                                |
| Gaming Control Board.....   | 40,571                         | 40,853                         | 40,000                         |
| Revenue .....   | 8,047                          | 11,552                         | 9,513                          |
| State Police.....   | 22,518                         | 23,815                         | 26,973                         |
| Attorney General.....   | 926                            | 1,309                          | 1,192                          |
| Transfer to Property Tax Relief Fund.....   | 747,163                        | 755,520                        | 773,097                        |
| Total Disbursements .....   | -1,015,121                     | -1,039,504                     | -1,053,229                     |
| <b>Cash Balance, Ending .....</b>   | <b>\$ 170,505 <sup>a</sup></b> | <b>\$ 150,993 <sup>a</sup></b> | <b>\$ 140,525 <sup>a</sup></b> |

<sup>a</sup> Ending cash balance includes the following restricted balances: 2013-14 Actual is \$162,153,000, 2014-15 Available is \$145,321,000 and 2015-16 Estimated is \$129,592,000.

## State Insurance Fund

Act 227 of 1915 created this fund which finances expenditures related to the rebuilding, restoring or replacing of buildings, structures, equipment or other property owned by the commonwealth that have been damaged or destroyed by fire or other casualty. This includes natural or man-made disasters. Revenue is derived from interest earned by the fund, interest received from the Fire Insurance Tax Fund and from reimbursements by insurance companies. If needed, money may also be directly appropriated to this fund. Receipts of the fund include reimbursement from the commonwealth's excess insurance policy, which is responsible for damages for any occurrence in excess of \$1 million. This fund satisfies the requirements of the federal government for the Disaster Insurance Program.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 9,463</b>   | <b>\$ 8,278</b>      | <b>\$ 7,309</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Recovered Damages.....               | \$ 0              | \$ 450               | \$ 450               |
| Interest .....                       | 397               | 295                  | 295                  |
| Other .....                          | 0                 | 79                   | 0                    |
| <b>Total Receipts .....</b>          | <b>397</b>        | <b>824</b>           | <b>745</b>           |
| <b>Total Funds Available .....</b>   | <b>\$ 9,860</b>   | <b>\$ 9,102</b>      | <b>\$ 8,054</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| General Services.....                | \$ 1,582          | \$ 1,793             | \$ 1,800             |
| <b>Total Disbursements .....</b>     | <b>-1,582</b>     | <b>-1,793</b>        | <b>-1,800</b>        |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 8,278</b>   | <b>\$ 7,309</b>      | <b>\$ 6,254</b>      |

## State Restaurant Fund

This fund was created by Act 259 of 1943 to finance the purchase and maintenance of equipment for the operation of the restaurant in the State Capitol as well as any other restaurants in other State Office Buildings. At present, the Capitol East Wing Cafeteria is the only restaurant operated through this fund. Revenue is derived from profit-sharing with the contracted vendor.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 1,056</b>   | <b>\$ 1,024</b>      | <b>\$ 964</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Revenue from Operations.....         | \$ 23             | \$ 35                | \$ 48                |
| Interest.....                        | 3                 | 2                    | 2                    |
| <b>Total Receipts .....</b>          | <b>26</b>         | <b>37</b>            | <b>50</b>            |
| <b>Total Funds Available .....</b>   | <b>\$ 1,082</b>   | <b>\$ 1,061</b>      | <b>\$ 1,014</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| General Services.....                | \$ 58             | \$ 97                | \$ 60                |
| <b>Total Disbursements .....</b>     | <b>-58</b>        | <b>-97</b>           | <b>-60</b>           |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 1,024</b>   | <b>\$ 964</b>        | <b>\$ 954</b>        |

# State School Fund

This fund was established in 1911 and is funded primarily by the sale of escheated estates and other nonpublic real estate and interest earnings of the Sinking Fund. Changes in the escheat law and lack of interest earnings from the Sinking Fund or investment of monies in the State School Fund have resulted in a low revenue level. The fund is active in only a limited sense.

The original purpose of the fund was to equalize educational advantages across the commonwealth; to provide advancements to school districts temporarily in need of aid; and to promote education in the conservation of natural resources, forestry, agriculture and other industrial pursuits. The law was amended in 1960 to change the purpose of the fund to equalization of educational opportunities, and to pay part of the cost of repair or alteration of local public school or state college buildings when required to satisfy requirements of the Department of Labor and Industry or other relevant governmental agencies. Currently, the State Board of Education periodically uses the interest earned to fund research and small projects.

Expenditures from the fund are made at the direction of the State Board of Education.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 665</b>     | <b>\$ 661</b>        | <b>\$ 662</b>        |
| <b>Receipts:</b>                     |                   |                      |                      |
| Interest.....                        | \$ 1              | \$ 1                 | \$ 1                 |
| Total Receipts .....                 | 1                 | 1                    | 1                    |
| <b>Total Funds Available .....</b>   | <b>\$ 666</b>     | <b>\$ 662</b>        | <b>\$ 663</b>        |
| <b>Disbursements:</b>                |                   |                      |                      |
| Education.....                       | \$ 5              | \$ 0                 | \$ 0                 |
| Total Disbursements .....            | -5                | 0                    | 0                    |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 661</b>     | <b>\$ 662</b>        | <b>\$ 663</b>        |

# State Stores Fund

The State Stores Fund serves as the general operating fund for the Liquor Control Board. The Pennsylvania State Police also receive funds for the enforcement of the Liquor Code. Prior to 2012-13, the Department of Health received funds for alcohol abuse programs. Act 50 of 2010 created the Department of Drug and Alcohol Programs and requires that all drug and alcohol funding previously allocated to the Department of Health be transferred to the Department of Drug and Alcohol Programs.

This fund receives revenues from the sale of goods in State Liquor Stores, fees not credited to the Liquor License Fund, fines and penalties, losses and damages recovered, and loans from the General Fund to provide working capital. Expenditures cover all costs associated with the operation and administration of the Liquor Store System and enforcement of the Liquor Code. Surplus funds are transferred to the General Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Estimated |
|---|---------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>                | <b>\$ -1,193</b>    | <b>\$ 40,072</b>     | <b>\$ 39,783</b>     |
| <b>Receipts:</b>                                    |                     |                      |                      |
| Fees, Fines and Penalties.....                      | \$ 14,138           | \$ 14,150            | \$ 14,150            |
| Sale of Goods.....                                  | 1,817,774           | 1,885,032            | 1,954,778            |
| Liquor Sales Taxes.....                             | 454,062             | 470,862              | 488,284              |
| Recovered Losses and Damages.....                   | 2,298               | 2,358                | 2,355                |
| Other.....  | 45                  | 0                    | 0                    |
| Interest.....                                       | 420                 | 319                  | 319                  |
| <b>Total Receipts .....</b>                         | <b>2,288,737</b>    | <b>2,372,721</b>     | <b>2,459,886</b>     |
| <b>Total Funds Available .....</b>                  | <b>\$ 2,287,544</b> | <b>\$ 2,412,793</b>  | <b>\$ 2,499,669</b>  |
| <b>Disbursements:</b>                               |                     |                      |                      |
| Drug and Alcohol Programs.....                      | \$ 2,567            | \$ 2,474             | \$ 2,500             |
| Liquor Control Board .....                          | 1,685,896           | 1,791,664            | 1,851,231            |
| State Police.....                                   | 24,947              | 28,010               | 29,497               |
| Transfer of Liquor Sales Taxes to General Fund..... | 454,062             | 470,862              | 488,284              |
| Transfer of Profits to General Fund.....            | 80,000              | 80,000               | 80,000               |
| <b>Total Disbursements .....</b>                    | <b>-2,247,472</b>   | <b>-2,373,010</b>    | <b>-2,451,512</b>    |
| <b>Cash Balance, Ending .....</b>                   | <b>\$ 40,072</b>    | <b>\$ 39,783</b>     | <b>\$ 48,157</b>     |

# State Treasury Armory Fund

Created in accordance with Act 92 of 1975, the State Treasury Armory Fund receives monies derived from the sale of any armory building, armory site or other real estate. Funds are expended solely for the purchase of equipment, furniture and fixtures or for the construction of new armories in the commonwealth.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 1,799</b>   | <b>\$ 2,729</b>      | <b>\$ 4,360</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Armory Rentals.....                  | \$ 325            | \$ 300               | \$ 300               |
| Sale of Armories and Land.....       | 1,717             | 2,770                | 925                  |
| Interest.....                        | 5                 | 3                    | 3                    |
| Other.....                           | 3                 | 58                   | 7                    |
| <b>Total Receipts .....</b>          | <b>2,050</b>      | <b>3,131</b>         | <b>1,235</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 3,849</b>   | <b>\$ 5,860</b>      | <b>\$ 5,595</b>      |
| <b>Disbursements:</b>                |                   |                      |                      |
| Military and Veterans Affairs.....   | \$ 1,120          | \$ 1,500             | \$ 1,500             |
| <b>Total Disbursements .....</b>     | <b>-1,120</b>     | <b>-1,500</b>        | <b>-1,500</b>        |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 2,729</b>   | <b>\$ 4,360</b>      | <b>\$ 4,095</b>      |

# State Workers' Insurance Fund

The State Workers' Insurance Fund (SWIF) was created by Act 338 of 1915 and operates within the Department of Labor and Industry. It is a self-sustaining fund providing workers' compensation insurance to employers, including those refused policies by private insurance firms. SWIF is subject to underwriting rules, classification and rates promulgated by rating bureaus authorized by the State Insurance Commissioner. Premium rates are established by them based on the history of accidents by industry. Administrative costs are paid from the fund including expenses related to Insurance Department and Auditor General examinations.

Act 68 of 1990 provides for the transfer of money from SWIF. Annual payments are made to the General Fund equal to the amount which would have been paid in taxes had SWIF been subject to taxes. The act also established an Advisory Council to recommend the amount of surplus in SWIF, if any, that could be distributed without jeopardizing its legal obligations to policy holders. If such a surplus exists, the SWIF Board may then recommend distribution of the surplus as refunds to current or former policyholders. The funds recommended by the board to be transferred or refunded to policyholders must be approved and appropriated by the General Assembly.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Estimated |
|--|---------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>     | <b>\$ 1,507,787</b> | <b>\$ 1,490,978</b>  | <b>\$ 1,459,003</b>  |
| <b>Receipts:</b>                         |                     |                      |                      |
| Premiums.....                            | \$ 223,853          | \$ 240,000           | \$ 240,000           |
| Interest.....                            | 52,942              | 53,000               | 54,000               |
| Net Investment Adjustment.....           | -4,700              | 5,700                | 5,700                |
| Other.....                               | 4,377               | 5,600                | 5,600                |
| <b>Total Receipts .....</b>              | <b>276,472</b>      | <b>304,300</b>       | <b>305,300</b>       |
| <b>Total Funds Available .....</b>       | <b>\$ 1,784,259</b> | <b>\$ 1,795,278</b>  | <b>\$ 1,764,303</b>  |
| <b>Disbursements:</b>                    |                     |                      |                      |
| Labor and Industry.....                  | \$ 288,828          | \$ 331,475           | \$ 331,475           |
| Premium Tax Payment to General Fund..... | 4,453               | 4,800                | 4,800                |
| <b>Total Disbursements .....</b>         | <b>-293,281</b>     | <b>-336,275</b>      | <b>-336,275</b>      |
| <b>Cash Balance, Ending .....</b>        | <b>\$ 1,490,978</b> | <b>\$ 1,459,003</b>  | <b>\$ 1,428,028</b>  |

## Storage Tank Fund

This fund was created by Act 32 of 1989 for the operation of an aboveground and underground storage tank regulation, registration and enforcement program. Revenues to the fund consist of registration and permit fees, fines, judgements, bond forfeitures, interest and recovered costs. Expenditures include the remediation of leaking underground storage tanks.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 9,324</b>   | <b>\$ 8,133</b>      | <b>\$ 3,693</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Registration Fees.....               | \$ 3,186          | \$ 3,110             | \$ 3,110             |
| Federal Funds - EPA.....             | 3,552             | 4,740                | 4,740                |
| Fines and Penalties.....             | 391               | 550                  | 550                  |
| Interest.....                        | 22                | 11                   | 11                   |
| Other.....                           | 3,439             | 2,644                | 2,642                |
| <b>Total Receipts .....</b>          | <b>10,590</b>     | <b>11,055</b>        | <b>11,053</b>        |
| <b>Total Funds Available .....</b>   | <b>\$ 19,914</b>  | <b>\$ 19,188</b>     | <b>\$ 14,746</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Environmental Protection.....        | \$ 11,781         | \$ 15,495            | \$ 14,510            |
| <b>Total Disbursements .....</b>     | <b>-11,781</b>    | <b>-15,495</b>       | <b>-14,510</b>       |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 8,133</b>   | <b>\$ 3,693</b>      | <b>\$ 236</b>        |

## Substance Abuse Education and Demand Reduction Fund

This fund was created by Act 198 of 2002 and amended by Act 36 of 2006. The purpose of the fund is to provide research-based approaches to prevention, intervention, training, treatment and education services to reduce substance abuse and to offer statewide programs to assist families in accessing those services. The fund also provides for statewide programs to educate employers, unions and employees about the dangers of substance abuse in the workplace and provide comprehensive drug-free workplace programs and technical resources for businesses. Revenue to the fund consists of assessments on individuals convicted, adjudicated delinquent or granted accelerated rehabilitative disposition and also those individuals who plead guilty or nolo contendere to either a violation of the Controlled Substance, Drug, Device and Cosmetic Act or a violation relating to driving under the influence of alcohol or controlled substance.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                     | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|-------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning.....</b> | <b>\$ 14,039</b>  | <b>\$ 12,748</b>     | <b>\$ 8,058</b>      |
| <b>Receipts:</b>                    |                   |                      |                      |
| Assessments.....                    | \$ 3,358          | \$ 3,400             | \$ 3,400             |
| Interest.....                       | 209               | 210                  | 210                  |
| <b>Total Receipts.....</b>          | <b>3,567</b>      | <b>3,610</b>         | <b>3,610</b>         |
| <b>Total Funds Available .....</b>  | <b>\$ 17,606</b>  | <b>\$ 16,358</b>     | <b>\$ 11,668</b>     |
| <b>Disbursements:</b>               |                   |                      |                      |
| Executive Offices.....              | \$ 4,187          | \$ 8,000             | \$ 8,000             |
| Attorney General.....               | 671               | 300                  | 300                  |
| <b>Total Disbursements.....</b>     | <b>-4,858</b>     | <b>-8,300</b>        | <b>-8,300</b>        |
| <b>Cash Balance, Ending .....</b>   | <b>\$ 12,748</b>  | <b>\$ 8,058</b>      | <b>\$ 3,368</b>      |

# Surface Mining Conservation and Reclamation Fund

This fund was created in 1945 to finance reclamation projects on land scarred by surface mining. Projects include recontouring, terracing and planting of trees, shrubs and grasses. Revenues are provided by charging surface mining operators for licenses and permits and by fining them for failure to apply for the licenses and permits as well as by forfeiture of collateral bonds, cash or securities for failure to comply with an approved reclamation plan. Act 95 of 2012 required sum-certain guarantees to cover stage III reclamation liability under a permittee's reclamation bond, to the extent funds are available.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 66,053</b>  | <b>\$ 64,866</b>     | <b>\$ 60,107</b>     |
| <b>Receipts:</b>                     |                   |                      |                      |
| Licenses and Fees.....               | \$ 282            | \$ 287               | \$ 287               |
| Fines and Penalties.....             | 301               | 370                  | 370                  |
| Interest.....                        | 1,497             | 1,534                | 1,534                |
| Forfeiture of Bonds.....             | 362               | 0                    | 0                    |
| Other.....                           | 1,348             | 488                  | -417                 |
| <b>Total Receipts .....</b>          | <b>3,790</b>      | <b>2,679</b>         | <b>1,774</b>         |
| <b>Total Funds Available .....</b>   | <b>\$ 69,843</b>  | <b>\$ 67,545</b>     | <b>\$ 61,881</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Environmental Protection.....        | \$ 4,977          | \$ 7,438             | \$ 7,348             |
| <b>Total Disbursements .....</b>     | <b>-4,977</b>     | <b>-7,438</b>        | <b>-7,348</b>        |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 64,866</b>  | <b>\$ 60,107</b>     | <b>\$ 54,533</b>     |

# Tax Note Sinking Fund

Monies in this fund are used solely for the payment of principal and interest on tax anticipation notes issued for the General Fund or the Motor License Fund. Repayment of tax anticipation notes must be accomplished before the end of the fiscal year in which the notes were issued.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 83</b>      | <b>\$ 83</b>         | <b>\$ 83</b>         |
| <b>Receipts:</b>                     |                   |                      |                      |
| Payment from General Fund.....       | \$ 0              | \$ 0                 | \$ 2,000,000         |
| <b>Total Receipts .....</b>          | <b>0</b>          | <b>0</b>             | <b>2,000,000</b>     |
| <b>Total Funds Available .....</b>   | <b>\$ 83</b>      | <b>\$ 83</b>         | <b>\$ 2,000,083</b>  |
| <b>Disbursements:</b>                |                   |                      |                      |
| Treasury.....                        | \$ 0              | \$ 0                 | \$ 2,000,000         |
| <b>Total Disbursements .....</b>     | <b>0</b>          | <b>0</b>             | <b>-2,000,000</b>    |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 83</b>      | <b>\$ 83</b>         | <b>\$ 83</b>         |



# Tobacco Settlement Fund

The Tobacco Settlement Fund is a special revenue fund comprised of monies from all tobacco settlements under the Tobacco Master Settlement Agreement. Act 77 of 2001 created the Tobacco Settlement Fund (TSF) to receive the revenues from the Master Settlement Agreement that was reached with the five major tobacco companies on December 17, 1999. The TSF was established to provide funding for health care insurance for the uninsured, home and community-based services for seniors, tobacco use prevention and cessation, broad-based health research, medical care for workers with disabilities, hospital uncompensated care and an endowment component to preserve a portion of the receipts for future use. Since 2005-06, a portion of the tobacco revenue has been used to offset the escalating cost of long-term care services for persons with disabilities and older Pennsylvanians.

In September 2013, an arbitration panel hearing the non-participating manufacturer (NPM) adjustment dispute with respect to MSA payments received in 2004 issued a decision adverse to the commonwealth. The Attorney General challenged the decision and due to Pennsylvania's Court Order the 2013 MSA assessment has been recalculated. Act 126 of 2014 reappropriates the Master Settlement Agreement (MSA) funds received in April 2013 as follows: 13 percent for home and community-based services, 2.93 percent for tobacco use prevention and cessation activities, 6.8 percent for health and related research, 4.09 percent for uncompensated care, 30 percent for Medicaid benefits for workers with disabilities and 43.18 percent for health-related purposes. Several of the revised 2013-14 appropriations have been placed in budgetary reserve pending the receipt of additional funds from the 2013 MSA payment.

In 2014-15, Act 126 of 2014 appropriates the Master Settlement Agreement (MSA) funds to be received in April 2015 as follows: 13 percent for home and community-based services, 4.5 percent for tobacco use prevention and cessation activities, 13.6 percent for health and related research, 8.18 percent for uncompensated care, 15.12 percent for Medicaid benefits for workers with disabilities and 45.6 percent for health-related purposes. In addition, the annual strategic contribution payment was appropriated for health-related purposes. This budget reflects revised 2014-15 appropriations based on a lower April 2015 MSA payment.

This budget proposes to allocate funds for 2015-16 based on the anticipated April 2016 MSA payment. The distribution of funds is 30 percent for Medicaid benefits for workers with disabilities, 13.6 percent for health and related research, 13 percent for home and community-based services, 4.5 percent for tobacco use prevention and cessation, 8.18 percent for uncompensated care and 30.72 percent for health-related purposes. In addition, the annual strategic payment is recommended to be appropriated for health-related purposes.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>                        | <b>\$ 367,138</b> | <b>\$ 348,282</b>    | <b>\$ 20,679</b>     |
| <b>Receipts:</b>  |                   |                      |                      |
| Gross Settlements.....                                      | \$ 212,300        | \$ 322,327           | \$ 292,250           |
| Strategic Contributions.....                                | 20,992            | 20,789               | 19,829               |
| Federal Receipts.....                                       | 187,089           | 140,879              | 161,924              |
| Interest.....   | 21                | 170                  | 100                  |
| Net Investment Adjustment.....                              | 15,878            | 0                    | 0                    |
| <b>Total Receipts .....</b>                                 | <b>436,280</b>    | <b>484,165</b>       | <b>474,103</b>       |
| <b>Total Funds Available .....</b>                          | <b>\$ 803,418</b> | <b>\$ 832,447</b>    | <b>\$ 494,782</b>    |
| <b>Disbursements:</b>                                       |                   |                      |                      |
| Executive Offices:  |                   |                      |                      |
| Transfer to Public School Employees Retirement System.....  | \$ 0              | \$ 225,000           | \$ 0                 |
| Aging:  |                   |                      |                      |
| Home and Community-Based Services (EA).....                 | -96               | -328                 | 0                    |
| (F)Medical Assistance-Community Services (EA).....          | -72               | -23                  | 0                    |
| Community and Economic Development:                         |                   |                      |                      |
| Tobacco Settlement Investment Board.....                    | 224               | 281                  | 0                    |
| Life Science Greenhouses.....                               | 0                 | 3,966                | 3,000                |
| Health:   |                   |                      |                      |
| Tobacco Use Prevention and Cessation (EA).....              | 10,953            | 16,196               | 13,151               |
| Health Research - Health Priorities (EA).....               | -67               | 57,376               | 36,823               |
| Health Research - National Cancer Institute (EA).....       | 0                 | 4,652                | 2,922                |
| Human Services:   |                   |                      |                      |
| Medical Care for Workers with Disabilities (EA).....        | 94,892            | 46,468               | 87,675               |
| (F)Medical Assistance - Workers with Disabilities (EA)..... | 110,107           | 51,351               | 94,839               |
| Uncompensated Care (EA).....                                | 24,694            | 38,396               | 23,906               |
| (F)Medical Assistance - Uncompensated Care (EA).....        | 30,690            | 41,913               | 25,909               |
| Home and Community - Based Services (EA).....               | 41,057            | 39,953               | 37,993               |
| (F)Medical Assistance - Community Services (EA).....        | 47,638            | 47,638               | 41,176               |
| Medical Assistance - Long-Term Care.....                    | 95,116            | 238,929              | 106,609              |
| <b>Total Disbursements .....</b>                            | <b>-455,136</b>   | <b>-811,768</b>      | <b>-474,003</b>      |
| <b>Cash Balance, Ending .....</b>                           | <b>\$ 348,282</b> | <b>\$ 20,679</b>     | <b>\$ 20,779</b>     |

# Treasury Initiative Support Fund

The Treasury Initiative Support Fund was created in 2009 to account for funding received in support of Treasury initiatives and to track spending as required by the various funding agreements. Treasury established the Keystone Home Energy Loan Program (HELP) in 2006 to offer affordable energy efficiency financing options to homeowners. These consumer loans are bundled and purchased as an investment into a Treasury investment pool. This program received funding to administer components of the Alternate Energy Investment Act of July 9, 2008, Special Session 1. It has also received funding to support the HELP loans, including funds for a geothermal energy component. Support received to assist a Micro Lending investment program is also included in this fund. In addition, Treasury has received independent foundation grants to develop a nationwide market to support the sale of energy efficiency loans and to make investments that promote energy efficiency improvements on college and university campuses in Pennsylvania.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                     | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|-------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning.....</b> | <b>\$ 14,914</b>  | <b>\$ 8,581</b>      | <b>\$ 1,382</b>      |
| <b>Receipts:</b>                    |                   |                      |                      |
| Program Funding.....                | \$ 343            | \$ 150               | \$ 147               |
| Interest.....                       | 549               | 27                   | 26                   |
| Total Receipts .....                | 892               | 177                  | 173                  |
| <b>Total Funds Available .....</b>  | <b>\$ 15,806</b>  | <b>\$ 8,758</b>      | <b>\$ 1,555</b>      |
| <b>Disbursements:</b>               |                   |                      |                      |
| Treasury.....                       | \$ 7,225          | \$ 7,376             | \$ 1,555             |
| Total Disbursements.....            | -7,225            | -7,376               | -1,555               |
| <b>Cash Balance, Ending .....</b>   | <b>\$ 8,581</b>   | <b>\$ 1,382</b>      | <b>\$ 0</b>          |

# Tuition Account Guaranteed Savings Program Fund

Act 11 of 1992, amended by Act 58 of 2000, provided for the establishment of two programs for postsecondary educational savings. Both programs are administered by the Tuition Account Programs Bureau within the Treasury Department with oversight by the Tuition Account Programs (TAP) Advisory Board. This fund offers a guaranteed rate of return tied to tuition inflation. Revenue is derived primarily from application fees, Tuition Account Guaranteed Savings Program contracts and investment income. Fund expenditures consist mainly of payments to educational institutions for tuition and administrative costs.

The ending fund balance shown in the statement includes substantial investment assets. The net investment adjustment receipt item is included to reflect the carrying value of long-term investments as of June 30. The Long-Term Investments (outside of Treasury) disbursement represents cash for investments purchased through various TAP fund investment managers.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|---------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 1,516,126</b> | <b>\$ 1,688,058</b>  | <b>\$ 1,873,260</b>  |
| <b>Receipts:</b>                     |                     |                      |                      |
| Application Fees .....               | \$ 1,372            | \$ 1,841             | \$ 1,399             |
| Tuition Unit Purchases.....          | 190,215             | 148,059              | 194,019              |
| Investment Earnings.....             | 22,590              | 26,300               | 23,042               |
| Net Investment Adjustment.....       | 173,016             | 227,538              | 245,741              |
| Other.....                           | 2,335               | 3,309                | 2,382                |
| <b>Total Receipts .....</b>          | <b>389,528</b>      | <b>407,047</b>       | <b>466,583</b>       |
| <b>Total Funds Available .....</b>   | <b>\$ 1,905,654</b> | <b>\$ 2,095,105</b>  | <b>\$ 2,339,843</b>  |
| <b>Disbursements:</b>                |                     |                      |                      |
| Treasury.....                        | \$ 217,596          | \$ 221,845           | \$ 224,948           |
| <b>Total Disbursements .....</b>     | <b>-217,596</b>     | <b>-221,845</b>      | <b>-224,948</b>      |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 1,688,058</b> | <b>\$ 1,873,260</b>  | <b>\$ 2,114,895</b>  |

# Tuition Account Investment Program Fund

Act 11 of 1992, amended by Act 58 of 2000, provided for the establishment of two programs for postsecondary educational savings. Both programs are administered by the Tuition Account Programs Bureau within the Treasury Department with oversight by the Tuition Account Programs Advisory Board. The Tuition Account Investment Program, launched in July 2002, provides market-based investment returns and offers participants several investment options based on age, investment risk or socially responsible investments comprising a mix of equity and fixed income portfolios. Fund revenue is derived primarily from Tuition Account Investment Program contracts and investment income. Fund expenditures consist mainly of redemption of program contracts.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is included to reflect the carrying value of long-term investments as of June 30.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|---------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 2,698,966</b> | <b>\$ 4,383,470</b>  | <b>\$ 6,411,995</b>  |
| <b>Receipts:</b>                     |                     |                      |                      |
| Tuition Investment Purchases.....    | \$ 67,476           | \$ 66,307            | \$ 68,826            |
| Net Investment Adjustment.....       | 1,685,425           | 2,031,400            | 2,193,907            |
| <b>Total Receipts .....</b>          | <b>1,752,901</b>    | <b>2,097,707</b>     | <b>2,262,733</b>     |
| <b>Total Funds Available .....</b>   | <b>\$ 4,451,867</b> | <b>\$ 6,481,177</b>  | <b>\$ 8,674,728</b>  |
| <b>Disbursements:</b>                |                     |                      |                      |
| Treasury.....                        | \$ 68,397           | \$ 69,182            | \$ 69,765            |
| <b>Total Disbursements .....</b>     | <b>-68,397</b>      | <b>-69,182</b>       | <b>-69,765</b>       |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 4,383,470</b> | <b>\$ 6,411,995</b>  | <b>\$ 8,604,963</b>  |

# Unconventional Gas Well Fund

This fund was created by Act 13 of 2012 to provide for the collection and distribution of unconventional gas well impact fees. The fee revenue will be used by Commonwealth agencies for monitoring and oversight of unconventional gas wells, emergency responder training, and for rail freight assistance projects. Distributions will also be made to county conservation districts and to host counties and municipalities. Receipts deposited into the Unconventional Gas Well Fund are derived from an impact fee assessed to drillers of natural gas wells in the Marcellus Shale regions of the Commonwealth. The fee is assessed per gas well and may be adjusted based on the number of wells and changes in the Consumer Price Index for all urban consumers in the Pennsylvania, New Jersey, Delaware, and Maryland area.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>  | <b>\$ 11,099</b>  | <b>\$ 14,652</b>     | <b>\$ 343</b>        |
| <b>Receipts:</b>  |                   |                      |                      |
| Impact Fee Revenues.....  | \$ 225,844        | \$ 201,300           | \$ 201,300           |
| Interest.....   | 93                | 43                   | 43                   |
| Total Receipts .....  | 225,937           | 201,343              | 201,343              |
| <b>Total Funds Available .....</b>  | <b>\$ 237,036</b> | <b>\$ 215,995</b>    | <b>\$ 201,686</b>    |
| <b>Disbursements:</b>   |                   |                      |                      |
| Public Utility Commission.....  | \$ 117,561        | \$ 111,649           | \$ 109,692           |
| Emergency Management.....   | 374               | 5,469                | 1,500                |
| Environmental Protection.....   | 6,000             | 6,000                | 6,000                |
| Fish and Boat Commission.....   | 949               | 2,230                | 1,000                |
| Transportation.....   | 432               | 3,568                | 1,000                |
| Transfer to Conservation District Fund.....                                   | 3,750             | 3,844                | 3,940                |
| Transfer to Marcellus Legacy Fund - DEP.....                                  | 2,500             | 0                    | 0                    |
| Transfer to Marcellus Legacy Fund.....  | 82,101            | 73,245               | 73,168               |
| Transfer to Housing Affordability and Rehabilitation<br>Enhancement Fund..... | 8,717             | 9,647                | 5,000                |
| Total Disbursements .....   | -222,384          | -215,652             | -201,300             |
| <b>Cash Balance, Ending .....</b>   | <b>\$ 14,652</b>  | <b>\$ 343</b>        | <b>\$ 386</b>        |

# Underground Storage Tank Indemnification Fund

The Storage Tank and Spill Prevention Act, Act 32 of 1989, as amended, established the Underground Storage Tank Indemnification Fund to administer a program to provide claim payments to owners and operators of underground storage tanks who incur liability for taking corrective action or for bodily injury or property damage caused by a release from underground storage tanks. Expenses for administration of the fund are also covered. The fund is administered by the Insurance Department in conjunction with a nine member Underground Storage Tank Indemnification Board.

Act 13 of 1998 established a new loan program to assist owners of regulated underground storage tanks to upgrade their underground storage tank systems to meet federal Environmental Protection Agency upgrade requirements or to remove them from service. Act 100 of 2000 expanded the upgrade loan program to include the removal of underground storage tanks. The act also established an environmental cleanup program and a pollution prevention program that are administered by the Department of Environmental Protection. A loan of \$100 million was made to the General Fund on October 15, 2002 in accordance with Act 91 of 2002. Act 74 of 2012 extended authority for the Underground Storage Tank Environmental Cleanup Program and the Underground Storage Tank Pollution Prevention Program until June 30, 2017. Act 72 of 2013 changed the repayment of the \$100 million loan to the General Fund to before July 1, 2029. As of 2013-14, \$32.5 million of the \$100 million loan has been

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>     | <b>\$ 163,299</b> | <b>\$ 185,972</b>    | <b>\$ 177,613</b>    |
| <b>Receipts:</b>                         |                   |                      |                      |
| Gallon Fee .....                         | \$ 55,571         | \$ 54,000            | \$ 54,000            |
| Tank Capacity Fee .....                  | 6,439             | 6,000                | 6,000                |
| Investment Income .....                  | 4,449             | 460                  | 460                  |
| Net Investment Adjustment .....          | 9,284             | 0                    | 0                    |
| Loan Repayments .....                    | 2                 | 0                    | 0                    |
| Loan Repayments from General Fund.....   | 0                 | 0                    | 7,000                |
| Other.....                               | 425               | 6,300                | 500                  |
| <b>Total Receipts .....</b>              | <b>76,170</b>     | <b>66,760</b>        | <b>67,960</b>        |
| <b>Total Funds Available .....</b>       | <b>\$ 239,469</b> | <b>\$ 252,732</b>    | <b>\$ 245,573</b>    |
| <b>Disbursements:</b>                    |                   |                      |                      |
| Community and Economic Development ..... | \$ 1              | \$ 0                 | \$ 0                 |
| Environmental Protection .....           | 3,034             | 12,362               | 11,497               |
| Insurance .....                          | 50,462            | 62,757               | 62,041               |
| <b>Total Disbursements .....</b>         | <b>-53,497</b>    | <b>-75,119</b>       | <b>-73,538</b>       |
| <b>Cash Balance, Ending .....</b>        | <b>\$ 185,972</b> | <b>\$ 177,613</b>    | <b>\$ 172,035</b>    |

# Unemployment Compensation Benefit Payment Fund

Employers' and employees' contributions under the Unemployment Compensation Law are credited to the commonwealth's account in the Federal Unemployment Trust Fund. Requisitions of money from the Trust Fund for the payment of unemployment compensation benefits to eligible individuals are the revenue for the Unemployment Compensation Benefit Payment Fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Estimated |
|--|---------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>           | <b>\$ 0</b>         | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Receipts:</b>                               |                     |                      |                      |
| Regular Unemployment Compensation Program..... | \$ 2,543,187        | \$ 2,310,000         | \$ 2,278,000         |
| Other.....                                     | 679,781             | 68,000               | 67,000               |
| Total Receipts .....                           | 3,222,968           | 2,378,000            | 2,345,000            |
| <b>Total Funds Available .....</b>             | <b>\$ 3,222,968</b> | <b>\$ 2,378,000</b>  | <b>\$ 2,345,000</b>  |
| <b>Disbursements:</b>                          |                     |                      |                      |
| Labor and Industry.....                        | \$ 3,222,968        | \$ 2,378,000         | \$ 2,345,000         |
| Total Disbursements .....                      | -3,222,968          | -2,378,000           | -2,345,000           |
| <b>Cash Balance, Ending .....</b>              | <b>\$ 0</b>         | <b>\$ 0</b>          | <b>\$ 0</b>          |

# Unemployment Compensation Contribution Fund

This fund was created to hold monies collected from employers under the Unemployment Compensation Law and, except for refunds of collections or transfers to the Special Administration Fund, are transferred to the United States Treasury for credit to the commonwealth's account in the Federal Unemployment Trust Fund established under Section 904 of the Social Security Act.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual   | 2014-15<br>Available | 2015-16<br>Estimated |
|---|---------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>            | <b>\$ 368</b>       | <b>\$ -36,248</b>    | <b>\$ 0</b>          |
| <b>Receipts:</b>                                |                     |                      |                      |
| Contributions from Employers and Employees..... | \$ 2,555,620        | \$ 2,706,800         | \$ 2,818,200         |
| Other.....                                      | 49,211              | 40,000               | 40,000               |
| Total Receipts .....                            | 2,604,831           | 2,746,800            | 2,858,200            |
| <b>Total Funds Available .....</b>              | <b>\$ 2,605,199</b> | <b>\$ 2,710,552</b>  | <b>\$ 2,858,200</b>  |
| <b>Disbursements:</b>                           |                     |                      |                      |
| Labor and Industry.....                         | \$ 2,641,447        | \$ 2,710,552         | \$ 2,858,200         |
| Total Disbursements .....                       | -2,641,447          | -2,710,552           | -2,858,200           |
| <b>Cash Balance, Ending .....</b>               | <b>\$ -36,248</b>   | <b>\$ 0</b>          | <b>\$ 0</b>          |

# Unemployment Compensation Debt Service Fund

This fund was created in accordance with the Unemployment Compensation Law. The fund is administered by the Department of Labor and Industry and was originally used for the collection and repayment of interest on loans from the federal government to the Commonwealth's account in the Unemployment Compensation Trust Fund.

Act 60 of 2012, the Commonwealth's UC Reform Legislation, allowed for the issuance of bonds to repay the state's Unemployment Compensation debt to the federal government. The name of the fund was changed to the Debt Service Fund and its purpose was expanded to process payments for bond obligations and administrative expenses, payment of annual interest on federal loans, workforce investment and infrastructure improvements, and once debt levels are reduced to established thresholds, payment or transfer to the Unemployment Compensation Trust Fund for payment of unemployment compensation to individuals.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 1,612</b>   | <b>\$ 1,668</b>      | <b>\$ 0</b>          |
| <b>Receipts:</b>                     |                   |                      |                      |
| Contributions from Employers.....    | \$ 440,986        | \$ 469,000           | \$ 489,000           |
| Total Receipts .....                 | 440,986           | 469,000              | 489,000              |
| <b>Total Funds Available .....</b>   | <b>\$ 442,598</b> | <b>\$ 470,668</b>    | <b>\$ 489,000</b>    |
| <b>Disbursements:</b>                |                   |                      |                      |
| Labor and Industry.....              | \$ 440,930        | \$ 470,668           | \$ 489,000           |
| Total Disbursements .....            | -440,930          | -470,668             | -489,000             |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 1,668</b>   | <b>\$ 0</b>          | <b>\$ 0</b>          |

# Uninsured Employers Guaranty Fund

This fund was created by Act 147 of 2006, amending the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claimants, or their dependents, workers' compensation benefits where the employer liable for the payments failed to insure or self-insure its workers' compensation liability at the time the injuries took place. Funding will then be maintained by assessments on insurers and self-insured employers. Assessments are limited to 0.1% of the total compensation paid by all insurers or self-insured employers during the previous calendar year. The department is preparing a proposal to request legislative action to generate additional revenues for the Fund. This budget proposes a transfer from the Workmen's Compensation Administration Fund in 2015-16.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>                 | <b>\$ 1,577</b>   | <b>\$ 487</b>        | <b>\$ 0</b>          |
| <b>Receipts:</b>                                     |                   |                      |                      |
| Assessments/Self-Insurer's Security.....             | \$ 4,755          | \$ 5,069             | \$ 5,375             |
| Transfer from Workmen's Compensation Admin Fund..... | 0                 | 0                    | 5,000                |
| Interest.....  | 8                 | 1                    | 1                    |
| Total Receipts .....                                 | 4,763             | 5,070                | 10,376               |
| <b>Total Funds Available .....</b>                   | <b>\$ 6,340</b>   | <b>\$ 5,557</b>      | <b>\$ 10,376</b>     |
| <b>Disbursements:</b>                                |                   |                      |                      |
| Labor and Industry.....                              | \$ 5,853          | \$ 5,557             | \$ 8,342             |
| Total Disbursements .....                            | -5,853            | -5,557               | -8,342               |
| <b>Cash Balance, Ending .....</b>                    | <b>\$ 487</b>     | <b>\$ 0</b>          | <b>\$ 2,034</b>      |

# Veterans Trust Fund

The Veterans Trust Fund was established by Act 87 of 2012. The fund is administered by the Department of Military and Veterans Affairs and consists of proceeds paid by the Department of Transportation relating to special plates for veterans and \$3 check-offs on drivers' license and motor vehicle registration applications, as well as grants, gifts, donations and other payments from an individual or governmental entity. The purpose of this fund is to provide grants for programs or projects supporting Pennsylvania veterans and their families.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>                          | <b>\$ 1,074</b>   | <b>\$ 1,421</b>      | <b>\$ 1,098</b>      |
| <b>Receipts:</b>  |                   |                      |                      |
| Contributions - Plates, Drivers License and Registration..... | \$ 919            | \$ 1,415             | \$ 1,415             |
| Interest.....   | 2                 | 2                    | 2                    |
| Total Receipts .....  | 921               | 1,417                | 1,417                |
| <b>Total Funds Available .....</b>                            | <b>\$ 1,995</b>   | <b>\$ 2,838</b>      | <b>\$ 2,515</b>      |
| <b>Disbursements:</b>   |                   |                      |                      |
| Military and Veterans Affairs:                                |                   |                      |                      |
| Veterans Service Organizations.....                           | \$ 58             | \$ 0                 | \$ 0                 |
| Grants and Assistance.....                                    | 516               | 1,740                | 1,600                |
| Total Disbursements .....                                     | -574              | -1,740               | -1,600               |
| <b>Cash Balance, Ending .....</b>                             | <b>\$ 1,421</b>   | <b>\$ 1,098</b>      | <b>\$ 915</b>        |



# Vocational Rehabilitation Fund

This fund, administered by the State Board of Vocational Rehabilitation in the Department of Labor and Industry, was created to provide vocational rehabilitation services to any person who has a disability, mental or physical, which constitutes a handicap to employment or to achieve independent living status. Services can be provided directly or through a purchase of service arrangement. Receipts for this fund come from federal vocational rehabilitation funds, transfer of General Fund appropriations for matching the federal funds, interest earned and local match.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual           | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-----------------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>         | <b>\$ -402 <sup>a</sup></b> | <b>\$ 1,146</b>      | <b>\$ 426</b>        |
| <b>Receipts:</b>                             |                             |                      |                      |
| Transfer from General Fund.....              | \$ 40,473                   | \$ 40,473            | \$ 45,473            |
| Federal Vocational Rehabilitation Funds..... | 127,234                     | 151,299              | 155,299              |
| Other.....                                   | 77                          | 0                    | 0                    |
| Interest.....                                | 42                          | 20                   | 20                   |
| <b>Total Receipts .....</b>                  | <b>167,826</b>              | <b>191,792</b>       | <b>200,792</b>       |
| <b>Total Funds Available .....</b>           | <b>\$ 167,424</b>           | <b>\$ 192,938</b>    | <b>\$ 201,218</b>    |
| <b>Disbursements:</b>                        |                             |                      |                      |
| Labor and Industry.....                      | \$ 166,278                  | \$ 192,512           | \$ 200,792           |
| <b>Total Disbursements .....</b>             | <b>-166,278</b>             | <b>-192,512</b>      | <b>-200,792</b>      |
| <b>Cash Balance, Ending .....</b>            | <b>\$ 1,146</b>             | <b>\$ 426</b>        | <b>\$ 426</b>        |

<sup>a</sup> The negative beginning balance is due to the posting of expenditures in 2012-13 and the receipt of the corresponding federal reimbursement of \$4,370,904.25 in 2013-14.

# Volunteer Companies Loan Fund

Bond referenda in 1975, 1981, 1990 and 2002 authorized a total of \$100 million of bonds to be issued for acquisition and replacement of volunteer fire, ambulance and rescue company equipment and facilities. Act 208 of 1976 established a revolving loan fund known as the Volunteer Companies Loan Fund. Loans provided for under these bond issues are administered by the Office of the State Fire Commissioner. In addition to bond proceeds, revenues include loan repayments and penalty charges. To increase program participation and accessibility, Act 129 of 2013 modified loan amount, loan periods and the number of loans allowed for emergency service providers.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>        | <b>\$ 65,843</b>  | <b>\$ 75,859</b>     | <b>\$ 47,889</b>     |
| <b>Receipts:</b>                            |                   |                      |                      |
| Loan Principal and Interest Repayments..... | \$ 16,660         | \$ 16,500            | \$ 16,500            |
| Interest.....                               | 812               | 500                  | 500                  |
| Penalty Charges.....                        | 33                | 30                   | 30                   |
| <b>Total Receipts .....</b>                 | <b>17,505</b>     | <b>17,030</b>        | <b>17,030</b>        |
| <b>Total Funds Available.....</b>           | <b>\$ 83,348</b>  | <b>\$ 92,889</b>     | <b>\$ 64,919</b>     |
| <b>Disbursements:</b>                       |                   |                      |                      |
| Office of State Fire Commissioner.....      | \$ 7,489          | \$ 15,000            | \$ 16,000            |
| Transfer to General Fund.....               | 0                 | 30,000               | 0                    |
| <b>Total Disbursements .....</b>            | <b>-7,489</b>     | <b>-45,000</b>       | <b>-16,000</b>       |
| <b>Cash Balance, Ending .....</b>           | <b>\$ 75,859</b>  | <b>\$ 47,889</b>     | <b>\$ 48,919</b>     |

# Water and Sewer Systems Assistance Bond Fund

Act 64 of 2008, the Water and Sewer Systems Assistance Act, and Act 50 of 2009 authorized a \$400 million bond issue, which was approved by referendum, to provide grants and loans to municipalities and public utilities for the acquisition, repair, construction, reconstruction, rehabilitation, extension, expansion and improvement of water supply and sewage treatment systems as well as the purchase or trading of nutrient credits.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>           | <b>\$ 84,553</b>  | <b>\$ 36,361</b>     | <b>\$ 32,410</b>     |
| <b>Receipts:</b>                               |                   |                      |                      |
| Referendum Bonds.....                          | \$ 0              | \$ 11,000            | \$ 11,000            |
| Transfer from PENNVEST Fund.....               | 173               | 0                    | 0                    |
| Transfer to Water and Sewer Systems Assistance |                   |                      |                      |
| Sinking Fund.....                              | -500              | 0                    | 0                    |
| Interest.....                                  | 106               | 49                   | 49                   |
| Total Receipts .....                           | -221              | 11,049               | 11,049               |
| <b>Total Funds Available .....</b>             | <b>\$ 84,332</b>  | <b>\$ 47,410</b>     | <b>\$ 43,459</b>     |
| <b>Disbursements:</b>                          |                   |                      |                      |
| Treasury.....                                  | \$ 2              | \$ 0                 | \$ 0                 |
| Infrastructure Investment Authority.....       | 47,969            | 15,000               | 15,000               |
| Total Disbursements .....                      | -47,971           | -15,000              | -15,000              |
| <b>Cash Balance, Ending .....</b>              | <b>\$ 36,361</b>  | <b>\$ 32,410</b>     | <b>\$ 28,459</b>     |

# Water and Sewer Systems Assistance Bond Sinking Fund

This fund will be established to redeem or pay interest on bonds issued for the Water and Sewer Systems Assistance program. The annual appropriation from the General Fund for general obligation debt service will provide revenues to the fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>             | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Receipts:</b>                                 |                   |                      |                      |
| Transfer from General Fund.....                  | \$ 24,992         | \$ 24,897            | \$ 24,787            |
| Transfer from Water and Sewer Systems Assistance |                   |                      |                      |
| Bond Fund.....                                   | 500               | 0                    | 0                    |
| Total Receipts .....                             | 24,992            | 24,897               | 24,787               |
| <b>Total Funds Available .....</b>               | <b>\$ 24,992</b>  | <b>\$ 24,897</b>     | <b>\$ 24,787</b>     |
| <b>Disbursements:</b>                            |                   |                      |                      |
| Treasury.....                                    | \$ 24,992         | \$ 24,897            | \$ 24,787            |
| Total Disbursements .....                        | -24,992           | -24,897              | -24,787              |
| <b>Cash Balance, Ending .....</b>                | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |

# Water Supply and Wastewater Treatment Fund

Act 218 of 2004 established the Water Supply and Wastewater Infrastructure Capitalization Program. Funding for the program is generated from the \$250 million bond issue approved by the electorate in April of 2004. Funds are allocated to the Commonwealth Financing Authority and the Infrastructure Investment Authority (PENNVEST) to be used for grants and loans for new and existing water supply and wastewater system projects in the commonwealth.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>           | <b>\$ 28,942</b>  | <b>\$ 32,181</b>     | <b>\$ 26,708</b>     |
| <b>Receipts:</b>                               |                   |                      |                      |
| Sale of Bonds.....                             | \$ 30,000         | \$ 0                 | \$ 8,725             |
| Premium on Sale of Bonds.....                  | 3,600             | 0                    | 0                    |
| Loan Principal and Interest- GF Revenues.....  | -25,008           | 0                    | 0                    |
| Interest.....                                  | 57                | 60                   | 55                   |
| Total Receipts .....                           | 8,649             | 60                   | 8,780                |
| <b>Total Funds Available .....</b>             | <b>\$ 37,591</b>  | <b>\$ 32,241</b>     | <b>\$ 35,488</b>     |
| <b>Disbursements:</b>                          |                   |                      |                      |
| Community & Economic Development - Public..... | \$ 5,377          | \$ 5,533             | \$ 5,500             |
| Bond Issuing Expense.....                      | 33                | 0                    | 0                    |
| Total Disbursements .....                      | -5,410            | -5,533               | -5,500               |
| <b>Cash Balance, Ending .....</b>              | <b>\$ 32,181</b>  | <b>\$ 26,708</b>     | <b>\$ 29,988</b>     |

# Water Supply and Wastewater Treatment Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Water Supply and Wastewater Treatment Program. The annual appropriation from the General Fund for general obligation debt service provides revenues to the fund.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |
| <b>Receipts:</b>                     |                   |                      |                      |
| Transfer from General Fund.....      | \$ 14,815         | \$ 16,959            | \$ 16,988            |
| Total Receipts .....                 | 14,815            | 16,959               | 16,988               |
| <b>Total Funds Available .....</b>   | <b>\$ 14,815</b>  | <b>\$ 16,959</b>     | <b>\$ 16,988</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Treasury.....                        | \$ 14,815         | \$ 16,959            | \$ 16,988            |
| Total Disbursements .....            | -14,815           | -16,959              | -16,988              |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 0</b>       | <b>\$ 0</b>          | <b>\$ 0</b>          |

## Wild Resource Conservation Fund

This fund was created by Act 170 of 1982. Revenue is derived primarily from tax rebate check-offs and voluntary contributions. The fund collects information relating to population, distribution, habitat needs, limiting factors and other biological and ecological data to classify plants and to determine necessary management measures. These management measures include promotion of a statewide system of private wild plant sanctuaries; permitting of removal, collection or transplanting of endangered or threatened plant species; and regulation of the digging, harvesting, sale and exploitation of designated species.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|   | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|---|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>    | <b>\$ 178</b>     | <b>\$ 211</b>        | <b>\$ 121</b>        |
| <b>Receipts:</b>                        |                   |                      |                      |
| Tax Check-Offs.....                     | \$ 67             | \$ 67                | \$ 67                |
| Voluntary Donations.....                | 3                 | 2                    | 2                    |
| License Plate Sales.....                | 26                | 21                   | 21                   |
| Other.....                              | 2                 | 3                    | 3                    |
| <b>Total Receipts .....</b>             | <b>98</b>         | <b>93</b>            | <b>93</b>            |
| <b>Total Funds Available .....</b>      | <b>\$ 276</b>     | <b>\$ 304</b>        | <b>\$ 214</b>        |
| <b>Disbursements:</b>                   |                   |                      |                      |
| Conservation and Natural Resources..... | \$ 65             | \$ 183               | \$ 142               |
| <b>Total Disbursements .....</b>        | <b>-65</b>        | <b>-183</b>          | <b>-142</b>          |
| <b>Cash Balance, Ending .....</b>       | <b>\$ 211</b>     | <b>\$ 121</b>        | <b>\$ 72</b>         |

## Wireless E-911 Emergency Services Fund

Act 56 of 2003, the Public Safety Emergency Telephone Act, established the Wireless E-911 Emergency Services Fund to support a statewide integrated wireless E-911 plan. The fund is used to collect and deposit a surcharge collected by wireless service providers on a monthly basis, the proceeds of which are remitted to the fund quarterly. Up to two percent of annual surcharge proceeds can be used by the agency for administrative costs with the remaining available balance being used for approved county grants. Act 84 of 2014 extended the surcharge expiration to June 30, 2015.

### Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 12,525</b>  | <b>\$ 9,427</b>      | <b>\$ 7,697</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Surcharges .....                     | \$ 117,424        | \$ 117,000           | \$ 117,000           |
| Interest.....                        | 25                | 25                   | 25                   |
| <b>Total Receipts .....</b>          | <b>117,449</b>    | <b>117,025</b>       | <b>117,025</b>       |
| <b>Total Funds Available .....</b>   | <b>\$ 129,974</b> | <b>\$ 126,452</b>    | <b>\$ 124,722</b>    |
| <b>Disbursements:</b>                |                   |                      |                      |
| Emergency Management:                |                   |                      |                      |
| Administration.....                  | \$ 1,151          | \$ 2,550             | \$ 2,303             |
| Grants.....                          | 119,396           | 116,205              | 116,000              |
| <b>Total Disbursements .....</b>     | <b>-120,547</b>   | <b>-118,755</b>      | <b>-118,303</b>      |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 9,427</b>   | <b>\$ 7,697</b>      | <b>\$ 6,419</b>      |

# Workers' Compensation Security Fund

The purpose of this fund is payment of valid claims for compensation provided by the Workers' Compensation Act to individuals who are insured by an insolvent stock company. Expenses for administration of the fund are also covered.

Through June 30, 2000, payment equal to one percent of the net written premiums received for workers' compensation insurance policies written in the commonwealth by stock companies, mutual carriers and reciprocal exchanges during the preceding annual reporting period were credited to the fund. Such payments were required only if the balance less known liabilities of the fund was determined to be less than five percent of the loss reserves of all such companies for payments of benefits under the Workers' Compensation Act.

Act 49 of 2000 removed the statutory annual assessment procedures in conjunction with giving prudent person investment authority to the Insurance Commissioner jointly with the State Treasurer for the investment of monies in the fund. This change was expected to generate increased earnings to the fund, thereby reducing the frequency of the assessment. The act requires the Insurance Department to manage the fund to maintain its actuarial soundness and a minimum balance of \$500 million as of December 31 of any given year. If the fund balance falls below \$500 million by calendar year end, the department will assess contributions to restore the balance in the fund in a timely manner.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 687,716</b> | <b>\$ 771,677</b>    | <b>\$ 762,669</b>    |
| <b>Receipts:</b>                     |                   |                      |                      |
| Assessments and Receipts .....       | \$ 38,997         | \$ 27,935            | \$ 18,000            |
| Net Investment Adjustment.....       | 78,297            | 0                    | 0                    |
| Interest .....                       | 67                | 57                   | 57                   |
| Other.....                           | 2,142             | 1,000                | 1,000                |
| Total Receipts .....                 | 119,503           | 28,992               | 19,057               |
| <b>Total Funds Available .....</b>   | <b>\$ 807,219</b> | <b>\$ 800,669</b>    | <b>\$ 781,726</b>    |
| <b>Disbursements:</b>                |                   |                      |                      |
| Insurance .....                      | \$ 35,542         | \$ 38,000            | \$ 38,000            |
| Total Disbursements .....            | -35,542           | -38,000              | -38,000              |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 771,677</b> | <b>\$ 762,669</b>    | <b>\$ 743,726</b>    |

# Workmen's Compensation Administration Fund

This fund was created by Act 2 of 1976 to finance the expenses of the Department of Labor and Industry in administering the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act. Act 44 of 1993 and Act 57 of 1996 amended the Workers' Compensation Act, expanding the administrative responsibilities of the department. The fund is supported by annual assessments on insurers and self-insurers under the act. These administrative funds are approved by the legislature for expenditure through the appropriation process. Administrative funds are also provided to the Office of the Small Business Advocate through the Department of Community and Economic Development to represent the interests of the employers in workers' compensation rate filings before the Insurance Department.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|  | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b>               | <b>\$ 113,763</b> | <b>\$ 110,352</b>    | <b>\$ 108,186</b>    |
| <b>Receipts:</b>                                   |                   |                      |                      |
| Assessments.....                                   | \$ 63,961         | \$ 72,028            | \$ 70,666            |
| Interest.....                                      | 216               | 224                  | 224                  |
| Fines and Penalties.....                           | 21                | 5                    | 5                    |
| Other.....   | 678               | 714                  | 720                  |
| <b>Total Receipts .....</b>                        | <b>64,876</b>     | <b>72,971</b>        | <b>71,615</b>        |
| <b>Total Funds Available .....</b>                 | <b>\$ 178,639</b> | <b>\$ 183,323</b>    | <b>\$ 179,801</b>    |
| <b>Disbursements:</b>                              |                   |                      |                      |
| Treasury.....                                      | \$ 3              | \$ 0                 | \$ 0                 |
| Community and Economic Development.....            | 142               | 198                  | 194                  |
| Transfer to Uninsured Employers Guaranty Fund..... | 0                 | 0                    | 5,000                |
| Labor and Industry.....                            | 68,142            | 74,939               | 71,913               |
| <b>Total Disbursements .....</b>                   | <b>-68,287</b>    | <b>-75,137</b>       | <b>-77,107</b>       |
| <b>Cash Balance, Ending .....</b>                  | <b>\$ 110,352</b> | <b>\$ 108,186</b>    | <b>\$ 102,694</b>    |

# Workmen's Compensation Supersedeas Fund

The purpose of this fund is to reimburse insurers for payments made by them to claimants under the Workers' Compensation Act who are later determined to be ineligible. The fund is maintained by annual assessments on insurers and self-insurers and is administered by the Department of Labor and Industry.

## Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

|                                      | 2013-14<br>Actual | 2014-15<br>Available | 2015-16<br>Estimated |
|--------------------------------------|-------------------|----------------------|----------------------|
| <b>Cash Balance, Beginning .....</b> | <b>\$ 4,533</b>   | <b>\$ 6,515</b>      | <b>\$ 6,163</b>      |
| <b>Receipts:</b>                     |                   |                      |                      |
| Assessments.....                     | \$ 19,520         | \$ 20,642            | \$ 21,000            |
| Interest.....                        | 29                | 6                    | 6                    |
| Other.....                           | 215               | 0                    | 0                    |
| <b>Total Receipts .....</b>          | <b>19,764</b>     | <b>20,648</b>        | <b>21,006</b>        |
| <b>Total Funds Available .....</b>   | <b>\$ 24,297</b>  | <b>\$ 27,163</b>     | <b>\$ 27,169</b>     |
| <b>Disbursements:</b>                |                   |                      |                      |
| Labor and Industry.....              | \$ 17,782         | \$ 21,000            | \$ 24,000            |
| <b>Total Disbursements .....</b>     | <b>-17,782</b>    | <b>-21,000</b>       | <b>-24,000</b>       |
| <b>Cash Balance, Ending .....</b>    | <b>\$ 6,515</b>   | <b>\$ 6,163</b>      | <b>\$ 3,169</b>      |

– THIS PAGE INTENTIONALLY LEFT BLANK –



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *COMPLEMENT*

This section provides a summary by department of authorized salaried complement on a full-time equivalent basis for the actual, available and budget years. It also provides a brief description by agency and appropriation of the changes recommended in the budget.



– THIS PAGE INTENTIONALLY LEFT BLANK –

## AUTHORIZED SALARIED COMPLEMENT BY AGENCY FULL-TIME EQUIVALENT

The following is a summary, by department, of the commonwealth's authorized complement levels on a full-time equivalent basis.

| <i>Department</i>                   | <i>2013-14<br/>Actual</i> | <i>2014-15<br/>Available</i> | <i>2015-16<br/>Budget</i> | <i>Difference<br/>Budget vs.<br/>Available</i> |
|-------------------------------------|---------------------------|------------------------------|---------------------------|--|
| Governor's Office                   | 68                        | 68                           | 68                        |  |
| Executive Offices                   | 1,789                     | 1,733                        | 1,709                     | -24  |
| Lieutenant Governor's Office        | 13                        | 13                           | 13                        |  |
| Aging                               | 102                       | 102                          | 102                       |  |
| Agriculture                         | 592                       | 596                          | 590                       | -6   |
| Banking and Securities              | 243                       | 234                          | 234                       |  |
| Civil Service Commission            | 121                       | 108                          | 108                       |  |
| Community and Economic Development  | 307                       | 302                          | 307                       | 5  |
| Conservation and Natural Resources  | 1,403                     | 1,406                        | 1,426                     | 20   |
| Corrections                         | 15,925                    | 15,959                       | 16,023                    | 64   |
| Drug and Alcohol Programs           | 77                        | 81                           | 81                        |  |
| Education                           | 535                       | 529                          | 532                       | 3  |
| Emergency Management Agency         | 195                       | 198                          | 201                       | 3  |
| Environmental Hearing Board         | 14                        | 13                           | 13                        |  |
| Environmental Protection            | 2,708                     | 2,681                        | 2,731                     | 50   |
| Fish and Boat Commission            | 432                       | 432                          | 432                       |  |
| Game Commission                     | 708                       | 714                          | 714                       |  |
| General Services                    | 1,003                     | 954                          | 954                       |  |
| Health                              | 1,336                     | 1,316                        | 1,320                     | 4  |
| Historical and Museum Commission    | 210                       | 210                          | 206                       | -4   |
| Human Services                      | 16,721                    | 17,032                       | 16,989                    | -43  |
| Infrastructure Investment Authority | 28                        | 28                           | 28                        |  |
| Insurance                           | 273                       | 272                          | 272                       |  |
| Labor and Industry                  | 5,898                     | 5,902                        | 5,902                     |  |
| Liquor Control Board                | 3,270                     | 3,270                        | 3,270                     |  |
| Military and Veterans Affairs       | 2,226                     | 2,226                        | 2,229                     | 3  |
| Milk Marketing Board                | 32                        | 28                           | 24                        | -4   |
| Municipal Employees' Retirement     | 37                        | 38                           | 38                        |  |
| Probation and Parole Board          | 1,264                     | 1,300                        | 1,330                     | 30   |
| Public Utility Commission           | 520                       | 503                          | 503                       |  |
| Revenue                             | 2,001                     | 2,046                        | 2,046                     |  |
| School Employees' Retirement System | 314                       | 316                          | 316                       |  |
| State                               | 496                       | 497                          | 505                       | 8  |
| State Employees' Retirement System  | 197                       | 197                          | 197                       |  |
| State Police                        | 6,531                     | 6,561                        | 6,561                     |  |
| Transportation                      | 11,883                    | 11,883                       | 11,883                    |  |
| <b>TOTAL ALL DEPARTMENTS</b>        | <b>79,472</b>             | <b>79,748</b>                | <b>79,857</b>             | <b>109</b>                                     |

## Summary of 2015-16 Complement Changes

The following is a detailed listing, by department, of the recommended authorized salaried complement changes (on a full-time equivalent basis) for 2015-16. It reflects proposed eliminations, new positions and transfers between appropriations and agencies.

| Department / Fund / Appropriation            | Increase/<br>Decrease | Comment on Complement Change  |
|--|-----------------------|---|
| <b>EXECUTIVE OFFICES</b>                     |                       |   |
| General Fund:                                |                       |   |
| Commission on Crime and Delinquency.....     | 1                     | NEW: For Child Advocacy Centers.  |
| Public Employee Retirement Commission.....   | -7                    | TRANSFERRED: To Government Support Agencies.  |
| Safe Schools Advocate.....                   | -3                    | TRANSFERRED: To Education.  |
| Office of the Budget.....                    | -15                   | Eliminated positions.   |
| DEPARTMENT TOTAL                             | -24                   |   |
| <b>AGRICULTURE</b>                           |                       |   |
| General Fund:                                |                       |   |
| General Government Operations.....           | 16                    | TRANSFERRED: From State Racing Commissions (8), Dog Law Enforcement (7) and Farm Products Show Fund (1).                            |
| Dog Law Enforcement.....                     | -7                    | TRANSFERRED: To General Government Operations.  |
| General Fund Total                           | 9                     |   |
| Racing Fund:                                 |                       |   |
| State Racing Commissions.....                | -8                    | TRANSFERRED: To General Government Operations.  |
| Equine Toxicology and Research Lab.....      | -6                    | Eliminated positions.   |
| Farm Products Show Fund:                     |                       |   |
| General Operations.....                      | -1                    | TRANSFERRED: To General Government Operations.  |
| Special Funds Total                          | -14                   |   |
| DEPARTMENT TOTAL                             | -6                    |   |
| <b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>    |                       |   |
| General Fund:                                |                       |   |
| General Government Operations.....           | 3                     | NEW: For federal Housing and Urban Development monitoring and compliance (5).<br>TRANSFERRED: To Base Realignment and Closure (-2). |
| Base Realignment and Closure.....            | 2                     | TRANSFERRED: From General Government Operations.  |
| DEPARTMENT TOTAL                             | 5                     |   |
| <b>CONSERVATION AND NATURAL RESOURCES</b>    |                       |   |
| General Fund:                                |                       |   |
| General Government Operations.....           | -2                    | Eliminated positions.   |
| State Parks Operations.....                  | 22                    | NEW: For Point State Park (7) and Washington Crossing (15).   |
| DEPARTMENT TOTAL                             | 20                    |   |
| <b>CORRECTIONS</b>                           |                       |   |
| General Fund:                                |                       |   |
| Medical Care.....                            | 5                     | NEW: For enhanced treatment of inmates with serious mental illness.   |
| Inmate Education and Training.....           | -10                   | Eliminated positions.   |
| State Correctional Institutions.....         | 69                    | NEW: For enhanced treatment of inmates with serious mental illness.   |
| DEPARTMENT TOTAL                             | 64                    |   |
| <b>DRUG AND ALCOHOL PROGRAMS</b>             |                       |   |
| General Fund:                                |                       |   |
| General Government Operations.....           | 3                     | TRANSFERRED: From SABG - Administration and Operation (F).  |
| Federal Funds:                               |                       |   |
| SABG - Administration and Operation (F)..... | -3                    | TRANSFERRED: To General Government Operations.  |
| DEPARTMENT TOTAL                             | 0                     |   |

## Summary of 2015-16 Complement Changes

| Department / Fund / Appropriation                         | Increase/<br>Decrease | Comment on Complement Change   |
|---|-----------------------|--|
| <b>EDUCATION</b>  |                       |  |
| General Fund:   |                       |  |
| Office of Safe Schools Advocate.....                      | 3                     | TRANSFERRED: From Executive Offices.   |
| <b>EMERGENCY MANAGEMENT AGENCY</b>                        |                       |  |
| General Fund:   |                       |  |
| General Government Operations.....                        | 3                     | NEW: For management of new headquarters building and emergency operations.   |
| <b>ENVIRONMENTAL PROTECTION</b>                           |                       |  |
| General Fund:   |                       |  |
| Environmental Protection Operations.....                  | 25                    | NEW: For Oil and Gas related enforcement.  |
| Well Plugging Account.....                                | 25                    | NEW: For Oil and Gas related enforcement.  |
| DEPARTMENT TOTAL  | 50                    |  |
| <b>HEALTH</b>   |                       |  |
| General Fund:   |                       |  |
| General Government Operations.....                        | -9                    | TRANSFERRED: To Sexually Transmitted Disease Screening and Treatment (-8) and Collaborative Chronic Disease Programs (F) (-1). |
| Sexually Transmitted Disease Screening and Treatment..... | 8                     | TRANSFERRED: From General Government Operations.   |
| Achieving Better Care - MAP Administration.....           | 5                     | NEW: To implement and administer the Act 191 prescription drug monitoring program.   |
| General Fund Total  | 4                     |  |
| Federal Funds:  |                       |  |
| TB - Administration & Operation (F).....                  | -1                    | Eliminated position.   |
| Collaborative Chronic Disease Programs (F).....           | -7                    | TRANSFERRED: From General Government Operations (1) and Live Healthy (F) (-8).   |
| Live Healthy (F).....                                     | 8                     | TRANSFERRED: From Collaborative Chronic Disease Programs (F).  |
| Federal Funds Total                                       | 0                     |  |
| DEPARTMENT TOTAL  | 4                     |  |
| <b>HISTORICAL AND MUSEUM COMMISSION</b>                   |                       |  |
| General Fund:   |                       |  |
| General Government Operations.....                        | -4                    | Eliminated positions.  |
| <b>HUMAN SERVICES</b>                                     |                       |  |
| General Fund:   |                       |  |
| General Government Operations.....                        | 24                    | NEW: For Medicaid Expansion.   |
| Mental Health Services (Hospitals).....                   | -28                   | Eliminated positions.  |
| Intellectual Disabilities - State Centers.....            | -39                   | Eliminated positions.  |
| DEPARTMENT TOTAL  | -43                   |  |
| <b>MILITARY AND VETERANS AFFAIRS</b>                      |                       |  |
| General Fund:   |                       |  |
| General Government Operations.....                        | 3                     | NEW: For the Office of Veterans Affairs.   |
| <b>MILK MARKETING BOARD</b>                               |                       |  |
| Milk Marketing Fund:                                      |                       |  |
| General Operations.....                                   | -4                    | Eliminated positions.  |
| <b>PROBATION AND PAROLE</b>                               |                       |  |
| General Fund:   |                       |  |
| General Government Operations.....                        | 29                    | NEW: For parole supervision and review (28) and for victim assistance (1).   |
| Sexual Offenders Assessment Board.....                    | 1                     | NEW: For treatment compliance tracking.  |
| DEPARTMENT TOTAL  | 30                    |  |

## Summary of 2015-16 Complement Changes

| Department / Fund / Appropriation          | Increase/<br>Decrease | Comment on Complement Change                                |
|--|-----------------------|---|
| <b>STATE</b>                               |                       |   |
| General Fund:                              |                       |   |
| Professional and Occupational Affairs..... | 9                     | NEW: For Professional and Occupational Affairs Initiatives. |
| Federal Funds:                             |                       |   |
| Federal Election Reform (F).....           | -1                    | Eliminated position.  |
| DEPARTMENT TOTAL                           | 8                     |   |

**GRAND TOTAL** 109



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *STATISTICAL DATA*

This section contains historical data for various Pennsylvania economic indicators. Data is obtained from published sources noted on each page. Additional data is available from the Penn State Data Center through their homepage at ([www.pasdc.hbg.psu.edu/](http://www.pasdc.hbg.psu.edu/)).

– THIS PAGE INTENTIONALLY LEFT BLANK –

## SELECTED DATA ON THE COMMONWEALTH OF PENNSYLVANIA

### General

The Commonwealth of Pennsylvania is one of the most populous states, ranking sixth behind California, Texas, New York, Florida, and Illinois. Pennsylvania is an established state with a diversified economy. Pennsylvania had been historically identified as a heavy industrial state. That reputation has changed over the last thirty years as the coal, steel and railroad industries declined. The commonwealth's business environment readjusted with a more diversified economic base. This economic readjustment was a direct result of a long-term shift in jobs, investment and workers away from the northeast part of the nation. Currently, the major sources of growth in Pennsylvania are in the service sector, including trade, medical and health services, education and financial institutions.

Pennsylvania's agricultural industries remain an important component of the commonwealth's economic structure, accounting for more than \$7.3 billion in crop and livestock products annually. In 2013, agribusiness and food related industries had export sales surpassing \$1.3 billion in economic activity. Over 59,000 farms form the backbone of the state's agricultural economy. Farmland in Pennsylvania includes over four million acres of harvested cropland and three million acres of pasture and farm woodlands - nearly one-third of the commonwealth's total land area. Agricultural diversity in the commonwealth is demonstrated by the fact that Pennsylvania ranks among the top ten states in the production of a variety of agricultural products.

Pennsylvania's extensive public and private forests provide a vast source of material for the lumber, furniture and paper products industries. The forestry and related industries account for 1.5% of employment with economic activity of nearly \$5 billion in domestic and international trade. Additionally, the commonwealth derives a good water supply from underground sources, abundant rainfall, and a large number of rivers, streams and lakes. Other natural resources include major deposits of coal, petroleum and natural gas. Annually, about 66 million tons of anthracite and bituminous coal, 1,310 billion cubic feet of natural gas and about 2.2 million barrels of oil are extracted from Pennsylvania. Pennsylvania is one of the top 10 producing states in the country for aggregate/crushed stone. The value of non-coal mineral production in PA is around \$1 billion dollars annually.

Pennsylvania is a Mid-Atlantic state within easy reach of the populous eastern seaboard as well as a gateway to the Midwest. A comprehensive transportation grid enhances the commonwealth's strategic geographic position. The commonwealth's water systems afford the unique feature of triple port coverage, a deep-water port at Philadelphia, a Great Lakes port at Erie and an inland water port at Pittsburgh. Between air, rail, water or road, Pennsylvania is easily accessible for both inter and intra state trade and commerce.



## Population

The commonwealth is highly urbanized. Of the commonwealth's 2013 mid-year population estimate, 79 percent resided in the 15 Metropolitan Statistical Areas ("MSAs") of the commonwealth. The largest MSAs in the commonwealth are those that include the cities of Philadelphia and Pittsburgh, which together contain almost 44 percent of the state's total population. The population of Pennsylvania, 12.7 million people in 2013, according to the U.S. Bureau of the Census, represents a population growing slower than the nation with a higher portion than the nation or the region comprised of persons 45 or over. The following tables present the population trend from 2004 to 2013 and the age distribution of the population for 2013.

### Population Trends Pennsylvania, Middle Atlantic Region and the United States 2004-2013

| As of<br>July 1 | Total Population<br>In Thousands |   |         | Total Population as<br>a % of 2004 base |   |      |
|-----------------|----------------------------------|---|---------|---|---|------|
|                 | PA                               | Middle<br>Atlantic<br>Region <sup>(a)</sup> | U.S.    | PA                                      | Middle<br>Atlantic<br>Region <sup>(a)</sup> | U.S. |
| 2004 .....      | 12,388                           | 40,297                                      | 293,045 | 100%                                    | 100%  | 100% |
| 2005 .....      | 12,418                           | 40,370                                      | 295,753 | 100                                     | 101   | 102  |
| 2006 .....      | 12,471                           | 40,451                                      | 296,593 | 101                                     | 101   | 103  |
| 2007 .....      | 12,522                           | 40,581                                      | 301,579 | 101                                     | 101   | 103  |
| 2008 .....      | 12,566                           | 40,697                                      | 304,374 | 102                                     | 101   | 105  |
| 2009 .....      | 12,604                           | 40,854                                      | 307,006 | 102                                     | 102   | 106  |
| 2010 .....      | 12,711                           | 40,913                                      | 309,326 | 102                                     | 102   | 107  |
| 2011 .....      | 12,743                           | 41,080                                      | 311,588 | 103                                     | 102   | 107  |
| 2012 .....      | 12,763                           | 41,198                                      | 313,914 | 103                                     | 103   | 108  |
| 2013 .....      | 12,773                           | 41,324                                      | 316,128 | 103                                     | 103   | 108  |

<sup>(a)</sup> Middle Atlantic Region: Pennsylvania, New York, New Jersey.  
Source: U.S. Department of Commerce, Bureau of the Census.

### Population By Age Group — 2013 Pennsylvania, Middle Atlantic Region and the United States

| Age                     | Pennsylvania | Middle<br>Atlantic<br>Region <sup>(a)</sup> | United States |
|-------------------------|--------------|---|---------------|
| Under 5 years .....     | 5.6 %        | 5.8%  | 6.4 %         |
| 5-24 years .....        | 25.4         | 25.7  | 26.9          |
| 25-44 years .....       | 24.6         | 26.1  | 26.3          |
| 45-64 years .....       | 28.0         | 27.4  | 26.5          |
| 65 years and over ..... | 16.4         | 15.0  | 14.1          |

<sup>(a)</sup> Middle Atlantic Region: Pennsylvania, New York, New Jersey.  
Source: U.S. Department of Commerce, Bureau of the Census.

## Employment

Non-agricultural employment in Pennsylvania over the ten years ending in 2013 increased at an average annual rate of 0.02 percent compared with a 0.03 percent rate for the Middle Atlantic region and 0.04 percent rate for the U.S. The following table shows employment trends from 2004 through 2013.

### Non-Agricultural Establishment Employment Trends Pennsylvania, Middle Atlantic Region and the United States 2004-2013

| Calendar<br>Year | Total Establishment Employment<br>In Thousands |   |         | Total Establishment Employment<br>as a % of 2004 base |   |       |
|------------------|--|---|---------|---|---|-------|
|                  | PA   | Middle<br>Atlantic<br>Region <sup>(a)</sup> | U.S.    | PA  | Middle<br>Atlantic<br>Region <sup>(a)</sup> | U.S.  |
| 2004 .....       | 5,647  | 18,099                                      | 131,749 | 100 %   | 100 %                                       | 100 % |
| 2005 .....       | 5,705  | 18,270                                      | 134,005 | 101   | 100   | 102   |
| 2006 .....       | 5,759  | 18,437                                      | 136,398 | 101   | 101   | 102   |
| 2007 .....       | 5,801  | 18,602                                      | 137,936 | 101   | 101   | 101   |
| 2008 .....       | 5,802  | 18,633                                      | 137,170 | 100   | 100   | 101   |
| 2009 .....       | 5,618  | 18,058                                      | 131,233 | 99  | 99  | 99    |
| 2010 .....       | 5,623  | 18,028                                      | 130,275 | 99  | 99  | 98    |
| 2011 .....       | 5,686  | 18,212                                      | 131,842 | 100   | 100   | 100   |
| 2012 .....       | 5,726  | 18,415                                      | 134,104 | 100   | 100   | 100   |
| 2013 .....       | 5,743  | 18,587                                      | 136,368 | 100   | 100   | 100   |

<sup>(a)</sup> Middle Atlantic Region: Pennsylvania, New York, New Jersey.  
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Non-manufacturing employment in Pennsylvania has increased in recent years and reached 90.2 percent of total employment by 2013. Consequently, manufacturing employment constitutes a diminished share of total employment within the commonwealth. Manufacturing, contributing 9.8 percent of 2013 non-agricultural employment, has fallen behind the services sector and the trade sector and the government sector as the 4<sup>th</sup> largest single source of employment within the commonwealth. In 2013, the services sector accounted for 48.4 percent of all non-agricultural employment while the trade sector accounted for 14.9 percent. The following table shows trends in employment by sector for Pennsylvania from 2009 through 2013.

## Non-Agricultural Establishment Employment by Sector Pennsylvania 2009-2013 (In Thousands)

|   | CALENDAR YEAR |       |           |      |           |       |           |       |           |       |
|---|---------------|-------|-----------|------|-----------|-------|-----------|-------|-----------|-------|
|   | 2009          |       | 2010      |      | 2011      |       | 2012      |       | 2013      |       |
|   | Employees     | %     | Employees | %    | Employees | %     | Employees | %     | Employees | %     |
| Manufacturing:                          |               |       |           |      |           |       |           |       |           |       |
| Durable.....                            | 344.8         | 6.1   | 334.3     | 5.9  | 342.0     | 6.0   | 347.5     | 6.1   | 345.8     | 6.0   |
| Non-Durable.....                        | 229.3         | 4.1   | 225.7     | 4.0  | 223.0     | 3.9   | 219.7     | 3.8   | 217.5     | 3.8   |
| Total                                   |               |       |           |      |           |       |           |       |           |       |
| Manufacturing <sup>(d)</sup> .....      | 574.1         | 10.2  | 560.0     | 10.0 | 565.0     | 9.9   | 567.2     | 9.9   | 563.3     | 9.8   |
| Non-Manufacturing:                      |               |       |           |      |           |       |           |       |           |       |
| Trade <sup>(a)</sup> .....              | 850.3         | 15.1  | 847.7     | 15.1 | 852.9     | 15.0  | 857.8     | 15.0  | 857.5     | 14.9  |
| Finance <sup>(b)</sup> .....            | 318.4         | 5.7   | 311.0     | 5.5  | 308.6     | 5.4   | 309.5     | 5.4   | 312.5     | 5.4   |
| Services.....                           | 2,630.2       | 46.8  | 2,660.1   | 47.3 | 2,714.0   | 47.7  | 2,755.2   | 48.1  | 2,781.6   | 48.4  |
| Government.....                         | 768.2         | 13.7  | 770.6     | 13.7 | 751.4     | 13.2  | 732.3     | 12.8  | 721.1     | 12.5  |
| Utilities <sup>(c)</sup> .....          | 230.5         | 4.1   | 231.6     | 4.1  | 238.2     | 4.2   | 241.8     | 4.2   | 245.0     | 4.3   |
| Construction.....                       | 224.6         | 4.0   | 215.9     | 3.8  | 222.8     | 3.9   | 225.8     | 3.9   | 226.4     | 3.9   |
| Mining.....                             | 21.7          | 0.4   | 25.9      | 0.5  | 33.2      | 0.6   | 36.3      | 0.6   | 35.1      | 0.6   |
| Total                                   |               |       |           |      |           |       |           |       |           |       |
| Non-Manufacturing <sup>(d)</sup> .....  | 5,043.9       | 89.8  | 5,062.8   | 89.8 | 5,121.1   | 90.1  | 5,158.7   | 90.1  | 5,179.2   | 90.2  |
| Total Employees <sup>(d)(e)</sup> ..... | 5,618.0       | 100.0 | 5,622.8   | 99.8 | 5,686.1   | 100.0 | 5,725.9   | 100.0 | 5,742.5   | 100.0 |

(a) Wholesale and retail trade.

(b) Finance, insurance and real estate.

(c) Includes transportation, communications, electric, gas and sanitary services.

(d) Discrepancies occur due to rounding.

(e) Does not include workers involved in labor-management disputes.

Source: US Bureau of Labor Statistics.

The following table presents the percentages of non-agricultural employment in various sectors in Pennsylvania and the United States in 2013.

## Non-Agricultural Establishment Employment by Sector Pennsylvania and the United States

|                                | 2013 Calendar Year |               |
|--------------------------------|--------------------|---------------|
|                                | Pennsylvania       | United States |
| Manufacturing.....             | 9.8 %              | 8.8 %         |
| Trade <sup>(a)</sup> .....     | 14.9               | 15.3          |
| Finance <sup>(b)</sup> .....   | 5.5                | 5.8           |
| Services.....                  | 48.4               | 45.6          |
| Government.....                | 12.6               | 16.0          |
| Utilities <sup>(c)</sup> ..... | 4.3                | 3.7           |
| Construction.....              | 3.9                | 4.2           |
| Mining.....                    | 0.6                | 0.6           |
| Total.....                     | 100.0 %            | 100.0 %       |

(a) Wholesale and retail trade.

(b) Finance, insurance and real estate.

(c) Includes transportation, communications, electric, gas and sanitary services.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Within the manufacturing sector of Pennsylvania's economy, which now accounts for about one-tenth of total non-agricultural employment in Pennsylvania, the fabricated metals industries employed the largest number of workers. Employment in the fabricated metals industries is 14.4 percent of Pennsylvania manufacturing employment but only 1.4 percent of total Pennsylvania non-agricultural employment in 2013. The following table shows trends in manufacturing employment by industry for Pennsylvania from 2009 through 2013.

**Manufacturing Establishment Employment by Industry**  
**Pennsylvania**  
**2009-2013**  
(In Thousands)

|  | CALENDAR YEAR |       |           |       |           |       |           |       |           |       |
|--|---------------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
|  | 2009          |       | 2010      |       | 2011      |       | 2012      |       | 2013      |       |
|  | Employees     | %     | Employees | %     | Employees | %     | Employees | %     | Employees | %     |
| Durable Goods:                                     |               |       |           |       |           |       |           |       |           |       |
| Primary Metals.....                                | 35.6          | 6.2   | 36.2      | 6.5   | 38.5      | 6.8   | 39.7      | 7.0   | 39.5      | 7.0   |
| Fabricated Metals.....                             | 79.5          | 13.8  | 77.6      | 13.9  | 80.3      | 14.2  | 81.7      | 14.4  | 80.9      | 14.4  |
| Machinery (excluding electrical) .....             | 47.4          | 8.3   | 45.2      | 8.1   | 47.0      | 8.3   | 48.8      | 8.6   | 48.5      | 8.6   |
| Electrical Equipment.....                          | 24.8          | 4.3   | 24.7      | 4.4   | 25.9      | 4.6   | 26.0      | 4.6   | 26.0      | 4.6   |
| Transportation Equipment.....                      | 38.6          | 6.7   | 36.9      | 6.6   | 37.6      | 6.7   | 39.1      | 6.9   | 38.7      | 6.9   |
| Furniture Related Products.....                    | 16.1          | 2.8   | 14.9      | 2.7   | 15.1      | 2.7   | 15.1      | 2.7   | 14.9      | 2.6   |
| Other Durable Goods.....                           | 102.8         | 17.9  | 98.8      | 17.6  | 97.6      | 17.3  | 97.1      | 17.1  | 97.3      | 17.3  |
| Total Durable Goods <sup>(a)</sup> .....           | 344.8         | 60.1  | 334.3     | 59.7  | 342.0     | 60.5  | 347.5     | 61.3  | 345.8     | 61.4  |
| Non-Durable Goods:                                 |               |       |           |       |           |       |           |       |           |       |
| Pharmaceutical/Medicine.....                       | 21.7          | 3.8   | 21.3      | 3.8   | 20.2      | 3.6   | 19.0      | 3.3   | 18.0      | 3.2   |
| Food Products.....                                 | 66.8          | 11.6  | 66.5      | 11.9  | 66.7      | 11.8  | 67.1      | 11.8  | 67.3      | 11.9  |
| Chemical Products.....                             | 43.5          | 7.6   | 43.0      | 7.7   | 42.2      | 7.5   | 41.2      | 7.3   | 40.7      | 7.2   |
| Printing and Publishing.....                       | 29.9          | 5.2   | 28.2      | 5.0   | 27.0      | 4.8   | 25.5      | 4.5   | 24.4      | 4.3   |
| Plastics/Rubber Products.....                      | 35.0          | 6.1   | 35.2      | 6.3   | 35.3      | 6.2   | 35.2      | 6.2   | 35.2      | 6.2   |
| Other Non-Durable Goods.....                       | 32.4          | 5.6   | 31.5      | 5.6   | 31.6      | 5.6   | 31.7      | 5.6   | 31.9      | 5.7   |
| Total Non-Durable Goods <sup>(a)</sup> ...         | 229.3         | 39.9  | 225.7     | 40.3  | 223.0     | 39.5  | 219.7     | 38.7  | 217.5     | 38.6  |
| Total Manufacturing Employees <sup>(a)</sup> ..... | 574.1         | 100.0 | 560.0     | 100.0 | 565.0     | 100.0 | 567.2     | 100.0 | 563.3     | 100.0 |

<sup>(a)</sup> Discrepancies occur due to rounding

Source: U.S. Department of Labor, Bureau of Labor Statistics.

## Unemployment

Pennsylvania's annual average unemployment rate was equivalent to the national average throughout the 2000s. Slower economic growth caused the unemployment rate in the commonwealth to rise to 8.5 percent in 2010 compared to 4.4 percent annual unemployment rate in 2007. As of December 2014, the most recent month for which figures are available, Pennsylvania had a seasonally adjusted annual unemployment rate of 4.8 percent. The following table represents the annual non-adjusted unemployment rate in Pennsylvania, the Middle Atlantic Region, and the United States from 2004 through 2013.

## Annual Average Unemployment Rate Pennsylvania, Middle Atlantic Region and the United States 2004-2013

| Calendar Year | Pennsylvania | Middle Atlantic Region <sup>(a)</sup> | United States |
|---------------|--------------|---------------------------------------|---------------|
| 2004 .....    | 5.4 %        | 5.5 %                                 | 5.5 %         |
| 2005 .....    | 5.0          | 4.9                                   | 5.1           |
| 2006 .....    | 4.5          | 4.6                                   | 4.6           |
| 2007 .....    | 4.4          | 4.4                                   | 4.6           |
| 2008 .....    | 5.3          | 5.4                                   | 5.8           |
| 2009 .....    | 7.9          | 8.4                                   | 9.3           |
| 2010 .....    | 8.5          | 8.8                                   | 9.6           |
| 2011 .....    | 8.0          | 8.4                                   | 8.9           |
| 2012 .....    | 7.9          | 8.5                                   | 8.1           |
| 2013 .....    | 7.4          | 7.7                                   | 7.4           |

<sup>(a)</sup> Middle Atlantic Region: Pennsylvania, New York, New Jersey.  
Source: U.S. Department of Labor, Bureau of Labor Statistics.

The following table presents the thirty largest non-governmental employers in Pennsylvania:

## Commonwealth of Pennsylvania Thirty Largest Non-Governmental Employers December 2013

| <u>Company</u>                               | <u>Rank</u> | <u>Company</u>                             | <u>Rank</u> |
|--|-------------|--|-------------|
| Wal-Mart Associates .....                    | 1           | Comcast Cablevision Corp .....             | 16          |
| University of Pennsylvania .....             | 2           | Vanguard Group Inc. ....                   | 17          |
| Giant Food Stores .....                      | 3           | Merck Sharp & Dohme Corp.....              | 18          |
| Pennsylvania State University .....          | 4           | K-MART Corp. ....                          | 19          |
| United Parcel Service.....                   | 5           | US Airways Inc .....                       | 20          |
| UPMC Presbyterian .....                      | 6           | Highmark Health Services.....              | 21          |
| University of Pittsburgh .....               | 7           | Milton S. Hershey Medical Center .....     | 22          |
| PNC Bank, NA .....                           | 8           | Macy's Retail Holdings Inc.....            | 23          |
| Giant Eagle Inc.....                         | 9           | Temple University .....                    | 24          |
| Lowe's Home Centers Inc .....                | 10          | Heartland Employment Services.....         | 25          |
| Weis Markets Inc .....                       | 11          | Wegmans Food Markets Inc.....              | 26          |
| Target Corporation .....                     | 12          | Pennsylvania CVS Pharmacy, LLC .....       | 27          |
| Home Depot USA Inc .....                     | 13          | Thomas Jefferson University Hospital ..... | 28          |
| The Children's Hospital of Philadelphia..... | 14          | Western Penn Allegheny Health .....        | 29          |
| GMRI Inc.....                                | 15          | WAWA Inc.....                              | 30          |

Source: Pennsylvania Department of Labor, Office of Employment Security.

## Personal Income

Personal income in the commonwealth for 2013 was \$586.7 billion, an increase of 1.9 percent over the previous year. During the same period, national personal income increased by 2.5 percent. Based on the 2013 personal income estimates, per capita income was at \$46,202 in the commonwealth compared to per capita income in the United States of \$44,765. The following tables represent annual personal income data and per capita income from 2004 through 2013.

### Personal Income Pennsylvania, Mideast Region and the United States 2004-2013

| Year      | Total Personal Income<br>Dollars in Millions |                                  |                     | Total Personal Income<br>As a % of 2004 base |                                  |       |
|-----------|--|----------------------------------|---------------------|--|----------------------------------|-------|
|           | PA   | Mideast<br>Region <sup>(a)</sup> | U.S. <sup>(b)</sup> | PA   | Mideast<br>Region <sup>(a)</sup> | U.S.  |
| 2003..... | \$ 430,261                                   | \$1,848,337                      | \$10,043,231        | 100 %  | 100 %                            | 100 % |
| 2005..... | 447,157                                      | 1,938,732                        | 10,605,595          | 104  | 104                              | 106   |
| 2006..... | 476,607                                      | 2,080,422                        | 11,376,405          | 110  | 112                              | 113   |
| 2007..... | 501,352                                      | 2,211,267                        | 11,990,104          | 117  | 120                              | 119   |
| 2008..... | 519,190                                      | 2,277,305                        | 12,429,234          | 121  | 123                              | 124   |
| 2009..... | 514,729                                      | 2,239,525                        | 12,080,223          | 119  | 121                              | 120   |
| 2010..... | 529,201                                      | 2,307,870                        | 12,417,659          | 123  | 125                              | 124   |
| 2011..... | 558,142                                      | 2,431,827                        | 13,189,935          | 129  | 132                              | 131   |
| 2012..... | 581,772                                      | 2,532,215                        | 13,873,161          | 134  | 136                              | 136   |
| 2013..... | 590,170                                      | 2,562,612                        | 14,151,427          | 136  | 138                              | 140   |

<sup>(a)</sup> Mideast Region: Pennsylvania, New York, New Jersey, Maryland, District of Columbia, and Delaware.

<sup>(b)</sup> Sum of States.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

### Per Capita Income Pennsylvania, Mideast Region and the United States 2004-2013

| Calendar<br>Year | Per Capita Income |                                  |           | As a % of U.S. |                                  |
|------------------|-------------------|----------------------------------|-----------|----------------|----------------------------------|
|                  | PA                | Mideast<br>Region <sup>(a)</sup> | U.S.      | PA             | Mideast<br>Region <sup>(a)</sup> |
| 2004.....        | \$ 34,668         | \$ 39,191                        | \$ 34,300 | 101 %          | 114 %                            |
| 2005.....        | 35,916            | 41,041                           | 35,888    | 100            | 114                              |
| 2006.....        | 38,096            | 43,952                           | 38,127    | 100            | 115                              |
| 2007.....        | 39,904            | 46,579                           | 39,804    | 100            | 117                              |
| 2008.....        | 41,165            | 47,757                           | 40,873    | 101            | 117                              |
| 2009.....        | 40,636            | 46,711                           | 39,379    | 103            | 119                              |
| 2010.....        | 41,635            | 47,878                           | 40,144    | 104            | 119                              |
| 2011.....        | 43,806            | 50,194                           | 42,332    | 104            | 118                              |
| 2012.....        | 45,577            | 52,056                           | 44,200    | 103            | 117                              |
| 2013.....        | 46,202            | 52,485                           | 44,765    | 103            | 117                              |

<sup>(a)</sup> Mideast Region: Pennsylvania, New York, New Jersey, Maryland, District of Columbia, and Delaware.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table presents growth rates in personal income and selected components of personal income for Pennsylvania, the Mideast Region and the United States from 2009 through 2013.

## Annual Growth Rates Personal Income and Selected Components of Personal Income Pennsylvania, Mideast Region and the United States

| Calendar Year                | Pennsylvania | Mideast Region <sup>(a)</sup> | United States |
|------------------------------|--------------|-------------------------------|---------------|
| <b>Total Personal Income</b> |              |                               |               |
| 2009.....                    | -3.2%        | -4.1 %                        | -4.8%         |
| 2010.....                    | 3.6          | 4.3                           | 3.8           |
| 2011.....                    | 4.8          | 4.6                           | 5.2           |
| 2012.....                    | 3.3          | 2.9                           | 3.4           |
| 2013.....                    | 1.9          | 1.9                           | 2.5           |
| <b>Manufacturing</b>         |              |                               |               |
| 2009.....                    | -11.1%       | -10.4%                        | -11.3%        |
| 2010.....                    | 2.0          | 6.2                           | 2.4           |
| 2011.....                    | 4.2          | 2.1                           | 5.3           |
| 2012.....                    | 3.3          | 1.5                           | 4.6           |
| 2013.....                    | -0.3         | -0.1                          | 1.6           |
| <b>Trade<sup>(b)</sup></b>   |              |                               |               |
| 2009.....                    | -2.8%        | -3.3%                         | -4.8%         |
| 2010.....                    | 2.3          | 2.8                           | 2.3           |
| 2011.....                    | 4.7          | 4.3                           | 4.8           |
| 2012.....                    | 3.6          | 4.2                           | 5.1           |
| 2013.....                    | 2.7          | 4.0                           | 5.9           |
| <b>Finance<sup>(c)</sup></b> |              |                               |               |
| 2009.....                    | -4.0%        | -10.0%                        | -4.2%         |
| 2010.....                    | 2.9          | 12.7                          | 7.8           |
| 2011.....                    | 2.8          | 4.4                           | 4.4           |
| 2012.....                    | -0.9         | 2.9                           | -1.3          |
| 2013.....                    | 3.9          | 1.0                           | 3.1           |
| <b>Services</b>              |              |                               |               |
| 2009.....                    | -6.2%        | -6.4%                         | -7.3%         |
| 2010.....                    | 1.7          | 2.7                           | 3.2           |
| 2011.....                    | 3.8          | 5.3                           | 5.7           |
| 2012.....                    | 6.5          | 5.4                           | 5.5           |
| 2013.....                    | 4.7          | 4.7                           | 4.5           |
| <b>Utilities</b>             |              |                               |               |
| 2009.....                    | -8.8%        | -10.0%                        | -6.3%         |
| 2010.....                    | 2.7          | 7.5                           | 3.3           |
| 2011.....                    | 8.4          | 4.0                           | 4.2           |
| 2012.....                    | 6.7          | 8.7                           | 8.9           |
| 2013.....                    | 3.4          | 2.2                           | 4.3           |
| <b>Construction</b>          |              |                               |               |
| 2009.....                    | -10.9%       | -8.9%                         | 13.1%         |
| 2010.....                    | 2.9          | 1.5                           | -1.7          |
| 2011.....                    | 4.5          | 2.9                           | 1.8           |
| 2012.....                    | 3.7          | 2.4                           | 5.4           |
| 2013.....                    | 4.4          | 7.3                           | 8.5           |
| <b>Mining</b>                |              |                               |               |
| 2009.....                    | -32.9%       | -44.9%                        | -40.0%        |
| 2010.....                    | 30.9         | 23.1                          | 13.5          |
| 2011.....                    | 28.6         | 34.7                          | 17.7          |
| 2012.....                    | 6.5          | 4.0                           | 3.7           |
| 2013.....                    | 2.5          | 2.0                           | 4.7           |

<sup>(a)</sup> Mideast Region: Delaware, District of Columbia, Maryland, Pennsylvania, New York, and New Jersey.

<sup>(b)</sup> Wholesale and retail trade.

<sup>(c)</sup> Finance and insurance.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The commonwealth's average hourly wage rate of \$19.16 for manufacturing and production workers compares to the national average of \$20.13 for 2013. The following table presents the average hourly wage rates for 2009 through 2013.

## Average Hourly Wages Production Workers on Manufacturing Payrolls Pennsylvania and the United States 2009-2013

| Calendar Year | PA       | U.S.     |
|---------------|----------|----------|
| 2009.....     | \$ 16.28 | \$ 18.61 |
| 2010.....     | 16.88    | 19.05    |
| 2011.....     | 17.49    | 19.44    |
| 2012.....     | 18.26    | 19.74    |
| 2013.....     | 19.16    | 20.13    |

Source: U.S. Department of Labor, Bureau of Labor Statistics.

## Market and Assessed Valuation of Real Property

Annually, the State Tax Equalization Board (the "STEB") determines an aggregate market value of all taxable real property in the commonwealth. The STEB determines the market value by applying assessment to sales ratio studies to assessment valuations supplied by local assessing officials. The market values certified by the STEB do not include property that is tax exempt but do include an adjustment correcting the data for preferential assessments granted to certain farm and forestlands.

The table below shows the assessed valuation as determined and certified by the counties and the market value and the assessed to market value ratio determined by the STEB for real property over the last ten years. In computing the market values for uneven-numbered years, the STEB is statutorily restricted to certifying only those changes in market value that result from properties added to or removed from the assessment rolls. The STEB is permitted to adjust the market valuation to reflect any change in real estate values or other economic change in value only in even-numbered years. This restriction accounts for the two-year pattern of market value changes apparent in the data below.

## Valuations of Taxable Real Property 2004-2013

| Year | Market Value <sup>(a)</sup> | Assessed Valuation | Ratio of Assessed Valuation to Market Value <sup>(a)</sup> |
|------|-----------------------------|--------------------|--|
| 2004 | 523,595,339,800             | 352,014,550,601    | 67.2%  |
| 2005 | 546,222,770,500             | 378,011,903,306    | 69.2   |
| 2006 | 619,788,036,800             | 393,869,708,825    | 63.5   |
| 2007 | 633,886,898,100             | 400,428,104,035    | 63.1   |
| 2008 | 708,521,506,000             | 406,426,527,325    | 57.3   |
| 2009 | 717,475,983,911             | 431,911,595,146    | 60.2   |
| 2010 | 753,847,457,900             | 436,995,393,629    | 57.9   |
| 2011 | 756,045,833,849             | 451,343,272,265    | 59.7   |
| 2012 | 753,344,175,841             | 452,361,346,637    | 60.0   |
| 2013 | 781,362,158,748             | 499,743,087,376    | 63.9   |

<sup>(a)</sup> Value adjusted for difference between regular assessment and preferential assessment permitted on certain farm and forestlands.  
Source: Annual Certifications by the State Tax Equalization Board.



– THIS PAGE INTENTIONALLY LEFT BLANK –