



PA pennsylvania

# 2013-14 Governor's Executive Budget

Tom Corbett  
Governor





COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE GOVERNOR  
HARRISBURG

THE GOVERNOR

February 5, 2013

To the People of Pennsylvania:

The 2013-14 budget I present today is borne of the tough choices of the past two fiscal years. Fiscal discipline and continued self-refinement remain guiding principles for this budget. These principles have served Pennsylvania well. We have lived within our means and have not raised taxes on families or businesses. We have put Pennsylvania on a more solid financial footing than when I took office.

The rebuilding of the commonwealth's programs and services begins today. It takes the form of continued investment in job creation, of a world-class education system for our children, of a substantial support system for our vulnerable and aging populations, of a renewed transportation infrastructure, of strengthened public safety services, and of modernized business practices.

The 2013-14 budget seeks to make job creation and business growth more successful and accessible for Pennsylvania companies by consolidating resources and leveraging private dollars to create a more flexible financing tool that can quickly adjust to ever-changing economic conditions. It invests in the workforce development system to support business and train workers for family-sustaining jobs that are growing in Pennsylvania.

This budget commits a \$90 million increase to basic education funding. This is the first increase in two years and brings the total basic education funding to the highest level in Pennsylvania history. Additionally, the commonwealth will implement the new four-year Passport for Learning Block Grant for school districts with \$1 billion in revenues realized from the privatization of Pennsylvania's state stores system for enhancements to school safety, school readiness, and science and math programs.

With this budget, the commonwealth will begin tackling the growing waiting lists through an additional \$20 million in funding for individuals with intellectual disabilities. Because of the commonwealth's Private Management Agreement for the Pennsylvania Lottery, programs for older Pennsylvanians will now receive an additional \$50 million from a reliable, predictable and enhanced source of funding.

Pennsylvania's transportation infrastructure is critical to our economic future, and the current aged and inadequate system must be improved. This budget presents a new transportation funding initiative that will provide the commonwealth with long-term solutions for its roads, bridges and public transit systems.

In public safety, the commonwealth will continue to leverage savings realized through both the Justice Reinvestment and Juvenile Justice Reinvestment Initiatives for strategies that can decrease crime and strengthen the safety of our communities. Three cadet classes, with the potential of 290 more State Police troopers, are planned for the upcoming fiscal year.

Finally, with this budget, the commonwealth will reform its public pension system. We must take action to provide budgetary relief, to prevent these costs from consuming the commonwealth's ability to fund core programs and services, and to institute lasting change to ensure the commonwealth does not face this problem in the future.

Thank you for the opportunity to lead the commonwealth through change. The road has been long, but we now see our destination. I look forward to the renewal and rebuilding of Pennsylvania in the upcoming year.

Pursuant to Article VIII, Section 12 of the Constitution of Pennsylvania, and Section 613 of the Administrative Code of 1929 (71 P.S. Section 233), I am transmitting to your representatives in the General Assembly my proposed budget for Fiscal Year 2013-14.

Sincerely,

Tom Corbett

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Commonwealth of Pennsylvania  
Pennsylvania**

For the Fiscal Year Beginning

**July 1, 2012**

*Christopher P. Morill*      *Jeffrey R. Egan*

President

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, 2012. 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 several major commonwealth funds including the General Fund, Motor License Fund, Lottery Fund, Tobacco Settlement 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 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, the major operating fund of the commonwealth, and ten selected special funds, including detailed data regarding 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. It also presents program performance measures including outcome/effectiveness indicators, output/activity indicators, efficiency measures and need/demand estimators for those programs administered by the agency.

## 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 entire 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 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
Website Links to Commonwealth Agencies.....	19
Website Links to the Information Dashboards, the Budget in Brief and the Governor's Budget Address .....	20

## A. OVERVIEW AND SUMMARIES

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

2013-14 Fiscal and Program Policy Direction .....	A1.5
Reinvesting in Pennsylvania.....	A1.7
The Pension Challenge and Reform Opportunity .....	A1.11
Selling the State Stores .....	A1.13
JOBSFirst PA and Economic Development.....	A1.15
Education Innovation in Pennsylvania .....	A1.20
Human Services and Health Care .....	A1.24
Criminal Justice and Enhanced Public Safety .....	A1.27
Transportation – Building Toward our Future .....	A1.30

<b>Economic Outlook</b> .....	A1.33
-------------------------------	-------

<b>Summary of Major Operating Funds</b> .....	A1.42
-----------------------------------------------	-------

General Fund .....	A1.42
Motor License Fund.....	A1.45
Lottery Fund .....	A1.45
Tobacco Settlement Fund.....	A1.46
Rainy Day Fund.....	A1.47

<b>Complement</b> .....	A1.48
-------------------------	-------

### Statements:

Seven Year Financial Statement — General Fund.....	A2.3
Seven Year Financial Statements — Special Funds .....	A2.4
Seven Year Department Summary by Fund .....	A2.8
Seven Year Commonwealth Program Summary — General and Special Funds .....	A2.12
Dollar Chart by Program — General and Special Funds .....	A2.13
Seven Year Commonwealth Program Summary — General Fund.....	A2.14
Dollar Chart by Program — General Fund.....	A2.15
Program Summary — General Fund .....	A2.16
Dollar Charts — General Fund, Income and Outgo.....	A2.17
Dollar Chart by Character of Expenditure — General Fund.....	A2.18

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

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

## B. PROGRAM BUDGET SUMMARY

Reader's Guide to the "Summary of Revenues and Expenditures for the Operating Program" Statement.	B4
Summary of Revenues and Expenditures for the Operating Program.....	B5
Seven Year Summary of Commonwealth Programs — Operating and Capital.....	B6
Direction and Supportive Services .....	B8

# Table of Contents

Protection of Persons and Property.....	B9
Education .....	B11
Health and Human Services.....	B12
Economic Development .....	B13
Transportation .....	B14
Recreation and Cultural Enrichment.....	B15
Debt Service.....	B16

## C. SUMMARY BY FUND

### General Fund

Financial Statement.....	C1.5
Notes on Financial Statement.....	C1.6
State Funds by Department.....	C1.8
Federal Funds by Department .....	C1.9
Augmentations by Department .....	C1.10
General Fund Revenue Summary .....	C1.11
Adjustments to Revenue Estimate.....	C1.12
Revenues .....	C1.13

### Motor License Fund

Financial Statement.....	C2.2
Summary by Department.....	C2.3
Motor License Fund Revenue Summary .....	C2.6
Adjustments to Revenue Estimate.....	C2.6
Revenues .....	C2.7

### Banking Fund

Financial Statement.....	C3.2
Summary by Department.....	C3.2
Revenues .....	C3.3

### Boat Fund

Financial Statement.....	C4.2
Summary by Department.....	C4.2
Revenues .....	C4.3

### Farm Products Show Fund

Financial Statement.....	C5.2
Summary by Department.....	C5.2
Revenues .....	C5.3

### Fish Fund

Financial Statement.....	C6.2
Summary by Department.....	C6.2
Revenues .....	C6.3

### Game Fund

Financial Statement.....	C7.2
Summary by Department.....	C7.2
Revenues .....	C7.3

### Keystone Recreation, Park and Conservation Fund

Financial Statement.....	C8.2
Summary by Department.....	C8.2
Revenues .....	C8.3

### Lottery Fund

Financial Statement.....	C9.2
Summary by Department.....	C9.3
Revenues .....	C9.5

### Racing Fund

Financial Statement.....	C10.2
Summary by Department.....	C10.2
Revenues .....	C10.3

<b>Tobacco Settlement Fund</b>	
Tobacco Settlement Fund.....	C11.2
Financial Statement.....	C11.3
Summary by Department.....	C11.4
Revenues .....	C11.5
<b>D. TAX EXPENDITURES</b>	
<b>Tax Expenditure Analysis</b> .....	D4
<b>Credit Programs</b> .....	D6
<b>Corporation Taxes</b> .....	D22
Corporate Net Income .....	D22
Capital Stock/Foreign Franchise.....	D27
Gross Receipts .....	D34
Public Utility Realty .....	D36
Insurance Premiums.....	D39
Bank and Trust Company Shares.....	D42
Mutual Thrift Institutions.....	D43
<b>Sales and Use Tax</b> .....	D44
General/Personal Expenditures .....	D44
Fuels and Utilities .....	D49
Motor Vehicles/Vessels .....	D51
Production Expenditures.....	D53
Other.....	D55
<b>Cigarette Tax</b> .....	D68
<b>Malt Beverage Tax</b> .....	D70
<b>Liquor Tax</b> .....	D70
<b>Personal Income Tax</b> .....	D71
Exclusions from Income.....	D71
Credits .....	D79
Estimated Taxes.....	D80
<b>Realty Transfer Tax</b> .....	D82
<b>Inheritance Tax</b> .....	D87
Family Related Exemptions and Exclusions .....	D87
Personal Exclusions and Deductions.....	D89
Business Related Exclusions and Deductions.....	D92
Other Exclusions.....	D93
<b>Table Game Taxes</b> .....	D95
<b>Liquid Fuels and Fuels Tax</b> .....	D96
<b>Oil Company Franchise Tax</b> .....	D96
<b>Alternative Fuels Tax</b> .....	D96
<b>Motor Carriers Road Tax/IFTA</b> .....	D103
<b>Motor Vehicle Code</b> .....	D108
<b>Wagering Tax</b> .....	D112
<b>Admissions Tax</b> .....	D112
<b>Unemployment Compensation Insurance Tax</b> .....	D113
<b>Public Transportation Assistance Fund</b> .....	D114
<b>Motor Vehicle Lease Tax and Motor Vehicle Rental Fee</b> .....	D114
<b>Tire Fee</b> .....	D117
<b>E. DEPARTMENT PRESENTATIONS</b>	
<b>Governor’s Office</b> .....	E1.3
Summary by Fund and Appropriation .....	E1.5
Program Funding Summary.....	E1.6
Executive Direction .....	E1.7

# Table of Contents

<b>Executive Offices</b> .....	E2.1
Summary by Fund and Appropriation .....	E2.3
Program Funding Summary.....	E2.7
Executive Direction .....	E2.9
Legal Services .....	E2.12
Prevention and Elimination of Discriminatory Practices.....	E2.13
Development of Artists and Audiences .....	E2.14
Criminal and Juvenile Justice Planning and Coordination .....	E2.15
Reintegration of Juvenile Delinquents .....	E2.18
Program Measures .....	E2.19
<b>Lieutenant Governor</b> .....	E3.1
Summary by Fund and Appropriation .....	E3.3
Program Funding Summary.....	E3.4
Executive Direction.....	E3.5
<b>Attorney General</b> .....	E4.1
Summary by Fund and Appropriation .....	E4.3
Program Funding Summary.....	E4.5
Public Protection and Law Enforcement .....	E4.6
Program Measures .....	E4.8
<b>Auditor General</b> .....	E5.1
Summary by Fund and Appropriation .....	E5.3
Program Funding Summary.....	E5.4
Auditing.....	E5.5
Municipal Pension Systems.....	E5.6
<b>Treasury</b> .....	E6.1
Summary by Fund and Appropriation .....	E6.3
Program Funding Summary.....	E6.6
Disbursement .....	E6.7
Interstate Relations.....	E6.9
Debt Service .....	E6.10
Program Measures .....	E6.11
<b>Aging</b> .....	E7.1
Summary by Fund and Appropriation .....	E7.3
Program Funding Summary.....	E7.5
Community Services for Older Pennsylvanians.....	E7.6
Pharmaceutical Assistance.....	E7.8
Program Measures .....	E7.10
<b>Agriculture</b> .....	E8.1
Summary by Fund and Appropriation .....	E8.3
Program Funding Summary.....	E8.7
Protection and Development of Agricultural Industries .....	E8.8
Horse Racing Regulation.....	E8.12
Emergency Food Assistance.....	E8.13
Program Measures .....	E8.14
<b>Banking and Securities</b> .....	E9.1
Summary by Fund and Appropriation .....	E9.3
Program Funding Summary.....	E9.4
Financial Services Industry Regulation.....	E9.5
Program Measures .....	E9.6
<b>Civil Service Commission</b> .....	E10.1
Summary by Fund and Appropriation .....	E10.3
Program Funding Summary.....	E10.4
Personnel Selection.....	E10.5
Program Measures .....	E10.6

# Table of Contents

<b>Community and Economic Development</b> .....	E11.1
Summary by Fund and Appropriation .....	E11.3
Program Funding Summary.....	E11.6
PA Job Creation, Business Growth and Attraction .....	E11.7
PA Innovation Economy .....	E11.10
PA Worldwide .....	E11.12
PA Assets .....	E11.13
PA Core Communities .....	E11.14
Program Measures .....	E11.17
<b>Conservation and Natural Resources</b> .....	E12.1
Summary by Fund and Appropriation .....	E12.3
Program Funding Summary.....	E12.6
Parks and Forests Management.....	E12.7
Program Measures .....	E12.10
<b>Corrections</b> .....	E13.1
Summary by Fund and Appropriation .....	E13.3
Program Funding Summary.....	E13.5
Institutionalization of Offenders .....	E13.6
Program Measures .....	E13.13
<b>Drug and Alcohol Programs</b> .....	E14.1
Summary by Fund and Appropriation .....	E14.3
Program Funding Summary.....	E14.4
Drug and Alcohol Abuse Prevention and Treatment.....	E14.5
Program Measures .....	E14.6
<b>Education</b> .....	E15.1
Summary by Fund and Appropriation .....	E15.3
Program Funding Summary.....	E15.7
Education Support Services .....	E15.8
PreK–12 Education (Basic Education).....	E15.9
Library Services.....	E15.12
Higher Education .....	E15.14
Program Measures .....	E15.18
<b>eHealth Partnership Authority</b> .....	E16.1
Summary by Fund and Appropriation .....	E16.3
Program Funding Summary.....	E16.4
Health Information Technology.....	E16.5
<b>Emergency Management Agency</b> .....	E17.1
Summary by Fund and Appropriation .....	E17.3
Program Funding Summary.....	E17.5
Emergency Management.....	E17.6
Fire Prevention and Safety .....	E17.8
Program Measures .....	E17.10
<b>Environmental Protection</b> .....	E18.1
Summary by Fund and Appropriation .....	E18.3
Program Funding Summary.....	E18.7
Environmental Support Services.....	E18.8
Environmental Protection and Management.....	E18.9
Program Measures .....	E18.15
<b>Ethics Commission</b> .....	E19.1
Summary by Fund and Appropriation .....	E19.3
Program Funding Summary.....	E19.4
Executive Direction .....	E19.5

# Table of Contents

<b>Fish and Boat Commission</b> .....	E20.1
Summary by Fund and Appropriation .....	E20.3
Program Funding Summary .....	E20.5
Recreational Fishing and Boating .....	E20.6
Program Measures .....	E20.7
<b>Game Commission</b> .....	E21.1
Summary by Fund and Appropriation .....	E21.3
Program Funding Summary .....	E21.4
Wildlife Management .....	E21.5
Program Measures .....	E21.6
<b>Gaming Control Board</b> .....	E22.1
Summary by Fund and Appropriation .....	E22.3
Program Funding Summary .....	E22.4
Gaming Regulation .....	E22.5
<b>General Services</b> .....	E23.1
Summary by Fund and Appropriation .....	E23.3
Program Funding Summary .....	E23.5
Facility, Property and Commodity Management .....	E23.6
Program Measures .....	E23.9
<b>Health</b> .....	E24.1
Summary by Fund and Appropriation .....	E24.3
Program Funding Summary .....	E24.7
Health Support Services .....	E24.8
Health Research .....	E24.10
Preventive Health .....	E24.11
Health Treatment Services .....	E24.15
Program Measures .....	E24.17
<b>Health Care Cost Containment Council</b> .....	E25.1
Summary by Fund and Appropriation .....	E25.3
Program Funding Summary .....	E25.4
Health Care Cost Containment Council .....	E25.5
<b>Higher Education Assistance Agency</b> .....	E26.1
Summary by Fund and Appropriation .....	E26.3
Program Funding Summary .....	E26.4
Financial Assistance to Students .....	E26.5
Financial Aid to Institutions .....	E26.6
Program Measures .....	E26.7
<b>Historical and Museum Commission</b> .....	E27.1
Summary by Fund and Appropriation .....	E27.3
Program Funding Summary .....	E27.4
State Historic Preservation .....	E27.5
Museum Assistance .....	E27.7
Program Measures .....	E27.8
<b>Infrastructure Investment Authority</b> .....	E28.1
Summary by Fund and Appropriation .....	E28.3
Program Funding Summary .....	E28.5
PENNVEST .....	E28.6
Program Measures .....	E28.8
<b>Insurance</b> .....	E29.1
Summary by Fund and Appropriation .....	E29.3
Program Funding Summary .....	E29.5
Insurance Industry Regulation .....	E29.6
Program Measures .....	E29.9

# Table of Contents

<b>Labor and Industry</b> .....	E30.1
Summary by Fund and Appropriation .....	E30.3
Program Funding Summary .....	E30.5
Community and Occupational Safety and Stability .....	E30.6
Workers' Compensation and Assistance .....	E30.8
Workforce Investment .....	E30.10
Vocational Rehabilitation .....	E30.13
Program Measures .....	E30.14
<b>Liquor Control Board</b> .....	E31.1
Summary by Fund and Appropriation .....	E31.3
Program Funding Summary .....	E31.4
Liquor Control .....	E31.5
Program Measures .....	E31.7
<b>Military and Veterans Affairs</b> .....	E32.1
Summary by Fund and Appropriation .....	E32.3
Program Funding Summary .....	E32.5
State Military Readiness .....	E32.6
Veterans Homes .....	E32.7
Compensation and Assistance .....	E32.9
Program Measures .....	E32.12
<b>Milk Marketing Board</b> .....	E33.1
Summary by Fund and Appropriation .....	E33.3
Program Funding Summary .....	E33.4
Milk Industry Regulation .....	E33.5
Program Measures .....	E33.6
<b>Probation and Parole Board</b> .....	E34.1
Summary by Fund and Appropriation .....	E34.3
Program Funding Summary .....	E34.4
Reintegration of the Adult Offender .....	E34.5
Program Measures .....	E34.8
<b>Public School Employees' Retirement System</b> .....	E35.1
Summary by Fund and Appropriation .....	E35.3
Program Funding Summary .....	E35.4
Public School Employees' Retirement .....	E35.5
Program Measures .....	E35.6
<b>Public Utility Commission</b> .....	E36.1
Summary by Fund and Appropriation .....	E36.3
Program Funding Summary .....	E36.4
Regulation of Public Utilities .....	E36.5
Program Measures .....	E36.7
<b>Public Welfare</b> .....	E37.1
Summary by Fund and Appropriation .....	E37.3
Program Funding Summary .....	E37.11
Human Services Support .....	E37.13
Medical Assistance .....	E37.14
Long-Term Living .....	E37.19
Income Maintenance .....	E37.21
Mental Health .....	E37.24
Intellectual Disabilities .....	E37.27
Human Services .....	E37.31
Child Development .....	E37.34
Program Measures .....	E37.36

# Table of Contents

<b>Revenue</b> .....	E38.1
Summary by Fund and Appropriation .....	E38.3
Program Funding Summary.....	E38.5
Revenue Collection and Administration .....	E38.6
Community Development and Preservation .....	E38.8
Homeowners and Renters Assistance.....	E38.9
Program Measures .....	E38.10
<b>State</b> .....	E39.1
Summary by Fund and Appropriation .....	E39.3
Program Funding Summary.....	E39.5
Consumer Protection.....	E39.6
Program Measures .....	E39.8
<b>State Employees' Retirement System</b> .....	E40.1
Summary by Fund and Appropriation .....	E40.3
Program Funding Summary.....	E40.4
State Employees' Retirement .....	E40.5
Program Measures .....	E40.7
<b>State Police</b> .....	E41.1
Summary by Fund and Appropriation .....	E41.3
Program Funding Summary.....	E41.6
Public Protection and Law Enforcement.....	E41.7
Program Measures .....	E41.11
<b>Transportation</b> .....	E42.1
Summary by Fund and Appropriation .....	E42.3
Program Funding Summary.....	E42.8
Transportation Support Services .....	E42.9
Highways and Bridges.....	E42.10
Local Highway and Bridge Assistance.....	E42.14
Intermodal Transportation.....	E42.16
Safety Administration and Licensing.....	E42.20
Program Measures .....	E42.22
<b>Legislature</b> .....	E43.1
Summary by Fund and Appropriation .....	E43.3
Program Funding Summary.....	E43.5
Legislature .....	E43.6
<b>Judiciary</b> .....	E44.1
Summary by Fund and Appropriation .....	E44.3
Program Funding Summary.....	E44.5
State Judicial System .....	E44.6
<b>Government Support Agencies</b> .....	E45.1
Summary by Fund and Appropriation .....	E45.3
Program Funding Summary.....	E45.4
Government Support Agencies.....	E45.5
<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
Conservation and Natural Resources.....	F8
Corrections.....	F20
Education .....	F25
Environmental Protection .....	F31
Fish and Boat Commission .....	F33
General Services.....	F41
Historical and Museum Commission .....	F44

# Table of Contents

Military and Veterans Affairs .....	F46
Emergency Management & Homeland Security.....	F51
Public Welfare .....	F53
State Police .....	F56
Transportation .....	F58
Summary of Forecast of Future New Project Authorizations — State Funds.....	F102
Forecast of Future Projects by Department.....	F103
Summary of Estimated Capital Project Expenditures — State Funds .....	F106
Estimate of Capital Expenditures by Department.....	F107
 <b>G. PUBLIC DEBT</b>	
Debt Authorized, Issued and Outstanding.....	G5
General Obligation Bond Issues.....	G6
General Obligation Debt Outstanding.....	G7
Constitutional Debt Limit .....	G8
Debt Service on General Obligation Debt .....	G9
Annual Debt Service on Outstanding General Obligation Bonds .....	G10
Trends in Debt Service and Debt Ratios .....	G11
Outstanding Indebtedness of Pennsylvania Agencies and Authorities.....	G12
 <b>H. OTHER SPECIAL FUNDS APPENDIX</b>	
Other Special Funds.....	H5
Acid Mine Drainage Abatement and Treatment Fund .....	H6
Administration Fund .....	H6
Agricultural College Land Scrip Fund .....	H7
Agricultural Conservation Easement Purchase Fund.....	H8
Agricultural Conservation Easement Purchase Sinking Fund .....	H9
Anthracite Emergency Bond Fund .....	H9
Automobile Theft Prevention Trust Fund.....	H10
Ben Franklin Technology Development Authority Fund .....	H10
Benefit Completion Fund.....	H11
Broadband Outreach and Aggregation Fund.....	H11
Budget Stabilization Reserve Fund.....	H12
Capital Debt Fund .....	H12
Capital Facilities Fund .....	H13
Capitol Restoration Trust Fund .....	H14
Catastrophic Loss Benefits Continuation Fund .....	H15
Children's Trust Fund.....	H16
Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund.....	H16
Clean Air Fund .....	H17
Coal and Clay Mine Subsidence Insurance Fund .....	H17
Coal Lands Improvement Fund.....	H18
Community College Capital Fund.....	H18
Compulsive and Problem Gambling Treatment Fund.....	H19
Conrad Weiser Memorial Park Trust Fund .....	H19
Conservation District Fund .....	H20
Deferred Compensation Fund .....	H21
Deferred Compensation Fund – Short-Term Portfolio .....	H21
DNA Detection Fund .....	H22
Education Technology Fund.....	H22
Educational Assistance Program Fund .....	H23
Emergency Medical Services Operating Fund .....	H23
Employment Fund for the Blind .....	H24
Energy Conservation and Assistance Fund .....	H24
Energy Development Fund.....	H25
Environmental Education Fund .....	H25
Environmental Stewardship Fund .....	H26
Fire Insurance Tax Fund .....	H27

# Table of Contents

Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund.....	H28
Growing Greener Bond Fund .....	H29
Growing Greener Bond Sinking Fund.....	H30
Hazardous Material Response Fund.....	H30
Hazardous Sites Cleanup Fund .....	H31
Higher Education Assistance Fund .....	H32
Highway Beautification Fund.....	H32
Historical Preservation Fund .....	H33
HOME Investment Trust Fund.....	H33
Homeowners Assistance Settlement Fund.....	H34
Housing Affordability and Rehabilitation Enhancement Fund.....	H34
Industrial Development Fund .....	H35
Industrial Sites Cleanup Fund .....	H36
Insurance Fraud Prevention Trust Fund.....	H36
Insurance Liquidation Fund .....	H37
Insurance Regulation and Oversight Fund .....	H38
Job Training Fund .....	H39
Justice Reinvestment Fund .....	H40
Land and Water Development Fund.....	H41
Land and Water Development Sinking Fund.....	H41
Liquid Fuels Tax Fund.....	H42
Liquor License Fund.....	H42
Local Criminal Justice Sinking Fund.....	H43
Local Government Capital Project Loan Fund.....	H43
Machinery and Equipment Loan Fund.....	H44
Manufacturing Fund .....	H44
Marcellus Legacy Fund .....	H45
Medical Care Availability and Reduction of Error Fund .....	H46
Milk Marketing Fund.....	H47
Mine Safety Fund .....	H47
Minority Business Development Fund .....	H48
Motor Vehicle Transaction Recovery Fund .....	H48
Multimodal Transportation Fund.....	H49
Municipal Pension Aid Fund.....	H50
Municipalities Financial Recovery Revolving Aid Fund .....	H51
Neighborhood Improvement Zone Fund.....	H51
Non-Coal Surface Mining Conservation and Reclamation Fund .....	H52
Nutrient Management Fund.....	H52
Oil and Gas Lease Fund .....	H53
Patient Safety Trust Fund.....	H54
Pennsylvania Economic Revitalization Fund.....	H54
Pennsylvania Economic Revitalization Sinking Fund .....	H55
Pennsylvania eHealth Partnership Fund .....	H55
Pennsylvania Gaming Economic Development and Tourism Fund.....	H56
Pennsylvania Historical and Museum Commission Trust Fund.....	H57
Pennsylvania Infrastructure Bank.....	H57
Pennsylvania Municipal Retirement Fund .....	H58
Pennsylvania Race Horse Development Fund.....	H59
Pennsylvania Veterans Memorial Trust Fund.....	H59
PENNVEST Bond Authorization Fund.....	H60
PENNVEST Drinking Water Revolving Fund .....	H61
PENNVEST Fund.....	H62
PENNVEST Non-Revolving Equity Fund .....	H63
PENNVEST Redemption Fund .....	H63
PENNVEST Revolving Fund .....	H64
PENNVEST Trustee Fund.....	H64
PENNVEST Water Pollution Control Revolving Fund .....	H65
Persian Gulf Conflict Veterans' Compensation Bond Fund.....	H66

# Table of Contents

Persian Gulf Conflict Veterans' Compensation Sinking Fund.....	H66
Pharmaceutical Assistance Fund .....	H67
Philadelphia Regional Port Authority Fund.....	H68
Port of Pittsburgh Commission Fund.....	H68
Property Tax Relief Fund .....	H69
Public Transportation Assistance Fund.....	H70
Public Transportation Trust Fund .....	H70
Purchasing Fund.....	H71
Real Estate Recovery Fund .....	H71
Recycling Fund .....	H72
Rehabilitation Center Fund.....	H72
Remining Financial Assurance Fund.....	H73
Rightful Owners' Claims Payment Fund.....	H73
School Employees' Retirement Fund .....	H74
School Retirees' Health Insurance Fund.....	H75
Self-Insurance Guaranty Fund .....	H75
Small Business First Fund.....	H76
Solid Waste-Resource Recovery Development Fund .....	H76
Special Administration Fund.....	H77
Special Juvenile Victim Compensation Fund .....	H77
State College Experimental Farm Fund .....	H78
State Employees' Retirement Fund.....	H79
State Gaming Fund .....	H80
State Insurance Fund.....	H81
State Restaurant Fund .....	H81
State School Fund.....	H82
State Stores Fund .....	H83
State Treasury Armory Fund .....	H84
State Worker's Insurance Fund.....	H85
Storage Tank Fund.....	H86
Substance Abuse Education and Demand Reduction Fund.....	H86
Supplemental State Assistance Fund.....	H87
Surface Mining Conservation and Reclamation Fund .....	H87
Tax Note Sinking Fund.....	H88
Treasury Initiative Support Fund .....	H88
Tuition Account Guaranteed Savings Program Fund .....	H89
Tuition Account Investment Program Fund .....	H90
Unconventional Gas Well Fund.....	H91
Underground Storage Tank Indemnification Fund.....	H92
Unemployment Compensation Benefit Payment Fund.....	H93
Unemployment Compensation Contribution Fund.....	H93
Unemployment Compensation Debt Service Fund .....	H94
Uninsured Employers Guaranty Fund .....	H95
Veterans Trust Fund.....	H95
Vocational Rehabilitation Fund.....	H96
Volunteer Companies Loan Fund.....	H97
Volunteer Companies Loan Sinking Fund.....	H97
Water and Sewer Systems Assistance Bond Fund .....	H98
Water and Sewer Systems Assistance Bond Sinking Fund .....	H98
Water Facilities Loan Redemption Fund .....	H99
Water Supply and Wastewater Treatment Fund .....	H99
Water Supply and Wastewater Treatment Sinking Fund.....	H100
Wild Resources Conservation Fund.....	H100
Wireless E-911 Emergency Services Fund.....	H101
Workers' Compensation Security Fund.....	H102
Workmen's Compensation Administration Fund .....	H103
Workmen's Compensation Supersedeas Fund .....	H104

# Table of Contents

**I. COMPLEMENT**

Authorized Salaried Complement By Agency..... I 5  
Summary of Complement Changes ..... I 6

**J. STATISTICAL DATA**

General Information..... J5  
State Population Trends..... J6  
State Employment Trends..... J7  
State Unemployment Trends..... J9  
State Personal Income Trends..... J11



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# 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.

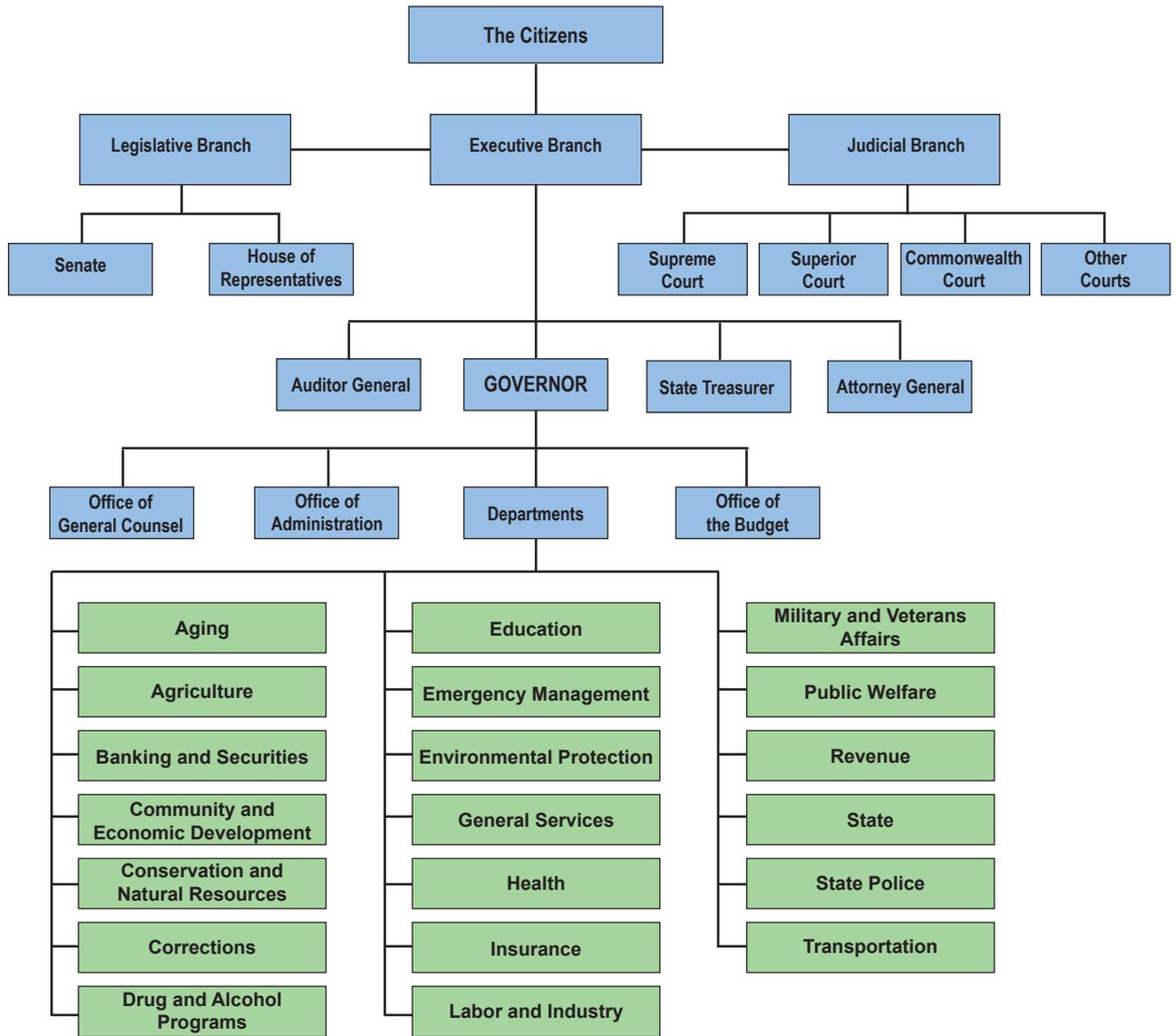
It contains an organization chart of the commonwealth, descriptions of the operating and capital budget processes, explanations of the program budget structure and the basis of budgeting and accounting, a summary of significant financial policies, terms used in the budget process and a list of common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

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# 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.

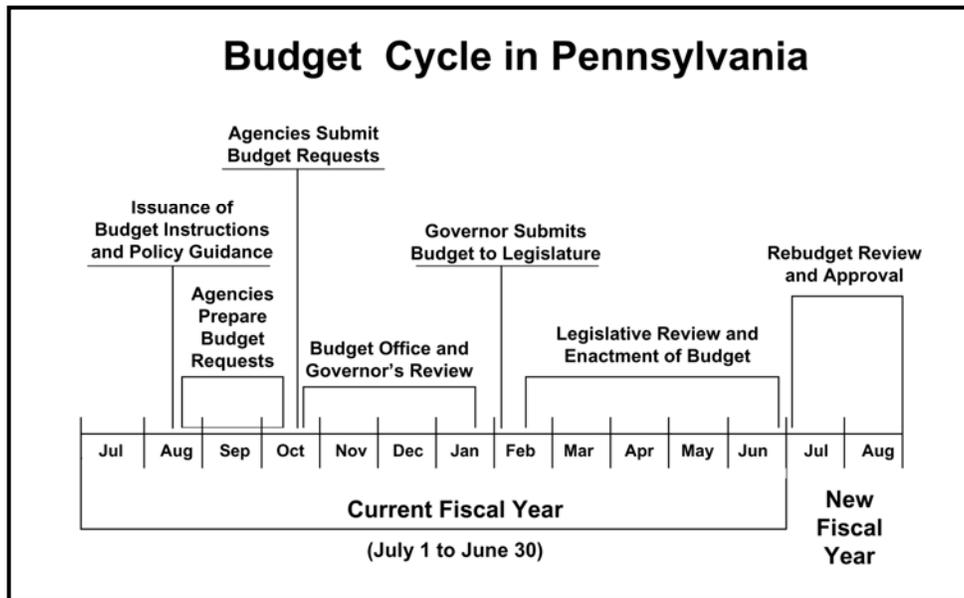
Agency budget requests are submitted to the Governor's Budget Office beginning in early October. Agencies prepare and submit their requests electronically. The Agency Program Plan, the programmatic presentation of agency budget requests, and the appropriation-level information are prepared and submitted 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 (page F3). The majority of capital projects are funded through general obligation bonds, but in accordance with commonwealth debt policy (page G3), 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 on pages F5-F7 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 (pages F8-F101) 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. Pages F3 and F4 briefly describe the seven categories of capital projects and the contents of the three subsections: 2013-14 New Project Authorizations; Forecast of Future Projects; and Estimate of Capital Expenditures.

# 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
<ul style="list-style-type: none"> <li>• <i>Commonwealth Program – eight major programs</i></li> <li>• <i>Program Category – defined by desired goals</i></li> <li>• <i>Program Subcategory – Program Presentation that includes an objective, narrative and funding</i></li> <li>• <i>Program Element – activities contributing toward the accomplishment of the subcategory program objective</i></li> </ul>

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, 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.

### 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; Banking Fund; Boat Fund; Farm Products Show Fund; Fish Fund; Game Fund; Keystone Recreation, Park and Conservation Fund; Lottery Fund; Racing Fund and Tobacco Settlement Fund and all appropriations or executive authorizations made from those 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
<ul style="list-style-type: none"> <li>• <i>Program Objective – program purpose stated as desired accomplishments</i></li> <li>• <i>Narrative – program activities and services description</i></li> <li>• <i>Program Recommendations – proposed funding increases or decreases</i></li> <li>• <i>Appropriations within this Program – appropriations supporting program activities</i></li> </ul>

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 Appendix 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)

2011-12 ACTUAL      2012-13 AVAILABLE      2013-14 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, Banking Department, Boat, Farm Products Show, Fish, Game, Keystone Recreation, Park and Conservation, Lottery, Racing and Tobacco Settlement 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 Appendix.

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

### Appropriations within this Program:

	2011-12 Actual	2012-13 Available
<b>GENERAL FUND:</b>		
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

	2011-12	2012-13
<b>Protection of Air Quality</b>		
Percentage of population in counties attaining the ambient PM-2.5 (fine particles) annual standard .....	90%	90%
Percentage of population in counties attaining the 1997 ambient ozone standard	88%	88%
Percentage of population in counties attaining the 2008 ambient ozone standard	35%	42%

# Environmental Protection

Identifies the agency being presented.

to improve the quality of the air, water and environment for the Commonwealth, to protect the people from dangerous man-made sources, including occupational and medical 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> —to continue current program.
\$	5	<b>Interstate Mining Commission</b> —to continue current program.
\$	-10	<b>Susquehanna River Basin Commission</b> —nonrecurring project.
\$	10	<b>Chesapeake Bay Commission</b> —to continue current program.

(Dollar Amounts in Thousands)

2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 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

2013-14	2014-15	2015-16	2016-17	2017-18
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 87 of 2012 suspended the transfer to the Budget Stabilization Reserve Fund for the most recent fiscal year ending June 30, 2012. Additional information on this fund, commonly referred to as the Rainy Day Fund, is found in Section A.1.

**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 Appendix.

## 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, 2012 to September 30, 2013 would be FFY 2013.

**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, referred to by the year in which the fiscal year begins, for example, July 1, 2012 to June 30, 2013 would be Fiscal Year 2012. In the budget document, referred to by using both calendar years in which the fiscal year spans, for example, July 1, 2012 to June 30, 2013 would be Fiscal Year 2012-13.

- **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

## Website Links to Commonwealth Agencies

To learn more about state agencies, their missions, programs and funding, visit their websites by choosing links below.

[Aging](#)

[Agriculture](#)

[Attorney General](#)

[Auditor General](#)

[Banking and Securities](#)

[Civil Service Commission](#)

[Community and Economic Development](#)

[Conservation and Natural Resources](#)

[Corrections](#)

[Drug and Alcohol Programs](#)

[Education](#)

[Emergency Management Agency](#)

[Environmental Protection](#)

[Ethics Commission](#)

Executive Offices

[Office of Administration](#)

[Office of General Counsel](#)

[Office of Inspector General](#)

[Office of the Budget](#)

[Commission on Crime and Delinquency](#)

[Council on the Arts](#)

[Juvenile Court Judges Commission](#)

[Fish and Boat Commission](#)

[Game Commission](#)

[Gaming Control Board](#)

[General Services](#)

[Governor's Office](#)

[Health](#)

[Higher Education Assistance Agency](#)

[Historical and Museum Commission](#)

[Infrastructure Investment Authority \(PENNVEST\)](#)

[Insurance](#)

[Judiciary](#)

[Labor and Industry](#)

[Legislature](#)

[Liquor Control Board](#)

[Lt. Governor's Office](#)

[Military and Veterans Affairs](#)

[Milk Marketing Board](#)

[Probation and Parole Board](#)

[Public School Employees Retirement System](#)

[Public Utility Commission](#)

[Public Welfare](#)

[Revenue](#)

[State](#)

[State Employees Retirement System](#)

[State Police](#)

[Transportation](#)

[Treasury](#)

## Website Links to the Information Dashboards, the Budget in Brief and the Governor's Budget Address

### Budget Dashboard

The Budget Dashboard allows readers to review graphical presentations of the total commonwealth budget and its revenue and expenditure categories and all agency funding recommendations included in the Governor's Executive Budget.

The Budget Dashboard website link:

<http://www.pa.gov>

Click on the 2013-2014 Budget link under Popular Pages; then click on the 2013-14 Proposed Budget Dashboard link shown under the Current and Proposed Commonwealth Budgets heading.

### State Performance Dashboard

The State Performance Dashboard allows readers to review the activities and accomplishments of 30 commonwealth agencies and see state government efforts to deliver quality services and improve the lives of Pennsylvania's citizens. The dashboard is organized into seven goal areas: education, economic development, health and human services, the environment, public safety, consumer protection and government efficiency. It summarizes agency key objectives and presents results for dozens of distinct measures. This emphasis on accountability is especially important in today's uncertain economy when state resources are stretched thin and every dollar must be spent wisely.

The 2011-12 State Performance Dashboard website link:

[http://www.budget.state.pa.us/portal/server.pt/community/performance\\_reports/4677](http://www.budget.state.pa.us/portal/server.pt/community/performance_reports/4677)

Click on the 2011-12 Report on State Performance link.

### Workforce Statistics Dashboard

The State Government Workforce Statistics Dashboard allows readers to review graphical presentations of workforce statistics for agencies under the Governor's jurisdiction, including general employment trends, equal employment opportunity elements, comparison of labor unions, employee mobility patterns and detailed employment characteristics. It also compares the number of Pennsylvania state employees to the workforces of other state governments.

The State Government Workforce Statistics Dashboard website link:

<http://www.portal.state.pa.us/portal/server.pt?open=514&mode=2&objID=554784>

Click on the Workforce Statistics link.

### Budget in Brief

The Budget in Brief booklet provides summary information on the major themes in the 2013-14 Governor's Executive Budget, including recommended program changes and funding levels in pursuit of the administration's policy and program direction for the commonwealth.

The 2013-14 Budget in Brief website link:

<http://www.pa.gov>

Click on the 2013-2014 Proposed Budget link under Popular Pages; then click on the 2013-14 Budget in Brief link shown under the Current and Proposed Commonwealth Budgets heading.

### Governor's Budget Address

Governor Corbett's 2013-14 Budget Address website link:

<http://www.pa.gov>

Click on the 2013-2014 Proposed Budget link under Popular Pages; then click on the 2013-14 Proposed Budget News Releases and Governor's Address link shown under the Current and Proposed Commonwealth Budgets heading.



Commonwealth of Pennsylvania

Governor's Executive Budget

*OVERVIEW*  
*AND*  
*SUMMARIES*

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# FISCAL AND PROGRAM POLICY DIRECTION AND BUDGET THEMES

The Governor's 2013-14 Program Policy Guidelines issued in August 2012 defined major policy issues, stated program priorities and provided direction to commonwealth agencies for the preparation of 2013-14 agency budget requests. The Fiscal and Program Policy Direction section immediately following this page presents the fiscal and program policies that guided the development of the 2013-14 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: Reinvesting in Pennsylvania; The Pension Challenge and Reform Opportunity; Selling the State Stores; JOBSFirst PA and Economic Development; Education Innovation in Pennsylvania; Human Services and Health Care; and Criminal Justice and Enhanced Public Safety; Transportation – Building Toward our Future.

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.

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## 2013-14 Fiscal and Program Policy Direction

This section presents the fiscal and program policies that guided the development of the 2013-14 Governor's Executive Budget. The commonwealth faced significant financial challenges during recent fiscal years and in response instituted operating and program reductions to help address significant budget shortfalls. The ongoing weak national and state economies will again impact state revenues and program spending levels in 2013-14. Nonetheless, agencies are expected to rise to the challenge to continue to efficiently and effectively provide quality services to Pennsylvania citizens.

Two key budget development policy documents were issued by the Governor's Budget Office in August 2012 to assist agencies develop their 2013-14 budget requests – the annual Budget Instructions and the Program Policy Guidelines.

### Budget Instructions

The 2013-14 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 2013-14 Governor's Executive Budget. Agencies were to develop plans and policies designed to make government more efficient and effective. Agencies were asked to prepare 2013-14 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 2013-14  
Budget  
Instruction

The 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.

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.

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.

### Program Policy Guidelines

The 2013-14 Program Policy Guidelines provided more specific fiscal and program direction to the agencies. Agency budget planning for 2013-14 was to be predicated on the fact that the Pennsylvania economy was still in recovery and had not yet emerged from the "Great Recession." Therefore, agencies should not assume funding increases for the 2013-14 fiscal year and should continue to evaluate current programs and recommend changes that would improve program management and operations, reduce costs and optimize direct services.

FY 2013-14  
Program  
Policy

Agencies were asked to consider the following questions during the planning process. What does the agency need to accomplish to better serve taxpayers and to help grow the economy? Can the agency eliminate, retool or enhance programs to better leverage and target limited resources to innovative program to help rebuild the economy? Can the agency outsource programs, consider privatization or consider public-private partnerships?

In addition, agencies were directed to:

- Request general government operations and administrative appropriations at levels that do not exceed 2012-13 enacted budget amounts.
- Identify efficiencies, consolidations or other personnel cost reductions sufficient to offset in a realistic and sustainable manner any requested increase in operating and fixed asset spending.
- Manage 2012-13 complement and immediately slow hiring, including requests to fill current year vacancies, in a prudent manner that will keep budget requests within the levels specified by this guidance.
- Request discretionary programs that are not statutorily set by the state or that are not a federal requirement at levels that do not exceed enacted 2012-13 budget amounts and consider the elimination of programs that do not further the priorities of the administration.
- Keep program revision requests requiring new or increased funding within existing 2012-13 funding levels through offsetting savings that are achievable in 2013-14 and sustainable in future fiscal years.
- Request no additional state funding to replace lost or reduced federal funding.

The guidelines noted that the governor was committed to reducing the cost of operating state government by 10 percent over four years. The last two enacted budgets included administrative costs savings totaling nearly 6 percent. Continuing budgetary pressures would require agencies to prudently manage complement in the current fiscal year and demonstrate restraint in filling positions.

The 2013-14 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

In addition, agencies were not to propose new information technology projects unless the projects were approved through the information technology strategic review process managed by the Office for Information Technology. Project requests not approved by OIT would not be funded through the budget process.

Finally, the guidelines noted that Pennsylvania, like most other states, was facing a protracted economic recovery that will take considerable time and effort to address. The direction given was responsive to fiscal realities and addressed the commonwealth's 2013-14 budget challenges head on. The principles of fiscal discipline, limited government and free enterprise were to guide 2013-14 budget planning, allowing the administration to focus on the core functions and responsibilities of state government and to ensure future growth and prosperity for all Pennsylvanians.

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 2013-14 Budget in Brief, a separate booklet, for summary information on the 2013-14 Governor's Executive Budget, including recommended program changes and funding levels in pursuit of the administration's policy and program direction for the commonwealth.

## Reinvesting in Pennsylvania

During the past two fiscal years, the Corbett Administration focused on realigning Pennsylvania to put the commonwealth on more solid financial footing to spur economic growth and job creation. Fiscal discipline and continued self-refinement remain guiding principles for this budget as Pennsylvania looks to the future. These principles serve as a roadmap for Pennsylvania in 2013-14: continuing investment in job creation, educating our children, supporting our vulnerable and older populations, bolstering our infrastructure, strengthening our public safety services, modernizing our business practices and workforce, and aligning our services with consumer demand. The budget demonstrates a commitment to adapt to changing federal, state and local mandates and needs. More importantly, it shows the ability of the commonwealth to reset programs to be relevant and meaningful to the taxpayers.

The commonwealth is operating more efficiently. Over the past two years, commonwealth agencies have closely examined their operations, aligned workforces and embarked upon innovative initiatives that have produced real savings. State government is leaner. Productivity is up. Non-mission critical programs have been eliminated and programs offering similar services have been combined.

Through innovation, hard work and fiscal discipline, the commonwealth continues to transform the way government delivers programs and services and is now poised to begin modest, prudent investments to better serve the people of Pennsylvania.

### REINVESTMENT PRIORITIES

#### Economic Development

Pennsylvania remains committed to enhancing its business climate, sparking economic development and redevelopment and creating jobs. Since 2010, more than 100,000 private sector jobs have been created. Tax reforms and incentive programs have enabled businesses, large and small, to set up shop within our borders and grow burgeoning companies into industry leaders. Workforce development and retraining programs continue to provide Pennsylvania workers with the skills and know-how to meet the changing face of industry and service delivery in the commonwealth.

This budget seeks to make job creation and business growth more successful and accessible for Pennsylvania companies. The Pennsylvania Business Development Authority will consolidate eight existing revolving loan programs into one large pool of assets totaling \$1.1 billion, creating a single point of contact for job creators seeking capital to grow their businesses. In addition, the budget invests in business marketing programs to better highlight the new Pennsylvania and provides funding to remove barriers to companies wishing to locate or expand in Pennsylvania.

#### Education

This budget continues to transform the commonwealth's investment in basic education by providing greater flexibility in funding to local school districts and creating the ability to focus that funding on students and student achievement. The 2013-14 budget commits a \$90 million increase to Basic Education Funding, the first increase in two years. The commonwealth will implement the new Passport for Learning Block Grant for school districts with revenues realized from the privatization of Pennsylvania's state stores system.

More money will be available to programs for our youngest students in pre-kindergarten and daycare, as well as for Early Intervention and Head Start Supplemental Assistance programs that support young children with learning support needs. Additionally, the budget supports programs that measure student performance and demonstrate instruction excellence. The implementation of Teacher and Principal Evaluation tools will provide educators with targeted resources, support and feedback in order for them to improve their instruction and school leadership.

The commitment to higher education remains strong. The commonwealth will support our institutions of higher learning through level-funding. Eligible students will continue to receive financial support from student grants and special programs dedicated to certain areas of study or student populations.

# Theme: Reinvesting in Pennsylvania

## Human Services

The 2013-14 budget reinvests much of the savings derived through the thoughtful examination of core human services programs. By aligning the commonwealth's investment with program demand and usage, we are better able to serve Pennsylvania's most vulnerable citizens.

Pennsylvanians overwhelmingly state that they would prefer to receive long term living services in their homes and communities rather than in an institutional setting. This year, a significant investment has been made in home and community-based services, greatly expanding the number of people who can be served. With this budget, the commonwealth will begin to address the growing waiting lists for individuals with intellectual disabilities and older Pennsylvanians anticipating home and community-based services. These services - including daily living and medical support, vocational training, respite care and living arrangements - assist families struggling with providing their loved ones with independent living and community life.

Pennsylvania will modernize its public health delivery system to better meet the changing needs of the people it serves. With the development of new community-based health care clinics, the commonwealth will better serve Pennsylvanians with front line health services and education, as well as provide increased funding for the Primary Health Care Practitioner loan repayment program, supporting health care professionals in underserved areas.

The Department of Public Welfare's Youth Development Centers and Youth Forestry Camps have the capacity to serve over 500 juvenile offenders. However, occupancy has been decreasing over the years, as adjudicated youth are being served in community-based alternatives. As a result, the New Castle facility, which has an occupancy rate of 34%, will be closed this fiscal year. Savings from this closure will be made available for the Juvenile Justice Reinvestment Initiative, an initiative to reinvest in evidence-based violence prevention and intervention programs with the goal of reducing recidivism through risk assessment and targeted interventions for high-risk juvenile offenders.

Over the past decade, rape crisis and domestic violence programs have struggled to meet the health, emotional support and safety needs of the people they serve. This budget directs increases to these much needed services that help adults and children rebuild their lives.

## Public Safety

With this year's budget, the commonwealth will be putting more state troopers on the streets. Three cadet classes, with the potential of 290 new troopers, are planned for the upcoming fiscal year. In addition, the budget provides funding for 90 new civilian communications operators to relieve troopers from this responsibility and allow them to focus on law enforcement functions.

Since its inception last year, the Justice Reinvestment Initiative (JRI) is helping to reduce corrections spending and generate savings to reinvest in strategies and programs that increase public safety. It is already beginning to pay dividends. Initial savings will provide funding in 2013-14 to enhance victim services and to develop an offender risk assessment instrument. JRI is expected to reduce the prison population by more than 1,200 inmates and save the commonwealth \$139 million over the next five years. A portion of these dollars will be reinvested in order to generate further savings over the long term.

The budget also reinvests savings derived through modernization of the commonwealth's correctional institutions. In January 2013, the commonwealth announced that Cresson and Greensburg State Correctional Institutions would consolidate operations at a new facility, SCI Benner Township. This state of the art prison will house up to 2,000 inmates, is less costly to operate and will be safer for staff and inmates. This consolidation will also save \$22 million in its initial year.

## Transportation and Infrastructure

The transportation funding proposal is designed to be a long-term solution, as well as to be fair, in that all users pay; and to have every new dollar spent as efficiently as possible, taking advantage of the latest modernizations and innovations both at PennDOT and also from private industry. Components of the plan include phasing out the cap of the Oil Company Franchise Tax, reducing the flat liquid fuels tax assessed at the pump by six percent, and changing the renewal cycles for driver's licenses and vehicle registrations. In addition to using new revenue for highway and bridge construction and maintenance, the plan includes funding for non-highway modes of transportation.

# Theme: Reinvesting in Pennsylvania

## REINVESTING IN STATE GOVERNMENT

State government's intent is simple: to serve its citizens. It is the government's responsibility to do so in the most effective and most practical manner to meet the needs of its citizens. Today's delivery of government services must evolve to remain relevant in the lives of those it serves. To meet these changing needs, Pennsylvania is redesigning the delivery of services to residents, as well as aligning aspects of its workforce to mirror private business: meeting consumer demand, maximizing productivity and improving the quality of services provided.

### Privatization and Innovation

The Governor's Advisory Council on Privatization and Innovation was formed in 2011 to review government operations and recommend areas of refinement to more efficiently and effectively deliver programs and services to the residents of Pennsylvania. Recognizing that a good government is one that adapts to change, looks to increase productivity and efficiency, and leverages the creativity and best practices of other public, private and nonprofit organizations, the council identified several areas of state government that would benefit from deeper exploration and redesign. The commonwealth has begun to move forward in some of these areas.

To better serve older Pennsylvanians, the commonwealth has contracted with a private manager to maximize the Pennsylvania Lottery revenue stream that funds programs for our older population. The decision to move to a private manager was borne of the simple fact that the commonwealth could no longer effectively meet the growing financial need of programs supported with lottery proceeds. Pennsylvania is home to the country's 4th oldest population. That age group is growing faster than the programs that serve it and demand will continue to exceed funding resources for the next 15 years. And because the Pennsylvania Lottery is the source of three quarters of funding for programs for older Pennsylvanians, it is critical that a sufficient, predictable source of funding is available now and in the future.

The private management agreement assures more than \$34 billion in annual profit commitments over the next 20 years that will be used to fund services to older Pennsylvanians, including increased services necessary to meet the needs of this growing population. In fact, through this agreement increased funding will result in expanded and enhanced services for older Pennsylvanians in the 2013-14 fiscal year, including in-home services, personal care services and care giver support services. In addition, funding is provided to support the Area Agencies on Aging and to modernize facilities and programs at senior centers.

Pennsylvania is one of only two states (the other being Utah) that still centralizes the sale of wine and spirits. It is an enterprise that fails to meet the desire of the consumer for convenience and truly competitive pricing. Even with higher prices compared to other states, most state stores operate at a loss. It is time that Pennsylvania adapt to the changing consumer demand.

This year, the commonwealth will begin to divest itself from the sale of wine and spirits through the auction of up to 1,200 wine and spirits retail store licenses. Existing state stores will be replaced by private entities. The private entities will then be able to sell wine and spirits (based upon license type). In addition, the commonwealth will pursue changes to legislation that will allow for the sale of beer and wine in "to go" quantities at more locations. The second phase of this divestiture involves selling off wholesale operations. The Pennsylvania Liquor Control Board will still regulate the sale and distribution of wine and spirits, in a similar manner as it currently does with beer. Proceeds from the divestiture of wine and spirits retail and wholesale operations will be used to fund the new Passport for Learning Block Grant for school districts.

As important as it is to look to the outside, it is equally important for the enterprise to look within. Is state government operating efficiently enough? Can it do things faster and better? Is it positioned correctly to meet the future needs of those it serves? Over the past two years, the commonwealth has reduced general governmental operations by more than 6 percent. The number of public employees has been reduced by 2,000 to better align with program delivery demands. Per employee productivity has increased. This year, the commonwealth will also transition its management workforce to a 40-hour workweek. This move will align its workforce with private industry, increase productivity and assist in enhanced service delivery to the residents of Pennsylvania.

### Governor's Innovation Office

The current challenging economic times and associated budgetary constraints require state government to operate more efficiently and cost-effectively than ever before. The Governor's Innovation Office was created in March 2012 to work with state agencies on ways to reduce costs, increase

# Theme: Reinvesting in Pennsylvania

efficiencies and improve service. At the close of the 2012 calendar year, the agencies participating in the Governor's Innovation Initiative completed 25 projects with a total of \$84 million in savings, cost avoidance and productivity gains. There are over 160 additional innovation initiatives in progress.

Priority projects for 2013-14 will include: streamlining print, imaging, and mail operations, saving \$7 million; coordinating commonwealth vehicle fueling operations and fuel purchases, saving \$1 million; and implementing electronic grants processing, with the potential to save, at a minimum, \$50 million.

## The Pension Challenge

Pennsylvania will reform its two public pension plans in the 2013-14 fiscal year. The pension challenge has become a key issue on the minds of many, from members of the General Assembly, state and school employees, school district directors and administrators, to retirees, business leaders, and even state and municipal finance rating agencies. It is a topic increasingly on the minds of Pennsylvania taxpayers who ultimately bear the cost of the system through their tax dollars. All of these stakeholders, while representing diverse interests, recognize the crisis facing our state: that the commonwealth's growing pension obligations are crowding out funding for their children's basic and higher education, public safety, health and human services, the maintenance and repair of roads and bridges, environmental protection, and other core governmental programs.

The commonwealth is in need of a long-term solution for overall stability of the pension systems that addresses the detrimental effects of spiraling pension costs on the commonwealth's ability to govern and to balance its future budgets. Though no cure-all to Pennsylvania's budget challenges, the fiscal reality is that absent meaningful structural pension reform, the state's General Fund budget is on a very predictable path that will force a choice between either fully funding pension obligations or making cuts to the core functions of government on which our residents rely.

## Managing Capital and Debt Programs

The budget reflects actions previously taken and continues to better manage commonwealth debt and bring new debt and debt retirement into alignment. While the commonwealth's debt load will continue to increase over the coming years due to projects and commitments made in prior years, significant changes have been made so that in 2016, the commonwealth's debt load will begin to decrease. This budget maintains the capital funding levels introduced in the 2012-13 budget, to just less than \$200 million in Public Improvement Projects for commonwealth-owned buildings and facilities, and continues focus on the priority infrastructure needs of the commonwealth. The level of Higher Education project releases that the commonwealth provides to the State System of Higher Education and the state-related universities – the University of Pittsburgh, Penn State University, Temple University and Lincoln University – will remain level at approximately \$155 million a year, which the universities may direct toward their capital priorities. The budget also reflects reforms in the Redevelopment Assistance Capital Program, including setting releases at a much lower level than in previous years to reduce RACP debt by more than \$1 billion in the relatively short term. The new process prioritizes projects, approving funding for projects that will have the greatest impact on Pennsylvania's economy.

## The Pension Challenge and Reform Opportunity

The pension challenge has become a key topic of discussion, news reports and debate in nearly every corner of the commonwealth. It is a question on the minds of many, from members of the General Assembly, public and school employees, school district directors and administrators, to retirees, business leaders, and even state and municipal finance rating agencies. As well, it is a question increasingly on the minds of Pennsylvania taxpayers who ultimately bear the cost of the system through their tax dollars. All of these stakeholders, while representing diverse interests, recognize the crisis facing our state – that the commonwealth's growing pension obligations are crowding out funding for basic and higher education, public safety, health, human services, maintenance and repair of roads and bridges, environmental protection and other core governmental programs.

The fiscal reality is that absent meaningful structural pension reform, the state's budget is on a very predictable path that will force a choice between either fully funding pension obligations or making cuts to the core functions of government on which our citizens rely.

Just as it impacts at a state level, this same dynamic will play out in nearly every school district across the commonwealth. Increasing pension contribution obligations will claim a greater and greater share of school district budgets, crowding out funding for education, whether it is direct classroom instruction, extra-curricular activities, facilities and maintenance, and ultimately will put pressure on districts to increase property taxes.

Failure to enact meaningful reform could impact the commonwealth's ability to attract and keep job-creating businesses within its borders and will negatively affect the credit rating of the commonwealth, costing taxpayers more money in increased interest rates for bond issuances.

### Unfunded Pension Liability

Pennsylvania has two public pension systems: the Public School Employees' Retirement System (PSERS) and the State Employees' Retirement System (SERS). The two systems' total liabilities (future retirement benefits to be paid) exceed the total assets of the combined plans by \$41 billion. This unfunded liability is essentially a state debt owed to state workers and public school employees.

Actuarial valuations show that SERS is 65.3 percent funded, while PSERS is 69.1 percent funded. When the valuations of the two systems are combined, they are just under 68 percent funded. A healthy funding ratio is considered 80 percent. The funded ratios of the two systems are expected to continue to decline in the next several years.

### Growing Total Commonwealth Employer Contributions

To fund the current cost of pension benefits as well as the unfunded liability, Pennsylvania's total required employer contribution rates and total employer contributions have and will continue to rise quickly. The employer contribution rate for SERS, which was just 5 percent of payroll in 2010-11, is now 11.5 percent, and will grow every year until it reaches 32.5 percent in 2017-18. Likewise, the PSERS rate, which stood at 5.64 percent of payroll in 2010-11 is at 12.36 percent for the current fiscal year and is expected to increase every year until it peaks at 28.04 percent in 2019-20. Both rates will remain at these high levels for several years before retreating.

As the employer contribution rates for both systems grow, so do the total dollar amounts of required employer contributions, more than doubling every two years. Absent reform, contributions will rise to nearly \$5.2 billion in the coming decade.

These numbers are staggering, but the pain they impose on the state budget comes in the year-over-year cost growth as pension contributions claim a growing share of the General Fund and of available new revenues (detailed in the next section). Costs have more than doubled in the past two years. Looking ahead to 2013-14, total contributions are expected to increase by more than \$500 million.

# Theme: The Pension Challenge and Reform Opportunity

## Commonwealth Employer Contributions as a Share of Available Revenue

The effort to meet employer contribution obligations is made more difficult by the fact that pension costs will claim a significantly larger share of all available new revenues in every budget cycle for the foreseeable future. Rising pension costs threaten to overwhelm the budget and the vital programs and services that it funds. If pensions alone were the only area of state government growing, the challenge posed here might be less acute. But, of course, pensions are not the only area of state government seeing substantial cost growth.

This dynamic of pension and other mandated cost growth forcing reductions elsewhere in the budget is not a new phenomenon, nor is it one that will end with the coming fiscal year. The spending cuts of the past two fiscal years were due, in part, to this same dynamic. Going forward, as pension costs grow significantly year-over-year for the next several years, without pension reform, the future is likely to include similar reductions as more and more pressure is put on the commonwealth's budget.

## A Framework for Success

The pension reform plan recognizes that the commonwealth cannot correct its pension problem all at once. Significant changes are required to make real and lasting pension reform. First, the plan proposes a defined contribution for future employees that will help change the risk structure of our pension systems on a long-term basis. In addition, in the short term, the plan includes measures to help smooth contribution increases that are consuming an ever-growing portion of the General Fund.

Components of the pension reform plan include:

- There will be no change to benefits for retirees.
- New employees will be enrolled in a 401(a) plan. Enrollment will be automatic, and employees will be required to contribute at least 6.25% of their salary to their retirement.
- There will be no change to benefits accrued by current employees.
- Future pension benefits for current employees will be reduced through a lower multiplier (decreased from 2.5 to 2.0), compensation reforms (including anti-spiking provisions and capping pensions at the Social Security wage base) and providing for contribution refunds to be provided on an actuarial equivalent basis.
- Current employees will be able to contribute a higher amount in order to retain the 2.5 multiplier.

Employees will still be able to withdraw their pension contributions at retirement. However, the pension reform plan corrects a provision in the retirement calculation that provided an annuity that was higher than the amount remaining in the employee's pension account generated. Moving forward, if current employees choose to withdraw their contributions, their revised annuity payments will be reduced.

As a result of making these reforms, employer contributions to the pension systems can be reduced, providing much needed budgetary relief. The pension collars will be reduced to 2.25% in 2013-14, increasing by 0.5% per year until the collars reach 4.5% or the collared rate is equal to the annual required contribution rate. Operating appropriations in the 2013-14 budget assume pension collars are reduced to 2.25%. These savings have been removed from agency budgets.

# **Selling the State Stores**

## **Increasing Consumer Choice to Invest in our Schools**

### **Allowing for Greater Customer Convenience in the Purchase of Wine, Spirits and Beer**

Pennsylvania is only one of two states (the other being Utah) that maintains essential control of the sale of wine and spirits. This system dates back to the end of Prohibition with the passage of the Twenty-First Amendment in 1933. Nearly a century later, this system fails to meet the demands of Pennsylvania residents who are traveling to other states in increasing numbers each year to purchase wine and spirits in modern stores that carry a broad selection of products at reasonable prices. Pennsylvania also has an antiquated system for the sale of beer that requires a consumer to travel to different establishments depending on the amount of beer to be purchased. The time has come for Pennsylvania to join the rest of the country by allowing greater involvement of the private sector in the sale of wine, spirits and beer to ensure real customer convenience and a more stable revenue source in the years ahead.

The budget includes a proposal to fully divest the Pennsylvania Liquor Control Board (PLCB) of its retail and wholesale functions in a two-step process taking not more than four years. First, 1,200 wine and spirits retail licenses will be auctioned, allocated by county, and awarded to the highest bidding qualified applicants that may sell wine and spirits to the public. Except for certain stores designed to accommodate the needs of other licensees, the state stores will be incrementally transitioned for closure during the auction process. Second, applicants for wholesale licenses will apply for the exclusive privilege of selling particular brands of liquor in the commonwealth. As brands are acquired through the wholesale application process, the PLCB will be restored to its true, core function as a regulatory agency and no longer be in the business of selling alcohol.

The proposal will also modernize the sale of wine and beer in the commonwealth, allowing for greater customer convenience. In addition to wine and spirits stores, new licensing classifications will be made available to qualifying big-box retail stores, grocery stores, pharmacies, and convenience stores, affording residents new venues in which to purchase beer and wine to go. In addition, distributors, who currently can only sell in keg and case quantities, will be able to acquire an enhanced license allowing them to sell six-packs of beer and wine for off-premises consumption. Further, the current restrictions on the direct shipping of wine will be lifted so that residents may purchase up to eighteen liters per month for personal consumption from a winery holding a permit.

Critically, the proposal provides the tools necessary to effectively combat the proliferation of underage drinking and overconsumption of alcohol. Monetary penalties for all liquor violations are significantly increased, especially for more serious enhanced penalty violations. Mandatory minimum license suspensions will be imposed for all licensees adjudicated on a second or subsequent offense for sales to minors or visibly intoxicated persons. New licensees such as wine and spirits retail licensees, big-box retail stores, grocery stores, pharmacies and convenience stores must all use an identification scanner device before the sale of alcohol can be made. Additional monies from license surcharges and increased fines will be designated for enforcement efforts by the Pennsylvania State Police, Bureau of Liquor Control Enforcement. Finally, statutory procedures will be modified to help streamline the process of closing down "nuisance bar" establishments.

Cognizant of the concerns of PLCB employees who have dutifully served the residents of the commonwealth, the proposal calls for the creation of a multi-agency committee designed to assist displaced employees and facilitate their re-employment. To that end, proposed legislation will allow displaced employees to qualify for two years of career training/education grants, will grant preference in other civil service and non-civil service positions for which the employee is qualified, and will provide protection of existing contractual benefits. Further, re-employment tax credits will be made available to employers to incentivize the hiring of displaced PLCB employees.

## Providing for New Education Investments

The divestiture of the Pennsylvania State Stores System will provide the commonwealth with \$1 billion in new revenue. This budget proposes to invest this \$1 billion in public education without raising taxes by creating a Passport for Learning block grant for our public schools. Beginning with the \$200 million in this budget, school districts will be granted maximum flexibility to use these funds for the following initiatives:

- **School Safety** – training for administrators and educators, enhanced security measures and partnerships with local law enforcement. Grant funding may be used for school safety and security program efforts, such as training for educators and administrators, enhanced security measures and partnerships with local law enforcement.
- **“Ready by 3”** – support for K-3 programming. Grant funding may be used to establish, maintain or expand a quality kindergarten program aligned with the current academic standards, and maintain or expand programs that promote enhanced academic achievement in elementary reading and mathematics, with a focus on “Ready by 3.”
- **Individualized Learning** – customized student learning plans. Grant funding may be used to establish, maintain or expand programs that implement Competency-Based Education, with a focus on self-paced mastery of a customized learning plan based on student proficiency in the academic standards for each subject area.
- **STEM Initiatives** – enhanced student access to science, technology engineering and mathematics programming. Grant funding may be used to establish, maintain or expand programs or for activities that support STEM in grades 6-12, including career exploration activities, opportunities for technical skill attainment and partnerships with postsecondary education and training programs.

The \$1 billion grant will be distributed over four years and will be based on a formula that considers a district’s membership, student population and wealth. Districts will determine which uses are most appropriate for their students and schools. Grant awards will be announced in the spring of 2014 and funds will be available for use by school districts beginning in the 2014-15 school year.

Reforming the Pennsylvania Liquor Control Board by divesting it of the State Stores System will: allow the commonwealth to provide substantial new investments in its public schools without raising taxes; focus the PLCB on its role as regulator and enforcer of the alcohol sales business; provide Pennsylvanians with the same convenience, selection and pricing available to every other American; and create a wave of new, private sector jobs.

## JOBSFirst PA and Economic Development

### Creating Robust Employment – Growing Industry – Revitalizing the Economy

Creating and maintaining an environment in which good, family-sustaining jobs can grow continues to be the administration's top priority. Pennsylvania has abundant natural resources, a skilled workforce and world class academic institutions and research facilities. Its agriculture and manufacturing base, as well as emerging technology industries such as nanotechnology and life sciences, secure it as a leader in industry. Pennsylvania is in proximity to nearly one-half of the nation's population and markets. All of these factors contribute to endless possibilities for job creation.

Governor Corbett launched JOBSFirst PA last year as a comprehensive roadmap to economic recovery that harnessed the state's resources and talents to prioritize private-sector job creation and retention.

With a continually challenging fiscal climate, Pennsylvania must continue to be creative, tapping into resources and opportunities to support Pennsylvania's job creators. It also must seek partnerships with the private sector, leveraging its investments to increase the flow of private dollars, not taxpayer dollars, into the economy.

A foundation of Pennsylvania's economic recovery begins with retooling how state government operates and instituting necessary changes to make government more customer-focused, responsive and accountable to the citizens it serves. From deploying strategic technology solutions to permitting and regulatory reforms to enhanced interagency cooperation, this budget continues the commitment to making state government a true partner in job creation and supporting a business climate that positions Pennsylvania job creators to compete nationally and globally.

Understanding that government does not create jobs, but rather fosters an environment in which companies can increase productivity and grow, the administration is focused on the following initiatives: improving our business tax system through reform; investing in business development programs; building a trained and skilled workforce, promoting Pennsylvania as a business and recreation destination and protecting communities that are financially struggling.

### Business Tax Reforms

Supporting business growth through broad-based tax reform is the keystone of the strategy to put hard working Pennsylvanians back to work and reform our overall economic climate. Developing a competitive business tax system, improving the process of collecting taxes and simplifying the tax code can spur economic growth that affects every job creator in Pennsylvania.

This budget focuses on improving Pennsylvania's position in the national marketplace. Pennsylvania's job creators continue to be among the most taxed in the nation according to leading national state-by-state comparisons – hurting our jobs climate and economic growth momentum. Comprehensive change is needed to better enable Pennsylvania to compete for jobs nationally and to push our economy in a positive direction.

**Capital Stock and Franchise Tax (CSFT) Elimination.** With this budget, Pennsylvania will no longer be the only state in the nation to tax both business income and business assets. The completion of the phase-out of the CSFT finally eliminates a long standing job inhibitor.

**Corporate Net Income (CNI) Tax Reduction.** This budget proposes the beginning of a multi-year phase down of the Corporate Net Income Tax from 9.99 percent to 6.99 percent to improve Pennsylvania's competitiveness among states. The current 9.99 percent rate is one of the highest in the nation and often takes Pennsylvania out of consideration for business location or expansion projects. Beginning in calendar tax year 2015, the rate will drop to 9.89 percent.

**Net Operating Loss (NOL) Cap.** Attracting technology, bioscience, research and large manufacturers, like steel and chemical companies, to the state can be accomplished by allowing these job creators to smooth the large losses they incur from current to future tax years. This multi-year proposal will increase that cap from \$3 million to \$5 million.

**Like-Kind Exchanges and Start-Up Business Deductions.** Like-kind exchanges enable small business owners and entrepreneurs to grow their business by moving into a new building or

# Theme: JOBSFirst PA and Economic Development

expanding their own shops with little to no tax liability. With this budget, those entrepreneurs looking to create a small business will be able to deduct \$5,000 of business startup costs from their taxes. This initiative will align Pennsylvania with a similar federal government program.

**Corporate Loans Tax (CLT) Repeal.** Businesses that take loans to grow or simply to pay employees on a monthly basis are penalized in Pennsylvania. This budget will remove this barrier and encourage growth and job expansion.

**Tax Simplification.** Current state tax law places a number of anti-job growth restrictions on businesses and individuals conducting economic activity within the commonwealth. Nuisance taxes, as well as out-of-date taxation and administrative provisions, will be repealed with this budget.

## Increasing Pennsylvania's Competitive Edge

This budget seeks to make job creation and business growth more successful and accessible for companies located in or seeking to locate in Pennsylvania by providing a \$10 million increase to the PA First program.

## Small Business Development

Studies have shown that small businesses that grow for two or more years out of five years are the biggest job creators. In Pennsylvania, similar to the rest of the country, while the number of large companies has been shrinking, small companies (less than 100 employees) are growing in number. Understanding how these young and fast-growing businesses fuel economic growth is critical to deploying economic development programs that help sustain growth and foster a pro-business environment.

This budget proposes to launch the Small Business Champion Network – a team of business experts with extensive Department of Community and Economic Development (DCED) and partner program knowledge that will enable companies to achieve continued, if not accelerated, success. Businesses often struggle when trying to navigate the processes (including local, state and federal regulations) involved in formation or expansion. These businesses often do not realize the wide variety of local and state resources available to support their ongoing endeavors.

The Small Business Champion Network will ensure that job creators are fully aware of and can fully benefit from the assistance that is supported by public, private, state, local and federal investments. It will also help to improve the success rate of our businesses that are discovered and developed in Pennsylvania by connecting them with our vast network of experts and resources.

Common-sense principles are being infused into the administration of state government through the establishment of the Pennsylvania Business Development Authority (PBDA) as a one-stop-shop for business financing. Current DCED loan programs and funds will be integrated not only to streamline the process for applicants, but also to leverage additional private dollars and create a more flexible financing tool that can quickly adjust to ever-changing economic conditions.

The authority will consolidate the following business financing programs to form a true public/private partnership – Pennsylvania Industrial Development Authority; Pennsylvania Minority Business Development Authority; Machine and Equipment Loan Fund; Small Business First Fund ; First Industries; Second Stage Loan program; The Community Economic Development program; and the Export Financing program.

## A Trained and Skilled Workforce

With over 280,000 businesses facing myriad challenges in Pennsylvania, including access to a trained and skilled workforce, the following comprehensive job training agenda will help prepare Pennsylvanians for family-sustaining jobs that are growing in Pennsylvania.

**Strengthening the Job Creation System.** The budget builds upon the job creation foundation by continuing to demand performance and accountability from the commonwealth's workforce development system. Significant gaps in the commonwealth's workforce development system have been identified and closed, particularly around the services it provides to job seekers and creators. The next priority is to create a tighter system and standardized best practices that require a quality management system framework that must be regularly audited to ensure implementation and compliance. The Pennsylvania Workforce Investment Board (WIB), a diverse group of representatives of business, organized labor, and education, should work with commonwealth agencies to develop a

# Theme: JOBSFirst PA and Economic Development

performance measurement system. The expertise of the WIB membership and other identified partners will ensure the process is inclusive and transparent.

**Strengthening the Connection between Education and Workforce Development.** Educating Pennsylvanians is key to economic success. Pennsylvania needs to ensure that it has an adequate supply of quality workers whose knowledge and skills enable them to perform in the commonwealth's growing economic sectors. The workers that will drive our economic growth are those with high school diplomas, technical training, baccalaureate and advanced degrees. Enhanced partnerships between the Departments of Labor and Industry and Education will provide tomorrow's workforce with a clear understanding of available training and education options. The following initiatives reflect the inter-agency commitments to workforce development:

- **Workforce Data Quality Initiative.** This program links workforce, welfare and education data to gauge whether the welfare, workforce development and education systems are succeeding in preparing and placing individuals in jobs, and determining the efficiency of the workforce system.
- **Career Opportunity Exploration.** Career exploration is crucial for students to understand the various opportunities they have after high school graduation. To that end, PA Career Coach, an online career exploration tool, provides up-to-date local employment data, such as current and projected job openings; recent job growth areas; estimated earnings and occupations that match with a user's current skills and knowledge; and educational programs that will prepare an individual for a given occupation.
- **Increase Academic Rigor in Career and Technical Education.** Career and Technical Education (CTE) programs are an important component of workforce development and students graduating from these programs must be both academically and technically prepared for postsecondary work or training. Research has shown that integrating academic standards into daily instruction increases student performance and better prepares students to be both college and workforce ready.

**Connecting Job Creators and Job Seekers.** This budget continues to address the existing disconnect between job creators and Pennsylvanians who are striving to attain family-sustaining jobs in the commonwealth.

- **Support Employer Driven Training Programs.** To best allocate scarce resources, an emphasis is being placed on job training programs that directly lead to jobs. Training dollars are best spent on programs with proven results in High Priority Occupations. This budget continues funding for **Keystone Works** -- a program that provides on-the-job training opportunities for unemployed workers while at the same time incentivizes businesses to hire unemployed individuals.
- **Pennsylvania Targeted Industry Program.** This budget proposes to continue funding for PA-TIP, which is a joint program administered by the Pennsylvania Higher Education Assistance Agency, that provides need-based awards to students enrolling in certificate programs up to two years in length for certain High Priority Occupations in the energy, agriculture, and manufacturing clusters.
- **Continue Implementation of the Comprehensive Job Matching System.** Pennsylvania has begun instituting a job-matching system, [www.jobgateway.pa.gov](http://www.jobgateway.pa.gov), which provides specific information about job seekers, increases the quality and quantity of job postings, integrates with other job search systems, and increases employer screening and recruitment capabilities. Labor and Industry already has significantly increased job postings in the system, opened the portal to all job seekers in the commonwealth and plans to enhance the job search capabilities within the system.
- **Recruitment Hub.** Pennsylvania will shift the focus of the workforce system to job creators by creating recruitment hubs statewide – the first of which is in Allegheny County. The recruitment hubs will focus on finding the skilled workers that businesses need. Recruitment hubs will be designed to identify employment barriers, including any existing skill gaps, and implement specific solutions to lift barriers so that employment results are obtained.

# Theme: JOBSFirst PA and Economic Development

- **Integration of EARN Centers and PA CareerLinks®.** The Departments of Labor and Industry and Public Welfare are joining together to take a closer look at the PA CareerLink® locations and EARN Centers to determine how they can better serve Pennsylvania job seekers. A pilot project at the PA CareerLink® of Lancaster County is integrating the two similar, yet separate job training and employment programs with the goal of delivering services to jobseekers in a more efficient and effective way. Pending results of the pilot, the two departments will move forward with similar plans to integrate services offered at EARN Centers and PA CareerLink® offices statewide. Integration would be uniquely tailored to fit each location area in order to better meet the needs of jobseekers, businesses and the community. The move to integrate statewide would happen in five phases, culminating in 2015.
- **Youth with Disabilities.** The Office of Vocational Rehabilitation (OVR) will continue to engage in statewide and local initiatives to help youth with disabilities successfully transition from school to work. It will undertake a public awareness campaign to ensure youth with disabilities and their parents are exposed to OVR early on and actively work with Local Workforce Investment Boards and Transition Youth Councils to maintain points of contact with Youth Development Centers and Youth Forestry Camps in their regions, as well as facilities and treatment centers serving “at-risk” youth with mental health and substance abuse issues.

OVR will also update its transition policy to ensure that youth with disabilities have appropriate Individualized Plans for Employment as they leave the K-12 system and enter postsecondary education or the workforce. The Governor’s Advisory Committee for People with Disabilities has been reconstituted with a new business roundtable representative of employers that hire individuals with disabilities.

In addition, the ProjectSEARCH program serving young people with significant disabilities will be continued. Education services are provided on site at a large host employer and 80 percent of each day is spent working on a rotation in various departments. A student participates in at least three rotations over the course of the school year. Students also become involved in corporate community service activities and social activities. Federal funding is ending for the program, but OVR will use traditional vocational rehabilitation funding to continue this program.

**Streamlining the Welfare to Work System.** Over the past 13 months, the commonwealth’s Welfare Employment and Training (E&T) programs have been thoroughly assessed. Some programs were not helping people get back to work or move closer to independence. To address this problem, all E&T programs have been re-tasked to focus exclusively on helping welfare recipients find jobs by establishing accountability performance standards for both provider agencies and recipients. A restructured Office of Income Maintenance is focused on helping people find work, placing jobs experts in each County Assistance Office capable of promoting welfare recipients in the workforce and establishing stricter sanction policies. These changes will assist more individuals access necessary job training, find work and, ultimately, achieve self-sufficiency.

## Promoting Pennsylvania as a Business and Tourism Destination

Pennsylvania has great job creation stories and successes to tell. Marketing to Attract Business is the single source for promotional, advertising and event management efforts to communicate why job creators should expand, relocate or start their businesses in Pennsylvania. Our marketing efforts are designed to develop an actionable, cohesive, results-oriented public relations and limited print campaign that highlights Pennsylvania’s unrivaled resources and improved business climate. The Department of Community and Economic Development will continue to proactively share the message that Pennsylvania’s success in helping communities thrive and businesses expand is a direct result of our focus on tax competitiveness, innovation, competition and workforce development. This budget will expand Pennsylvania’s ability to market itself through a \$5 million increase to the Marketing to Attract Business program and a \$2.4 million increase to the World Trade PA program.

This budget facilitates the creation of a public-private partnership that will engage industry partners in promoting the state to domestic and international travelers. The Pennsylvania Tourism Partnership (Partnership) will consist of representatives from DCED’s Tourism Office, the Department of Conservation and Natural Resources, and members of the industry from every region and representing the state’s many diverse attractions. The mission of the Partnership is to restore and solidify Pennsylvania’s position as a preeminent destination for domestic tourists to boost visitation and Pennsylvania’s economy. Its vision is to

# Theme: JOBSFirst PA and Economic Development

create a sustainable public-private entity to support Pennsylvania's Travel and Tourism industry driven by a comprehensive business plan that addresses stakeholder needs and statewide marketing.

The administration's job creation and economic development efforts are strategically aligned with its fiscal and policy priorities, with the ultimate goal of building a skilled workforce, supporting existing Pennsylvania businesses, attracting businesses to Pennsylvania, protecting our struggling communities and ultimately growing Pennsylvania's economy.

## **PA Online**

To provide a single face of government and a central resource and access point for job creators seeking information or transacting business with commonwealth agencies, the Department of Community and Economic Development and the Interagency Coordination Advisory Group for Economic Development will launch an initiative to improve the commonwealth's online portal. [www.PaBizOnline.com](http://www.PaBizOnline.com) will allow for a streamlined user-friendly experience that eliminates duplication of effort and unnecessary data entry for businesses that are starting in Pennsylvania. The site will be in its first stage and will begin to provide a one-stop shop for small businesses and entrepreneurs to find information about how to start and grow their businesses.

## **Protecting Financially Struggling Communities**

This budget proposes to implement an Early Warning System to identify potentially distressed municipalities and work to prevent them from becoming financially distressed. Through the Early Warning System, the system will either push the municipality toward the Early Intervention program (at a total cost of only \$150,000, just five percent of the average lifetime cost of Act 47) or avoid both programs all together. The Early Warning System would also produce data and regional help to allow those municipalities already in Act 47 to make an early exit from the program.

## **Base Realignment and Closure Support**

This budget provides \$200,000 for Base Realignment and Closure support activities for communities competing to justify maintaining U.S. military facilities in the commonwealth.

## Education Innovation in Pennsylvania

Today's students live in a world that is rapidly changing. Technology is transforming at such swift speeds that what is new today becomes obsolete tomorrow. Information availability is growing at a faster rate than at any time in history and our children are preparing for jobs that are transforming every day. Many educators and school leaders across the commonwealth recognize the need to transform the way educational services are delivered in order to meet the needs of a new generation of students. Innovative school leaders are moving beyond the traditional education paradigms and integrating emerging technologies and new research on student learning to increase student achievement and prepare students for postsecondary opportunities. The budget supports public schools through this transformative process by infusing new, targeted funding at all grade levels to ensure growth and academic success for Pennsylvania students.

### Basic Education Funding

Basic education funding provides school districts with the resources to invest in educational programs at the local level to increase student achievement. School districts use these funds to ensure that their students have appropriate academic opportunities. The budget includes a \$90 million, or 1.7 percent, increase in basic education funding, the first increase in two years. This funding will bring the commonwealth's investment in basic education funding to nearly \$5.5 billion, the highest level of state funding ever provided to school districts.

### Passport for Learning Block Grant

As the education environment continues to evolve with the development of new teaching practices, technological advances and a changing post secondary delivery system, Governor Corbett is committed to ensuring that public schools are able to deliver a quality education that prepares our students for the jobs of tomorrow. Included with this commitment is a promise to ensure that our schools are safe havens of learning for students and educators.

The budget proposes the Passport for Learning Block Grant, a four-year block grant that will invest \$1 billion in Pennsylvania public schools funded through the proceeds from the divestiture of the Pennsylvania Liquor Control Board's State Stores System. School districts may use block grant funds for the following eligible activities:

**School Safety.** Children cannot learn where they do not feel safe. Grant funding may be used for school safety and security program efforts, such as training for educators and administrators, enhanced security measures and partnerships with local law enforcement.

**"Ready by 3".** Enriching K-3 programming is critical to a solid academic foundation for Pennsylvania students. Use of the funds may include, but is not limited to, improvements to quality kindergarten programs aligned with the current academic standards and enriching programs that promote enhanced academic achievement in elementary reading and mathematics, with a focus on "Ready by 3."

**Individualized Learning.** Every child in Pennsylvania learns differently and at his or her own pace. Funding from this grant may be used for start-up costs related to implementing Competency Based Education – with a focus on self-paced mastery of a customized learning plan based on student proficiency in the academic standards for each subject area.

**STEM Initiatives.** Enhancing access to STEM programs (science, technology, engineering and mathematics) in our schools is critical to preparing our students for the jobs of tomorrow. This grant will provide funding to public schools to enrich programs that support STEM in grades 6-12, including career exploration activities, opportunities for technical skill attainment and partnerships with postsecondary education and training programs.

The \$1 billion Passport for Learning Block Grant will be distributed over four years and will be based on a formula that considers a district's membership, student population characteristics and wealth. Districts will have maximum flexibility in determining which uses are most appropriate for their students and schools. Grant awards will be announced in the spring of 2014 and \$200 million in funding will be available for use by school districts beginning in the 2014-15 school year.

# Theme: Education Innovation in Pennsylvania

## Pension Relief for School Districts

As the commonwealth is facing ever-increasing pension costs for employees, so too are Pennsylvania's public school districts. Escalating pension contributions pull dollars away from critical programs for our citizens, and in the case of our school districts, from our children. The budget proposes meaningful pension reform to provide necessary relief to our taxpayers and our public school districts. These reforms will provide school districts an estimated \$123 million in pension savings, enabling districts to reinvest those dollars into student achievement and academic excellence.

## ADDITIONAL EDUCATIONAL INITIATIVES

The budget also supports continued quality and safety in the commonwealth's public schools through measures designed to support effective and safe environments and encourage innovation.

### Investment in Early Childhood Education

Early childhood education is an important component of a quality K-12 education system. The commonwealth has continuously made investments to ensure a quality early learning system for Pennsylvania's children. The budget affirms Governor Corbett's commitment to ensuring that young children are prepared for school by increasing the funding available for both Pre-K Counts and Head Start Supplemental Assistance programs by 5 percent. As a result of these investments, more children will have access to programs that will prepare them for school and life success.

**Pre-K Counts.** The budget recommends an additional \$4.5 million for Pre-K Counts, bringing the total appropriation to \$87.3 million. Pre-K Counts programs have consistently delivered high-quality pre-kindergarten education to Pennsylvania's three- and four-year olds who are at risk of academic failure. For example, at the beginning of the 2011-12 school year, less than one in four children entering Pre-K Counts classrooms showed age-appropriate skills. By the end of the school year, approximately three in four children participating in a Pre-K Counts program showed age-appropriate language, math and social skills. The additional funding provided in the budget will allow the Office of Child Development and Early Learning to serve approximately 580 additional children in full and part-day programs and an estimated 2,000 children in a summer kindergarten readiness program.

**Head Start Supplemental Assistance.** The budget recommends an additional \$1.9 million for the Head Start Supplemental Assistance Program, bringing the total appropriation to \$39.2 million. This increase in funding will allow the Office of Child Development and Early Learning to serve an additional 210 children in the program, which provides economically challenged children and their families resources and support services to prepare children for school success. The funding will also be used to provide an additional 500 children with the opportunity to participate in a summer kindergarten readiness program. The summer kindergarten readiness programs, planned in coordination with school districts, are two-week programs that provide additional support to at-risk children transitioning to kindergarten.

Combined, these investments will provide opportunities to more than 3,200 Pennsylvania students in programs that have consistently demonstrated positive outcomes.

### Mandate Relief

School districts regularly review operations and programs to determine how best to deliver educational services to their students in the most cost-effective manner. As districts seek to implement new initiatives and methods of educational delivery to achieve efficiencies and to raise student achievement, they are often hampered in those efforts by state laws and regulations. The Department of Education is committed to providing school districts with greater flexibility to manage personnel and resources and to design educational programs to meet the needs of their students.

The budget proposes to give Pennsylvania's districts the ability to apply to the Department of Education for a waiver from certain sections of the Public School Code by establishing an expanded and streamlined version of the Mandate Waiver program that was previously in effect from 2000 until 2010. With this proposal, innovative school systems will have an opportunity to apply to the department for a waiver if the district can demonstrate that the waiver will allow it to improve its instructional program or operate in a more effective, efficient or economical manner.

# Theme: Education Innovation in Pennsylvania

## Effective School Leaders and Educators

Research shows that the performance of an educator has a direct impact on students. Last year, Pennsylvania passed Act 82 of 2012, which authorized a new educator effectiveness system in Pennsylvania to provide educators with targeted resources, support and feedback in order for them to improve their instruction and school leadership. The new system, comprised of a teacher and principal evaluation tool, includes multiple measures of student achievement, such as the Pennsylvania System of School Assessment, the Pennsylvania Value Added Assessment System, graduation and promotion rates, as well as elective data to be determined at the local level.

The budget provides \$6.6 million in state and federal funds for continued support for this initiative. Of this amount, \$3.9 million is allocated for the teacher effectiveness tool. During the 2012-13 school year, 1,050 schools piloted the teacher evaluation tool, including elementary schools, middle schools, high schools, charter schools and intermediate units. The teacher evaluation tool will be fully implemented in the 2013-14 school year. Approximately 3,150 schools will be evaluating all professional educators holding an instructional certificate by using the clinical observation/practice portion of the tool. Clearly defined teaching skills will be assessed to provide evaluators with the necessary information to effectively observe teaching practice and provide meaningful feedback.

In addition, the budget provides \$2.7 million for continued support for the development of the new specialist evaluation tool and principal evaluation tool, which is currently being piloted in 845 schools. Full implementation of the principal evaluation tool will occur in the 2014-15 school year. This tool will provide data regarding the practices of principals, including strategic and cultural leadership, managerial leadership, leadership for learning, and school and community leadership as well as various outputs involving student and building achievement.

## Safe Learning Environment

Maintaining student safety is a priority for all Pennsylvanians. In addition to the funding included in the Passport for Learning block grant, the budget recommends the investment of an additional \$775,000 to protect school students from potentially dangerous individuals through the establishment of a dedicated division within the Department of Education's Office of Chief Counsel to prosecute misconduct by professional educators. This new initiative will enhance the efficiency with which complaints of educator misconduct can be reviewed and resolved. Funding will be provided through a \$25 increase to the \$100 certification fee paid by educators to gain certification to teach in a particular subject area.

## Competency-Based Learning

The administration supports transforming Pennsylvania from the current education system that emphasizes seat time requirements to a competency-based model that awards credit based on mastery of content. A focus on competency-based education will provide school districts with the flexibility to meet the diverse education needs of students by awarding credit for learning experiences outside of the traditional classroom environment. This focus will provide students an opportunity to earn credit at their own pace, rather than by seat time, and to earn credit in settings other than traditional classrooms. Some districts in Pennsylvania have recognized the value of such a focus and have already started to provide new opportunities to students based on this model.

With this proposal, the Department of Education will support school districts that offer alternative pathways for students to fulfill course requirements and graduation requirements. A key component of this initiative is giving school districts the opportunity to apply for waivers from requirements of Pennsylvania's Public School Code and regulations that interfere with a district's plan for implementing competency-based education consistent with the Governor's Mandate Waiver proposal. In addition, the Department of Education will establish a comprehensive catalog of online course options that are aligned with Pennsylvania Common Core State Academic Standards that can assist districts in providing more options to students.

# Theme: Education Innovation in Pennsylvania

## Digital Learning Opportunities

Pennsylvania's school districts strive to provide high-quality courses and instruction to their students and prepare them with the knowledge and skills necessary to lead productive lives and be contributing members of the workforce. Unfortunately, not every Pennsylvania school currently has the capacity to meet the needs of the school-aged population by providing rigorous, high-quality courses in all subject matters to all students. From inner-city schools to rural campuses, many educators and school districts need assistance in providing choice in regard to both subject matter and means of delivery. Therefore, the budget proposes an Online Course Choice program to expand education beyond the physical walls and limitations of the classroom.

With this proposal, the Department of Education will accept and approve applications from providers that offer rigorous, high-quality instruction through an online delivery system. Online courses will be available to students who wish to enroll and meet the eligibility criteria established by local policy. A list of approved courses will be available on the department's website. Local school districts will be responsible for establishing student eligibility requirements, policies and procedures related to their specific district Online Course Choice program to maintain the integrity of locally designed graduation requirements. Given the growing importance of improving STEM education, Pennsylvania will focus on the development, identification and implementation of rigorous digital learning opportunities in STEM content areas in 2013-14 and will expand to other content areas in the future.

## Human Services and Health Care

### Improving Health and Human Services – Serving Pennsylvanians Better

Despite the fiscal challenges continuing to face state governments across the nation, this budget reflects the commonwealth's continuing resolve to maintain essential public services – especially the social safety net. As a result of the targeted reforms undertaken during the last two years, the commonwealth's health and human services programs are more efficient and better able to provide the services upon which our most vulnerable citizens rely. The budget reaffirms Governor Corbett's commitment to preserving the safety net for individuals with intellectual and physical disabilities, seniors, children and low income families and dedicates additional resources to increase the accessibility of health care and other valuable human services. By improving the delivery of and accessibility to these needed services, this budget will continue to reduce the barriers currently facing individuals to achieve better health outcomes and a pathway to independence.

The budget provides resources to serve more individuals who have been waiting to access needed services, and it will begin to modernize the delivery of health care throughout the state – increasing access to care for Pennsylvanians in underserved and rural areas. In addition, it will continue to focus on making sure that Pennsylvanians in need of long-term care services and supports are served in the right setting and provides the ability for them to stay at home or in the community, and it will give the commonwealth a reliable, predictable and enhanced source of funding to meet the growing needs of older Pennsylvanians by increasing Lottery revenues.

### Helping Individuals

This budget provides the departments of Public Welfare and Aging with the necessary resources to strengthen its commitments to serve Pennsylvania's most vulnerable adults by improving and expanding access to essential human services programs including:

**Expanding Services for Individuals with Intellectual and Physical Disabilities.** The budget provides nearly \$40 million to expand home and community-based services for individuals with disabilities. This includes \$18.5 million to provide services to young adults who are graduating from the special education system to enable them to continue to live independently in the community, and to adults who are at risk of institutionalization because they are being cared for by aging parents who may not be able to continue to provide that level of care. Also included is \$1.5 million to serve an additional 118 individuals with autism spectrum disorder in home and community-based settings and nearly \$20 million to serve an additional 1,680 individuals with physical disabilities in community settings through the services to persons with disabilities waiver and the attendant care program.

**Moving Individuals From Institutional Care to Community-based Care.** The budget includes an additional \$6.1 million to increase community placement for individuals currently in state mental hospitals and state intellectual disability facilities, resulting in the transition of 90 clients from state mental hospitals to progressive mental health treatment in home-like settings, and 100 clients from state intellectual disability facilities to home and community-based settings.

**Expanding Services for Older Pennsylvanians.** As Pennsylvania's older population continues to grow, meeting the increased demand for services requires a predictable and enhanced funding source, which will be achieved by contracting for the private management of the Lottery that will be effective July 1, 2013. The increased revenue that will be generated by the private manager will be used to meet the needs of older Pennsylvanians and will be directed towards enhancing care, including home and community-based services so that older adults may continue to live in their homes and communities.

The administration is committed to increasing the quality of and access to all long-term care services again focusing on a range of services including those that are delivered in a home and community-based setting. The commonwealth has already made a significant investment in this effort that has greatly expanded the number of people who can be served in their home. The budget continues this commitment by providing an additional \$50 million in Lottery Funds, including \$20 million to serve an additional 5,400 people in the Options program, \$5 million to increase support to the Area Agencies on Aging (AAA), \$2 million for Attendant Care Services for 193 individuals transitioning to the Department of Aging from the Department of Public Welfare at age 60, and \$2 million to modernize facilities and programs at senior centers. In addition, \$21 million is provided to annualize increased

# Theme: Human Services and Health Care

services provided in the current year and to serve an additional 1,550 older Pennsylvanians through the Medicaid Home and Community-Based Aging Waiver. There is an additional \$9 million in state funds provided to increase the number of older Pennsylvanians served through the long-term care LIFE program. In addition the Departments of Public Welfare and Aging will continue to work together to improve coordination between the agencies to better serve Pennsylvania's seniors. As part of this effort, there will be increased and improved dialogue with stakeholders and the establishment of an open, collaborative, outcome-driven process to discuss how the commonwealth can best serve the needs of our seniors. Understanding that the demand for these services continues to grow, the departments will be working together towards sustainable long term solutions to ensure high-quality, cost-effective services can continue to be provided to Pennsylvania seniors.

## Helping Children and Families

**Child Care Assistance and Improving the Quality of Child Care Programs.** The budget continues the commitment to high quality child care and assures that more than 210,000 low income families, Temporary Assistance for Needy Families (TANF) recipients, and former TANF families who are now fully employed will receive child care services. Understanding that access to affordable child care is a critical step on the path to independence, this budget will provide an additional \$7 million to enable 1,400 children currently waiting for services to receive child care assistance. In addition, this budget includes \$3 million to further enhance the quality of programs for children in Keystone Stars child care programs.

**Juvenile Justice Reinvestment Initiative.** Pennsylvania is engaged in a Justice Reinvestment approach that seeks to reduce Pennsylvania's juvenile justice population by promoting better outcomes for youth, reducing spending and reinvesting a portion of the savings into strategies that work. The budget invests \$10 million in savings, generated by the closing of the New Castle Youth Development Center this year, into research-based prevention and intervention programs for at risk children; statewide implementation of Pennsylvania's Juvenile Justice System Enhancement Strategy; and training programs that will assist juvenile offenders in obtaining the skills necessary for getting and maintaining employment, thereby improving their likelihood of successfully becoming meaningful contributors to their communities and further advancing down the path to prosperity.

**Job Training Integration.** The budget supports a pilot program to integrate the commonwealth's two employment and training systems, PA CareerLink® and the Employment Advancement and Retention Network (EARN), to improve our ability to assist Pennsylvanians in getting employed. Pursuing greater coordination and integration of the use of these systems will eliminate duplication, streamline services, reduce costs, and will allow the commonwealth to seamlessly deliver employment and training services to all jobseekers.

## Improving and Increasing Access to Health Care Services

The administration is committed to ensuring access to affordable, quality health care in Pennsylvania. While the cost of health care continues to rise and place increasing strains on the state budget, the Corbett Administration has focused on policy initiatives that enhance access and coverage for Pennsylvanians, especially those in underserved and rural areas. The budget reinforces Pennsylvania's commitment to making sure that all Pennsylvania children are covered and have access to health care. This budget addresses accessibility head-on, by modernizing the delivery of health care services throughout the state to increase access for those Pennsylvanians in underserved and rural areas and providing additional resources to help increase the number of medical care providers serving those communities.

Having consistent and reliable access to quality preventive health care services is essential to maintaining and improving health care and is a key asset to enable individuals to move down a path to independence.

**Ensure Coverage for all Pennsylvania Children.** At a time where health care coverage may be difficult to obtain or afford, it is imperative that Pennsylvania's children have access to high quality, affordable health care coverage. Pennsylvania remains a leader in covering children, with almost 95 percent of children enrolled in health care coverage. The budget seeks to improve upon our success by increasing awareness of affordable coverage options within the commonwealth and putting more than \$8 million in additional resources to provide health care coverage to more than 9,300 new children anticipated to be enrolled through the expanded outreach efforts. In addition, this budget

## Theme: Human Services and Health Care

provides \$3.8 million to reduce barriers to enrollment, and to decrease enrollment errors in order to make sure we reach our goal of getting all Pennsylvania children insured.

**Increase Funding for Community Health Centers.** The budget provides \$4 million to establish the Community-Based Health Care Subsidy (CHCS) program as a new and additional way for the commonwealth to fund community-based health care clinics. These community-based clinics will create immediate access to or enhance preventive primary care services to underserved areas and uninsured individuals of the state. Funds from the CHCS will be dedicated to sustainable medical clinics, including those that focus on providing mental health services that are positioned to use start up state funding and then continue providing care on a self-sustaining basis without government resources over the long term. This represents a true partnership with communities to increase access and outcomes. The CHCS program, coupled with the state's current Community Health Challenge Grant program, will bolster access to primary care medical services in rural and underserved areas of the commonwealth.

**Expand Access to Primary Care Services in Rural and Underserved Areas of Pennsylvania.** The budget provides \$1 million in increased funding to the Primary Health Practitioner Loan Repayment Program to increase the amount of the current loan repayment awards and to provide an additional 24 awards to physicians, dentists and other practitioners. This expansion will increase recruitment and retention of more primary care physicians and practitioners into rural and underserved areas of the state making Pennsylvania more competitive with other states. Physicians tend to stay and practice in the areas in which they complete their residency. In order to help address the growing primary care physician shortage in our rural areas, the Department of Health will ensure that increased residency slots be matched only to medical school graduates who are either legal Pennsylvania residents or who have completed their medical school education in Pennsylvania and would commit to provide primary care in a rural Pennsylvania community upon completion of residency training.

**Modernize State Health Centers.** Public health today is much different than it was 20 years ago and requires a modern approach to ensure maximum effectiveness. A year-long analysis by the Department of Health reveals that to meet community needs and maintain effectiveness of the public health system, a more mobile and collaborative system must be developed. This will assist in increasing accessibility and the innovation of service delivery as well as the reduction of service duplication. The budget includes a modernization initiative that will provide more mobility and visibility to the public, thus increasing the services able to be provided to those populations who may not have access to transportation to a state health center facility.

The investments made in the budget to increase access to essential health care services continues the administration's goal to ensure access to high quality and more affordable health care coverage for all Pennsylvanians. This goal has been demonstrated by the commonwealth's deliberate approach to analyzing the requirements of the Affordable Care Act and how it will impact and affect Pennsylvania and its citizens.

At this time, analysis continues on the financial sustainability related to potential expansion of the Medicaid program. The Department of Public Welfare continues to have a dialogue with the U.S. Department of Health and Human Services (HHS) in an effort to obtain clarification and answers on a number of issues, including whether essential reforms of the Medicaid program can be accomplished to improve the health of our citizens and the effectiveness of the program. The department is currently reviewing the recently released proposed regulations on eligibility and benefits from HHS. While due diligence continues, no decision has been made at this time.

The administration intends to engage in an informed dialogue with the public and the legislature on whether expansion of the Medicaid program is prudent, affordable and the right choice for the commonwealth. When a final decision is made, it will be done in consultation with the Legislature and it may require modifications to be made and accounted for in the budget.

## Criminal Justice and Enhanced Public Safety

Ensuring the safety of all Pennsylvanians is the first priority of government. The Pennsylvania Commission on Crime and Delinquency, the Department of Corrections, the Pennsylvania State Police and the Pennsylvania Board of Probation and Parole have reprioritized evidence-based guidance in public safety policy and planning to address crime prevention, safely reduce the prison population and improve community reintegration methods. The budget provides critical funding for public safety programs to enable these collaborative, multi-agency best practices to keep Pennsylvanians safe and ensure a strong foundation exists for safeguarding future generations. In addition, the budget ensures that the Pennsylvania Emergency Management Agency is equipped to respond to severe weather, natural disasters and other events that put Pennsylvanians at risk.

### Pennsylvania State Police

The budget continues to meet public safety needs through providing resources for comprehensive State Police services in communities within their primary jurisdiction and assistance to municipal police departments. Funding is directed to keep trained troopers involved in the critical role of patrol and criminal investigation and to implement the strategic deployment of civilians and technology.

The budget includes \$14.7 million for three new State Police cadet classes that will train a total of 290 new troopers. In addition, the budget includes \$6 million to support 90 new civilian police communication operators in order to free up a similar number of troopers for patrol and law enforcement activities.

### Justice Reinvestment Initiative

Under Governor Corbett's direction, the administration partnered with the Council of State Governments' Justice Center to develop the Justice Reinvestment Initiative (JRI) to assist our criminal justice leaders in analyzing data from multiple agencies in an effort to develop sound policies and monitor the impact of these policies through effective performance measures. Justice reinvestment is a data-driven approach to reducing corrections spending and reinvesting savings in strategies that can decrease crime and strengthen the safety of our communities.

As a result of the Justice Reinvestment Initiative, the population of the Department of Corrections is anticipated to drop by more than 1,200 inmates over the next five years. That population reduction is expected to generate \$139 million in savings, a portion of which will be reinvested through the provisions of Act 196 of 2012 in victim services, local policing, county-based offender treatment and county and state probation services to better serve Pennsylvanians. The budget benefits from the implementation of a savings reinvestment strategy to promote enhanced correctional strategies and evidence-based policing at the county and community levels. Resources made available through cost-savings at the state level may be reinvested in county-level alternatives, improving outcomes and effectiveness as well as greater efficiency.

In 2012-13, JRI is projected to save the commonwealth \$1 million, with 75 percent of that amount to be reinvested in victim services programs and a risk assessment instrument for the Pennsylvania Sentencing Commission. Because the reinvestment distributions are not sufficient to fully provide distributions to victim services program, this budget commits an additional \$456,000 of General Funds to ensure victim programs are made whole. As noted on the chart below, savings and future funding allocations will increase over the next year.

### Justice Reinvestment Initiative Summary

(Dollar Amounts in Millions)

Fiscal Year	2013-14	2014-15	2015-16	2016-17	2017-18
Savings Year	2012-13	2013-14	2014-15	2015-16	2016-17
Estimated Population Reduction	-399	-538	-175	-104	-44
Total Estimated Savings	\$1	\$18.4	\$36.0	\$40.3	\$43.0
Percentage of Savings to be Reinvested	75%	100%	25%	25%	25%
Cap on Savings Reinvestment	None	\$21	None	None	None
Distributions	\$0.8	\$18.4	\$9.0	\$10.1	\$10.8

## Legislative Corrections Reforms

Acts 122 and 196 of 2012 implemented important recommendations of Pennsylvania's Justice Reinvestment Initiative that fundamentally changed how Pennsylvania's corrections system is managed. Act 122 barred low-risk offenders from being incarcerated in state prison by requiring such offenders to be effectively managed at the county level. "Pre-release," a program allowing inmates to be released to community corrections centers prior to serving their minimum sentence, was eliminated – resulting in true "truth in sentencing" and addressing priorities of victims' organizations and prosecutors. Act 122 also requires the Department of Corrections and the Board of Probation and Parole to work more collaboratively and with community-based reentry organizations. Part of this requirement clarified the responsibilities of each agency with regard to community corrections centers and treatment services. One meaningful reform was the restructuring of parole violator management to immediately address violation behavior and give the Board of Probation and Parole greater abilities to manage these offenders in secure settings instead of incarceration in a state correctional institution.

## Risk Assessment Instrument

A provision within Act 196 allocated funding to complete a statutorily mandated risk assessment instrument for use at sentencing. Explicitly examining the risk of the offender to re-offend at sentencing will provide for sentences that specifically fit the needs of the offender and society. Through this assessment, judges will have more information to make decisions about county probation and parole and referrals to diversion programs. This is expected to improve sentencing, parole decisions and programming for inmates and the supervised population. Identifying the population with the greatest probability of successful reentry into the community is designed to ultimately reduce recidivism and result in a more cost-effective system that keeps communities safer.

## Community Corrections and Reentry

With more than 90 percent of offenders eventually returning to our communities after incarceration, it is imperative to provide offenders with the tools they need to transition back to society and become productive, law-abiding citizens. The Department of Corrections and the Board of Probation and Parole are continuing to work together to improve the process of enabling offenders to successfully return to their communities. Programs such as Day Reporting Centers, GPS monitoring, mentoring programs and the use of technical parole violator centers will enable the criminal justice system to continue to address offenders' specific needs and reduce their chances of re-offending. Act 122 refocused parole violator management to place more emphasis on community-based treatment. Now, only parolees who have committed a new crime or whose violation involves a direct, high risk to public safety will be returned to prison. All other violators will be sent to secure parole violator centers for targeted interventions.

## Parole Supervision

As the number of offenders returning to the community grows, this budget reflects a commitment to provide the Board of Probation and Parole with a sufficient number of parole agents trained to supervise and assist offenders making this transition. In addition, it is important to ensure that parole agents have manageable caseloads that will enable them to properly supervise parolees, thus ensuring the safety of the community. The budget maintains caseload ratios and allows the board to implement the Justice Reinvestment Initiative. This budget provides \$2.1 million and 27 positions to aid these supervision efforts. In addition, this budget provides a total of \$792,000, including \$300,000 to provide Global Positioning System 24/7 monitoring capability for 195 offenders, and 8 positions for case management.

## Operational Efficiencies

The Department of Corrections and the Board of Probation and Parole have committed to reducing costs by creating a more efficient system of case management. They continue to work together to improve docket management and reduce the time it takes to release an approved offender on parole. Their research departments have collaborated to produce more accurate and useful data. Efficiencies achieved in both agencies have resulted in the department's inmate population stabilizing and experiencing the largest decrease for any calendar year since 1971. Simultaneously, the board experienced a population increase of nearly 1,000 parolees within the first half of 2012-13. Further, the budget incorporates even greater integration of criminal justice research that will lead to better and more reliable data and information

# Theme: Criminal Justice and Enhanced Public Safety

analysis. This analysis, in turn, will improve policy and program evaluation and decision-making, ultimately saving the commonwealth money and leading to productive and law-abiding futures for former offenders.

The department and board are working collaboratively on reentry initiatives, placement of offenders in community correction centers, approved home plans for hard-to-place offenders, and management of technical parole violators and case management. Working in partnership on case management and other operational efficiencies saves both time and resources and helps the department and the board accomplish mutual public safety objectives.

These efforts, combined with the completion of a new state-of-the-art prison in Centre County, have allowed the department to announce the closing of two older, high-cost prisons which is expected to save \$22 million in 2013-14. SCI Greensburg and SCI Cresson have a per diem rate of over \$100 per day per inmate. These institutions are less efficient and more difficult to operate safely for both inmates and staff. The construction of SCI Benner Township will be completed in February 2013 with a capacity of approximately 2000 beds. Replacing SCI Cresson and SCI Greensburg with the new capacity prison, such as SCI Benner Township, is fiscally sound and provides a more secure design for the safety of inmates, staff, volunteers and visitors.

## **Disaster Assistance**

This budget also includes sufficient funding to enable the Pennsylvania Management Agency to prepare for and respond to natural disasters or other serious events. This budget includes a 2012-13 supplemental appropriation of \$14.9 million for the Pennsylvania Emergency Management Agency to provide additional summer 2011 storm disaster relief, ensuring that funds are available to help recover from the worst flooding in decades. In addition, the budget provides funding to assist with disaster recovery efforts of Hurricane Sandy last fall. And finally, the budget provides \$3 million for the Hazard Mitigation program to lessen the likelihood of damage during future flooding events.

## Transportation – Building Toward our Future

Pennsylvania's transportation infrastructure is critical to our economic future. The current aged and inadequate system must be improved. Pennsylvania's roads, airports, rails and ports not only move millions of people each day to work, school and home, but they also carry Pennsylvania's goods and services to communities here and around the world.

This budget supports the commitment to promoting a transportation infrastructure that facilitates the safe and swift flow of people, commodities and resources among communities and throughout the world with reliable and sustainable funding sources.

Safety, convenience and economic development must guide transportation policy decisions. An Executive Order calling for the creation of the Transportation Funding Advisory Committee immediately reinforced support for enhancing Pennsylvania's infrastructure. The advisory committee provided recommendations to help guide the modernization efforts of PennDOT, and identified options to help ensure that the necessary improvements to our infrastructure are properly funded for the foreseeable future.

### Current Financial Challenges

Today, much like the rest of our nation, Pennsylvania's transportation infrastructure is aging and increasingly more fragile due to decades of underinvestment. This underinvestment is due in large part to rising construction costs and the limits of revenues based on fuel consumption. With an emphasis on energy preservation, Corporate Average Fuel Economy (CAFE) standards have led to improved vehicle fuel efficiency, driving fuel consumption down and with it, liquid fuels-based revenues.

This increase in vehicle fuel economy has meant that, on average, Pennsylvania vehicles are using less gas per mile traveled. While this trend is good for drivers, the environment, the economy, and reducing our reliance on foreign fuels, as the amount of gasoline purchased has declined, so has fuel tax revenue per vehicle.

Looking solely at overall revenue figures can be deceiving because the total number of vehicles on the road has increased since CAFE standards were implemented. A greater number of vehicles on the roads and more miles being traveled have increased the needs related to road and bridge maintenance and congestion relief – more vehicles mean more impacts to the system.

Pennsylvania now collects less fuel tax revenue per mile traveled than it has at any time in history. This has led to a serious decline in the amount of money available for improvements to the transportation system, leading to a growing funding gap.

The growing highway, bridge and transit funding gap was quantified in the Transportation Funding Study completed by the Pennsylvania State Transportation Advisory Committee in May 2010.

If something is not done to increase revenue and improve efficiencies, the future funding gap will be substantially larger, more than doubling to \$7.2 billion by 2020. Fuel tax revenue will continue to decline over the next decade as a result of increased vehicle fuel efficiency. Furthermore, as inflation increases, the price of most goods and services by about 3 percent each year, buying power will also continue to decline. Therefore, purchasing the same volume of asphalt, steel, concrete and other materials and services in 10 years would require an additional 33 percent in funding.

Non-highway modes of transportation such as transit, aviation, rail freight, ports and waterways face similar financial challenges. Rising capital and operating costs, years of budget deficits, and deferred maintenance have taken their toll on each of these systems, which are critical pieces of the commonwealth's transportation network.

### Stretching Current Funding Further

Citizens want assurance that government is making the best use of every tax dollar, and that is what PennDOT Next Generation is all about – working to ensure that the department is making the best use of the funding it receives by increasing efficiencies and enhancing current practices.

PennDOT Next Generation's goals are to modernize and optimize processes, policies, and procedures to strengthen the department, shorten project delivery and improve internal and external customer service

# Theme: Transportation – Building Toward Our Future

while looking for ways to cut costs and realign current resources. The effort is not simply an internal one. It also involves external partners, federal and state government counterparts, industry stakeholders, local governments and department employees, all working to create an atmosphere of collaboration toward continuous improvement.

An extension of the Next Generation initiatives is an ongoing effort called Mapping the Future. The objective of this initiative is the coordination among PennDOT, the Pennsylvania Turnpike Commission, the Department of Conservation and Natural Resources and other agencies to conserve resources and avoid duplicative efforts.

Between Next Generation and Mapping the Future, PennDOT expects to realize \$50-75 million in ongoing annual savings that will go towards transportation projects throughout the commonwealth. The department has also taken steps to ensure that these initiatives remain part of the culture of the agency; that the pursuit of efficiencies, savings and superior customer service continue beyond just the current leadership and administration.

## A PLAN FOR THE FUTURE

The key tenants to Governor Corbett's transportation funding proposal are that it must be fair to Pennsylvanians – all users pay – not just residents of the commonwealth; fees must reflect usage of the system, not simply access to it; it needs to be a long-term solution rather than another short term band-aid; engage the private sector in public-private-partnerships and other innovative financing approaches to project delivery bringing private sector innovation and resources to our transportation system; and every new dollar must be spent as efficiently as possible, taking advantage of the latest modernizations and innovations both at PennDOT and also from private industry.

### Highway and Bridge Funding

Intended to be the inflationary component of the liquid fuels tax, the Oil Company Franchise Tax is applied to the average wholesale price of gasoline at a defined millage rate (153.5) and collected at the distributor level. An artificial cap was set at a wholesale price of \$1.25 per gallon while current wholesale prices have consistently remained above the defined limit. This artificial ceiling placed on liquid fuels revenues coupled with significant increases in construction and materials costs has resulted in significant under investment in our infrastructure. The transportation plan removes the cap over a phased-in five-year period to allow collections to more closely follow market fluctuations. The resulting revenue increase will eventually allow the commonwealth to begin closing the transportation funding gap that exists for the repair, replacement and upgrade of commonwealth roads and bridges.

The Oil Company Franchise Tax is one of many costs of business for the industry that ultimately determines the retail price of gasoline and, because of the point of collection, is a cost shared by consumers beyond the borders of the commonwealth. It is also consumption-based, and more closely reflects usage of the system than access fees such as vehicle registrations or a driver's license. If those charges were to increase, we would be asking more of our seniors, the unemployed and others who may not be using the system to the same extent as everyone else and who can least afford additional out-of-pocket cost.

To help reduce any potential for increased costs to drivers, the plan includes a reduction of the flat liquid fuels tax assessed at the pump by one cent in 2013-14 and another reduction of one cent in 2014-15. This will reduce the current liquid fuels tax from 12 cents to 10 cents, a 17 percent reduction. The plan also moves vehicle registration renewals to a biennial cycle rather than the current annual cycle, and moves driver's license renewals to a six-year cycle rather than the current four-year cycle.

### Multimodal Funding

To ensure the continued economic growth and competitiveness of Pennsylvania for years to come, investments must also be made in our non-highway modes of transportation. Transit, freight railroads, airports, ports and waterways are just as important to the efficient movement of goods and people as our highways. There must be predictable and sustainable funding in those facilities to ensure their successful operation as part of our larger transportation network. The department will also streamline the administration of the various modes of transportation by combining freight rail, aviation, ports and transit under one depute.

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## ECONOMIC OUTLOOK

In constructing their tax revenue estimates, the Pennsylvania Department of Revenue and the Office of the Budget are assisted by economic forecasts provided by two main sources of forecast data: 1) IHS Global Insight, Inc., of Lexington, Massachusetts, and 2) Moody's Analytics, of West Chester, Pennsylvania. Both of these 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 develop 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.

### Recent Trends (2008-2011)

The United States (U.S.) economy, which had been slowing since 2004, officially entered recession in December 2007. According to the National Bureau of Economic Research, that recession (known as the "Great Recession") ended in June 2009.

At 19 months, the Great Recession was the longest recession since the Great Depression, which lasted 43 months. It was also nearly double the 10-month length of the average post-World War II recession. Furthermore, the depth of the Great Recession was much steeper than the two most recent recessions of 2001 and 1991, as peak-to-trough declines in real GDP exceeded those of the 1973-75 and 1980-82 recessions, when the peak-to-trough declines in real GDP were 3.1 percent and 2.6 percent, respectively. Furthermore, in the Great Recession the economic downturn was not confined to just the U.S. During 2009, the economic output of the entire world declined for the first time since the Great Depression. Chart 1 displays actual growth in real gross domestic product (GDP) from 2005 to 2011 and projected growth for 2012-2017.

Chart 1  
REAL GROSS DOMESTIC PRODUCT  
Annual Growth

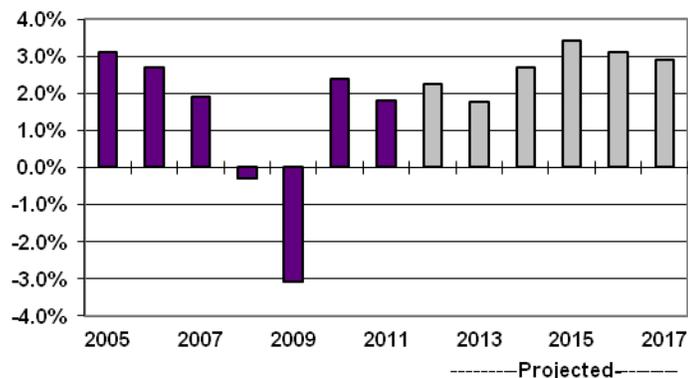
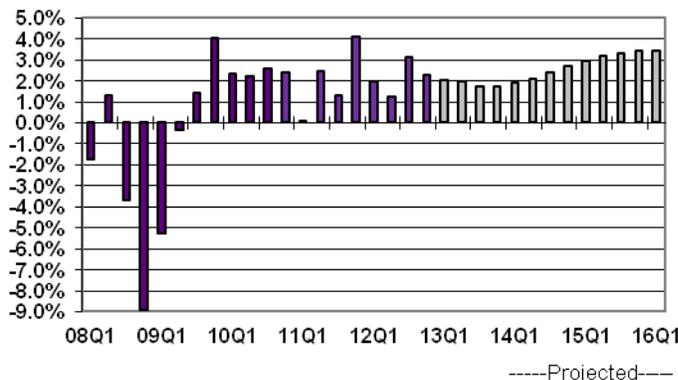


Chart 2  
REAL GROSS DOMESTIC PRODUCT  
Quarterly Growth  
Chained 2005 Dollars, SAAR

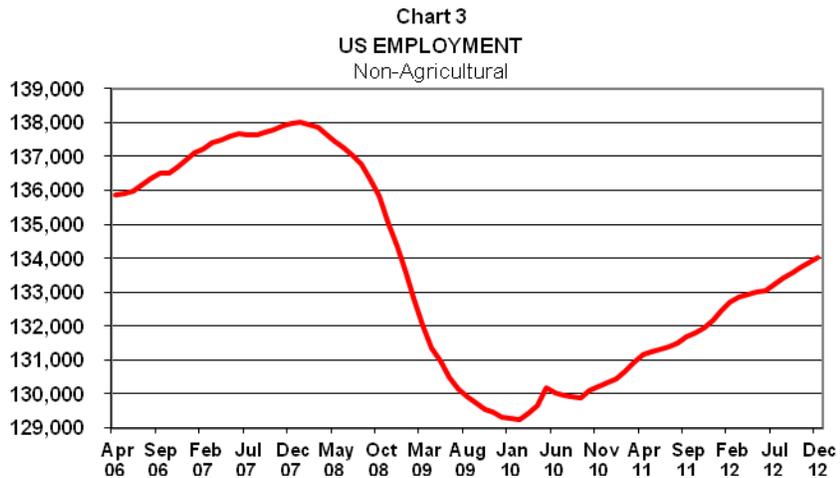


An examination of real GDP on a quarterly basis, as shown in Chart 2, reveals that the depths of the Great Recession were reached in late 2008 and early 2009. Discounting the short-term effects of the 2008 tax rebates, the U.S. economy contracted in five of the six quarters between January 2008 and June 2009 (the approximate term of the most recent recession). In particular, the economy experienced a -8.9 percent contraction in the fourth quarter of 2008 and a -6.7 percent contraction in the first quarter of 2009. The -8.9 percent contraction

during the fourth quarter of 2008 was the second-highest quarterly loss in the post-war era. Combined, the two quarters from October 2008 to March 2009 were the worst performing economic period, as measured by changes in real GDP, since the Great Depression. Further, the Great

Recession had two of the four largest quarterly declines in real GDP in the post-war era. The four continuous quarters of losses from September 2008 to June 2009 were the first time since the Great Depression that real GDP declined for four consecutive quarters.

As seen in Chart 3, after peaking in December 2007, U.S. employment levels began declining significantly. By the summer of 2008, job losses were occurring more frequently. Monthly claims for unemployment compensation averaged 625,000 nationally from September 2008 through June 2009, reaching 820,000 in January 2009. During all of 2009, U.S. employers eliminated nearly 5.1 million jobs,

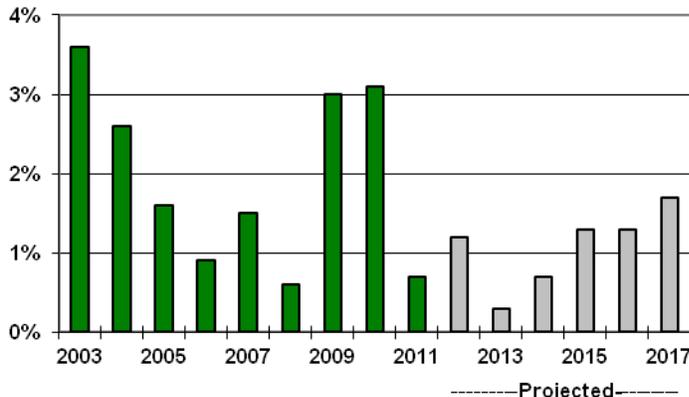


cutting 3.9 million in the first six months of the year alone. As a result, the labor markets had not been so gloomy since the 1980-82 recession, when unemployment hit 10.8 percent.

The loss of jobs was widespread throughout the economy, but the manufacturing and construction sectors were hardest hit. During 2009, manufacturing lost more than 1.5 million jobs, and construction jobs were down nearly 1 million from 2008 levels. Slumping retail sales led to the loss of nearly 600,000 retail jobs between December 2008 and December 2009. The professional and business services sector lost nearly 1 million jobs in 2009. Employment in the financial services area fell by 400,000 jobs in 2009. In fact, the only major economic sector adding jobs in 2009 was health care, which added nearly 400,000 positions. All told, the U.S. economy lost nearly 8.75 million jobs during the Great Recession. These losses wiped out employment gains for the entire past decade.

The growth in the U.S. unemployment rate accelerated significantly during 2009, rising from 7.4 percent in January 2009 to 10.1 percent by October 2009. Growth in employment returned in early 2010. During 2010, massive monthly job losses abated and the national economy managed to add a cumulative 940,000 jobs by the end of the year. However, job growth throughout 2010 was fitful, as several early months of job creation were followed by months of net job losses. From March to May 2010, the national economy generated an average of 300,000 new jobs per month. Fears of the European debt crises, rising energy costs and other factors conspired to weaken job creation during the second and third quarters of 2010. Four consecutive months of net job losses from June through September 2010 negatively impacted the economy. Job creation returned during the fourth quarter of 2010 as nearly 400,000 jobs were created nationally. Employment levels through the end of 2011 were nearly 6 million lower than their peak in December 2007 and the national unemployment rate remained elevated at 8.5 percent. The U.S. unemployment rate remained at or above 8 percent from February 2009 through all of 2011, the longest stretch at such levels in the post-war era.

**Chart 4**  
**PRODUCTIVITY GAINS**  
Annual Growth



remained elevated at 8.5 percent. The U.S. unemployment rate remained at or above 8 percent from February 2009 through all of 2011, the longest stretch at such levels in the post-war era.

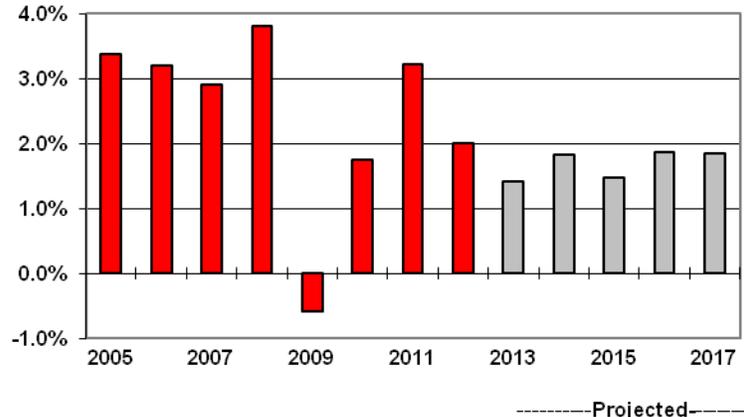
Employment levels grew, albeit at a somewhat tepid pace, during 2011. Manufacturing and mining employment growth led the nation during 2011, with manufacturing adding the most jobs in 14 years and with mining adding more jobs than it had during any period in the last 30 years. U.S. factories added 225,000 jobs during 2011 and mining employment grew by 89,300 positions. Oil and gas extraction accounted for 25,200 of those jobs, the largest gain in 30 years. The rising demand for skilled, higher-paid workers in manufacturing and mining, along with employment gains in health care and information technology, helped to accelerate the recovery. Other sectors gaining employment in 2011 included retailers, who added 240,000 jobs – the largest gain since 1999, and the leisure/hospitality sector, which added 268,000 jobs. Finally, the construction industry added 46,000 workers last year, its first gain since 2006. Home builders added 3,600 jobs, the first such expansion in that component of the construction sector since 2005.

Total employment growth during 2011 is estimated to have been approximately 1.6 million jobs, a gain of 700,000 jobs over the 940,000 positions created in 2010. The employment gain in 2011 was the largest gain since 2006, and the national unemployment rate dropped to 8.5 percent in December 2011, the lowest figure since February 2009. Even with two years of growth, however, the U.S. economy was still a long way from recovering the 8.75 million jobs lost during the recession.

As the national economy entered recession in December 2007, businesses again were looking to gains in productivity to soften the impact. Chart 4 provides data on productivity gains from 2005 through 2012 and a forecast of productivity gains for 2013 through 2017. Following the Great Recession businesses sought to maximize productivity while avoiding hiring. Productivity gains were occurring at the expense of job creation, as productivity grew to 3.0 percent in 2009 and 3.1 percent in 2010. Productivity growth since 2010 has been significantly more subdued as gains in productivity fell to just 0.7 percent in 2011.

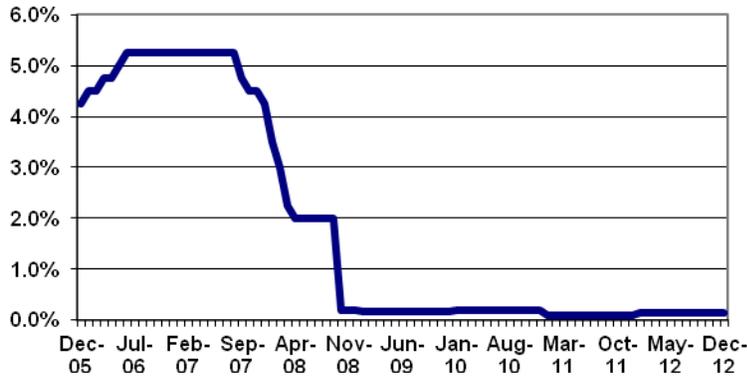
Led by surging energy costs, inflation peaked at 3.8 percent in 2008, as shown in Chart 5. The 2008 peak level of inflation was the highest rate since the 1991 recession, when it was 5.4 percent. Following the collapse of the credit and equity markets in the fall of 2008, consumption declined, wages were depressed and energy prices plunged 18 percent in 2009, resulting in an overall inflation rate of -0.3 percent in 2009. As the economy recovered in 2010, modest inflationary pressures returned, resulting in an annual rise in the consumer price index of 1.8 percent in 2010. Higher gasoline and food prices caused inflation to rise to 3.2 percent in 2011.

**Chart 5**  
INFLATION-CONSUMER PRICE INDEX  
Annual Growth



A review of U.S. monetary policy during this period shows the many actions the Federal Reserve Board (Fed) took to prevent a worse economic crisis. Monetary policy efforts by the Federal Reserve were aimed at the financial markets generally and the mortgage industry in particular. Reductions to the federal funds rate were extraordinary in scale and frequency. Chairman Ben Bernanke and the Federal Reserve continued to lower the federal funds rate, finally reaching “a target rate” of between 0.0 and 0.25 percent in December 2008, as shown in Chart 6.

Chart 6  
FEDERAL FUNDS RATE

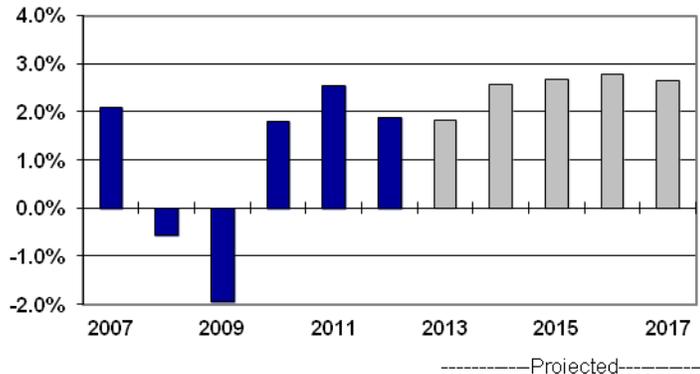


Further, the Federal Reserve (the “Fed”) and other central banks throughout the world were busy injecting massive amounts of liquidity into the global financial system in an effort to avoid a depression, and the amount of fiscal stimulus was staggering. The Fed dramatically expanded its balance sheet to inject more than \$3.0 trillion in liquidity into the financial markets in order to stem the credit crisis. U.S. public debt has surged to \$15.2 trillion through 2011, up \$2.9 trillion since 2009.

Total U.S. public debt has nearly doubled since the start of the most recent recession, up from an average of \$8.5 trillion in 2007.

Job losses, declines in household wealth and tighter credit were just a few of the factors adversely affecting consumer spending. Widely regarded as the main engine of the U.S. economy and accounting for nearly 70 percent of GDP, consumer spending had been in a tailspin since the recession deepened in the summer of 2008. It is estimated that households had lost more than \$14 trillion in net worth from the start of the last recession through the end of 2009 due to falling home equity and stock prices. These stunning losses account for the large-scale retreat in consumer spending as shown in Chart 7, which shows the annual average growth in real personal consumption expenditures for the period 2007 through 2012, with forecasts for 2013 to 2017. With consumers no longer able to tap into growing equity in their homes and unemployment levels at 10 percent, consumer spending plunged in both 2008 and 2009. The 2009 decline was the largest since 1974. Furthermore, annual growth in real consumer expenditures had declined only twice before in the post-war period. Declines also occurred in 1974 and 1980, but in the post-war period there had never been two consecutive years of declines until 2008 and 2009. Real consumer expenditures rebounded in 2010, but at a subdued rate of 2.0 percent – much lower than the average of 3.6 percent annual growth that the U.S. experienced from 1997-2007. As the recovery continued in 2011, the rate of growth in real consumer expenditures grew at an annual rate of 2.5 percent in 2011.

Chart 7  
REAL PERSONAL CONSUMPTION EXPENDITURES  
Annual Growth



## Current Conditions (2012)

The national economic expansion continued in 2012. Growth in the economy accelerated during the third quarter of 2012. The national economy, as measured by growth in constant real GDP, increased at an annual average rate of 3.1 percent during the third quarter of 2012, as seen in Chart 2 earlier. This growth rate was the third highest since the end of the Great Recession. Economic growth in the fourth quarter of 2012 is estimated to have slowed to an annual rate of 2.3 percent (as measured in constant dollars-See Chart 2), no doubt on concerns of the impending “fiscal cliff” (a self-imposed combination of expiring federal tax cuts and automatic federal spending cuts), corrections on defense spending and inventories along with the negative impacts of Superstorm Sandy.

However, the Advance Estimate of real GDP, released by the U.S. Commerce Department on January 30, 2013, indicates that the national economy contracted 0.1 percent during the fourth

quarter of 2012. This estimate is based on real GDP as measured in current dollars, rather than in constant dollars, which adjusts for the effect of inflation, as seen in Chart 2. According to the Commerce Department, the 0.1 percent contraction during the fourth quarter of 2012 was the weakest quarter of economic growth since the second quarter of 2009, which marked the official end of the Great Recession. The decline in real GDP reflected a decrease in inventory investment, decreases in federal government spending, state and local government spending and exports. Again, according to the Commerce Department release, federal spending and investment plunged 15 percent during the fourth quarter, the largest drop since 15.9 percent during the oil embargo of 1973. Government outlays declined 6.6 percent during the fourth quarter, led by a 22.2 percent decline in defense spending, the largest such decline since 1972, following the Vietnam War.

Consumer spending increased modestly during the first half of 2012 at annual rates of 2.2 percent and 2.0 percent in the first and second quarters. This growth slowed during the second half of 2012, slowing to 1.8 percent during the third and fourth quarters of the year. Within the area of consumer spending, the annual rate of growth for durable goods grew during both quarters of the second half of 2012 at 8.7 percent and 8.2 percent respectively. Non-durable goods consumption was more subdued, growing at 1.1 percent and 1.2 percent respectively in the third and fourth quarters of 2012. Further, consumer sentiment, as measured by the Reuters/University of Michigan survey, tumbled 8.2 points during December 2012, likely on heightened pessimism surrounding the federal fiscal cliff.

The housing sector continued to improve in 2012 driven by low interest rates and low inventories. Housing is now a key driver of the recovery. According to Global Insight, housing starts climbed 3.6 percent in October 2012, reaching levels not seen since July 2008. Single family housing starts were at the second highest level since August 2008 and multifamily housing starts are increasing as well. Home prices in general are also climbing according the Case-Shiller survey which indicates that prices are on the rise in 17 of the 20 cities surveyed. Overall, housing prices rose in 44 states during the third quarter of 2012 as measured on a year over year basis.

After slowing during the second quarter of 2012, employment growth in the U.S. averaged 153,000 jobs per month for all of 2012. Overall, employment is up 1.8 million jobs since December 2011 with non-farm employment growth of 1.4 percent for 2012. Private sector employment grew at 1.8 percent in 2012 while government employment decline 0.5 percent. Private employment sectors that grew the most during 2012 were the natural resources and mining sector at 6.4 percent growth, likely driven by shale gas and oil expansion, professional and business services at 3.2 percent, leisure and hospitality at 2.4 percent and manufacturing at 1.8 percent. While housing was expanding in terms of new starts, this growth has not been translating into stronger construction job growth as the sector grew just 0.7 percent in 2012. Within the public sector, federal employment levels declined 1.6 percent on a year over year basis and state and local government employment dropped 0.4 percent during 2012.

As employment levels have been rising modestly, the U.S. unemployment rate has been steadily declining. In December 2011, the U.S. unemployment rate stood at 8.5 percent. Since then, the rate has incrementally declined to 7.8 percent as of December 2012.

Despite recent improvements in the recovery, as measured from the start of the most recent recession (December 2007), the economic recovery in the U.S. has been the weakest since World War II. Following prior recessions, the economy, as measured by GDP, has always surpassed its pre-recession high within two years. At four years in length, the current recovery took twice as long to surpass pre-recession GDP levels, after adjusting for inflation. Job creation has been worse than in past recoveries. Today, approximately the same number of Americans are working as in August of 2005. Job creation during the recovery has been subdued as approximately 4.6 million net new jobs have been created since April 2010. However, through December 2012, the U.S. economy has approximately 4 million fewer jobs than the pre-recession peak in January 2008.

## The Forecast

Fairly subdued economic growth is forecast for the national economy from the first quarter of 2013 through at least the second quarter of 2014, with stronger growth forecast to occur from the third quarter of 2014 through at least 2017, according to a combination of data from both IHS Global Insight and Moody's Economy.com economic forecasts.

National economic activity grew at an average annual rate of 1.8 percent during 2011, and this growth rate improved slightly during 2012, averaging 2.3 percent. Economic growth is expected to weaken slightly during 2013, averaging 1.7 percent, as seen in Table 1.

Annual growth in real GDP is projected to have been 2.3 percent in 2012. A combination of data from both forecasting sources is highlighted in Table 1. This table presents actual data for 2011 and forecasts for the 2012-2014 periods for several national economic indicators. The rate of annual growth in real personal consumption declined in 2012, however this sector of the U.S. economy is projected to continue to expand at a modest rate through 2014 before picking up steam in the 2015-2017 time period.

Declines in housing construction and housing finance led the economy into recession. Residential housing construction experienced annual declines of 23.2 percent and 38.4 percent in 2008 and 2009, respectively. The enactment of federal tax breaks for first-time homebuyers boosted activity during late 2009. The extension of these tax breaks into 2010 helped to boost activity during the first half of 2010 before a slowdown in the latter half of the year. For all of 2010, new housing starts grew 5.8 percent on an annual basis. New construction starts pulled back slightly in 2011 with an annual growth rate of 4.4 percent on volume of 612,000 new starts. During 2012, new home construction ramped up significantly and grew by 162,000 units to 774,000 units or nearly 27 percent. New housing starts are estimated to grow another 25 percent in 2013, followed by continued robust growth of 32.1 percent in 2014 and 25.8 percent in 2015. The combined effect of the annual projected growth rates would add 1 million new housing starts per year to the 2012 base of 612,000 units by 2015. The growth in new housing starts during 2012-2015 indicates that the housing sector is in full scale recovery mode.

Further, existing home sales are projected to have grown by 412,000 or 9.6 percent in 2012, and are estimated to grow 7.6 percent in 2013 and by 11 percent in 2014. The importance of housing, which represents 15 percent of the national economy, means that ending its slump is critical for a broader and more sustainable economic recovery. Housing is now expected to help drive the economic recovery.

Declining wealth from home values and stock market losses during the Great Recession erased an estimated \$14 trillion in household wealth, although 2010 through 2012 stock market gains likely recouped about one-third of that loss. Nevertheless, the lingering effects of those losses, combined with declining real wages and persistently elevated unemployment, caused U.S. consumers to drastically reduce their spending during 2008 and 2009, as shown in Chart 7. Consumer spending began to gain traction during 2010, rising at an annual rate of 1.8 percent. Consumer spending continued to grow during 2011 from the pace set at the end of 2010. Overall, real consumer spending grew at an annual rate of 2.5 percent during 2011. Consumer spending pulled back to roughly 1.9 percent during 2012. The forecast for 2013 includes sustained but subdued projected growth of real consumer expenditures at 1.8 percent and 2.6 percent growth is forecast for 2014. Beyond 2014, real consumer spending is expected to grow moderately, in the upper two percent range through 2017. These levels are well below the average annual growth in real consumer spending of 3.6 percent experienced from 1992-2007. It is expected that consumer spending will be constrained by chronically

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

Indicator	2011	2012p	2013p	2014p
Nominal GDP	4.0	4.1	3.3	4.4
Real GDP	1.8	2.3	1.7	2.7
Real Personal Consumption	2.5	1.9	1.8	2.6
Corporate Profits (After Tax)	2.2	15.6	-4.2	8.7
Unemployment Rate (Rate)	9.0	8.1	7.6	7.3
CPI	3.2	2.0	1.4	1.8
Federal Funds (Rate)	0.1	0.1	0.2	0.2

\*Assumptions in this chart, as well as other assumptions, are incorporated in the 2013-14 fiscal year revenue estimates.  
p=projected

high unemployment, tight credit, diminished household wealth, rising federal income and payroll tax rates in 2013 and exhausted unemployment compensation benefits for millions of chronically unemployed persons. Finally, more than \$1.2 trillion in automatic federal government spending cuts which were slated to begin in 2013 and have been simply postponed for 3 months, could also negatively impact consumer spending and the recovery in general.

Personal income growth experienced a similar annual decline in 2009, down 4.8 percent. Despite elevated unemployment, growth in real personal income returned in 2010, growing 1.9 percent annually. Stronger gains in real personal income occurred in 2011, with an annual increase of 2.6 percent. However, the rate of growth in personal income dipped in 2012 to 1.6 percent and it is forecast to grow slightly to 1.7 percent in 2014 before growing more strongly at an average annual rate of 3.4 percent in 2014-2017, as shown in Chart 10 below.

Economists agree that additional and sustainable gains in employment will be needed to ensure that U.S. consumers continue their recently elevated levels of spending and to ensure that the housing recovery continues. As during the previous recovery in 2003-04, job growth will likely continue to be minimal during this recovery. Unemployment rates are expected to improve only modestly, dipping to 7.6 percent and 7.3 percent in 2013 and 2014, respectively. December 2007 saw peak employment at 138 million people, and economists project that it will be at least until mid-2014 before that figure is reached again.

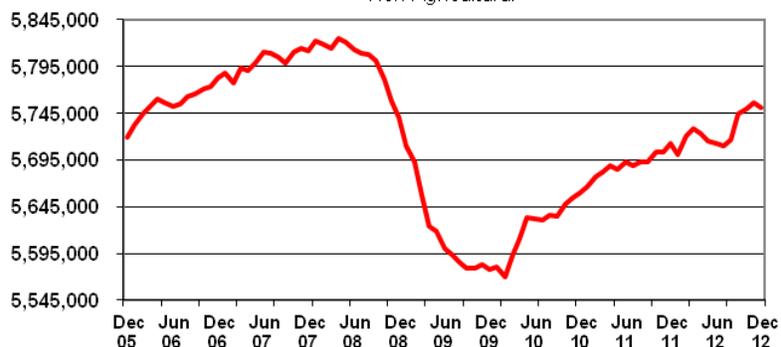
## Pennsylvania Outlook

Pennsylvania benefits from a highly diversified economy in terms of 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 economic contraction nationally, Pennsylvania often times will outperform the U.S. in areas such as growth in real gross state product, growth in real personal income and employment growth. The commonwealth's unemployment rate is generally below the U.S. rate and per capita income levels in the commonwealth exceed national levels. However, during periods of economic expansion, the commonwealth will often lag the rate of growth in the national economy.

In Pennsylvania, the Great Recession was shorter and less severe than it was in many other states or in the nation in general. During the most recent recession, U.S. unemployment peaked at 10.1 percent while the commonwealth unemployment rate peaked at 8.7 percent. Following the end of the Great Recession, Pennsylvania's economy has been steadily recovering.

Since the diversification of the commonwealth economy, Pennsylvania's unemployment rate has traditionally been equal to or below the national average. At its peak during the Great Recession, the commonwealth's unemployment rate rose to 9.3 percent in July 2010 and the national unemployment rate topped out at 10.1 percent in October 2010. Since that time, the Pennsylvania unemployment rate had been declining steadily. The Pennsylvania unemployment rate had been at or below the U.S. rate for 70 consecutive months through August 2012. That trend reversed slightly during the second half of 2012. The current commonwealth unemployment rate was 7.9 percent in December 2012 while the U.S. rate was 7.8 percent during December 2012. The commonwealth's unemployment rate is forecast to steadily improve during 2013 and 2014, declining to 7.6 percent and 7.2 percent respectively. A further decline to approximately 5.7 percent is projected by 2017.

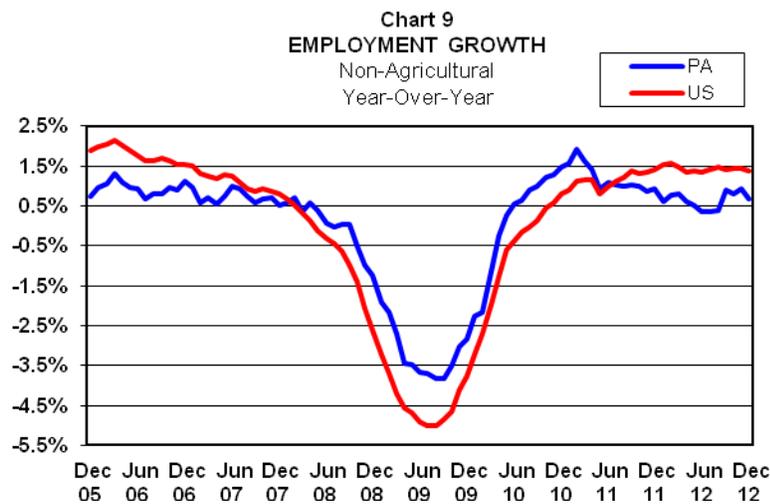
Chart 8  
PENNSYLVANIA EMPLOYMENT  
Non-Agricultural



The commonwealth's economic performance is largely dependent upon job growth. As the U.S. and state economies entered into recession in late 2007, employment in the commonwealth peaked in January 2008 at 5.811 million non-agricultural jobs, as seen in Chart 8. During the most recent recession, which officially lasted from December 2007 until June 2009, Pennsylvania lost nearly 234,000 jobs.

Job growth in Pennsylvania returned in 2010, albeit at modest levels. During 2010, approximately 82,500 net new jobs were produced in the commonwealth. Job growth slowed during 2011 as approximately 52,400 jobs were created through December 2011, with most of the growth occurring during the first two months of the year and the last two months of the year. During 2012, the commonwealth experienced a further slowing in employment growth as a net 38,700 jobs were created. Again, all of the annual growth in employment during 2012 can be attributed to two months, February and October 2012. Since the end of the Great Recession, Pennsylvania has added nearly 174,000 jobs. According to Global Insight, through the mid-point of 2012, the commonwealth had recovered 62 percent of the jobs it lost during the Great Recession while the U.S. had only recovered 44 percent of its lost jobs through the same time period.

The commonwealth's employment continued to grow in 2011 and saw gains across all sectors, with the lone exception of government employment. Total non-farm employment rose nearly 1.0 percent during 2011. Employment in the mining and logging sector, paced by the rapid expansion of natural gas drilling, grew 17.4 percent in 2011. The information services sector grew at an annual rate of 3.2 percent in 2011. The leisure and hospitality sector grew 2.1 percent and manufacturing grew 1.4 percent in Pennsylvania during 2011. Government employment declined 2.7 percent during 2011.



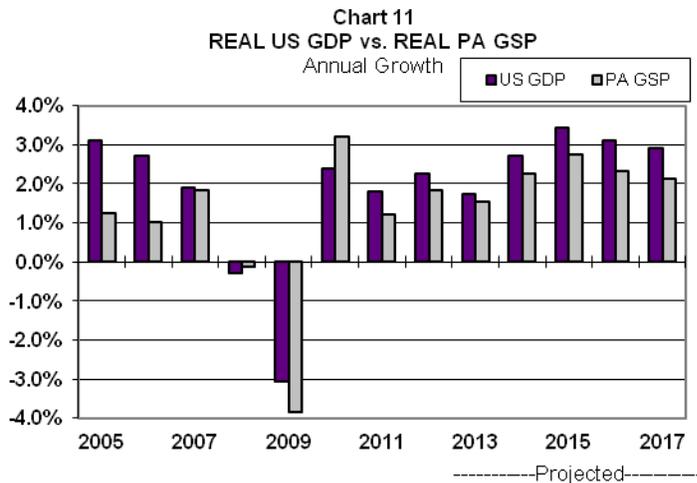
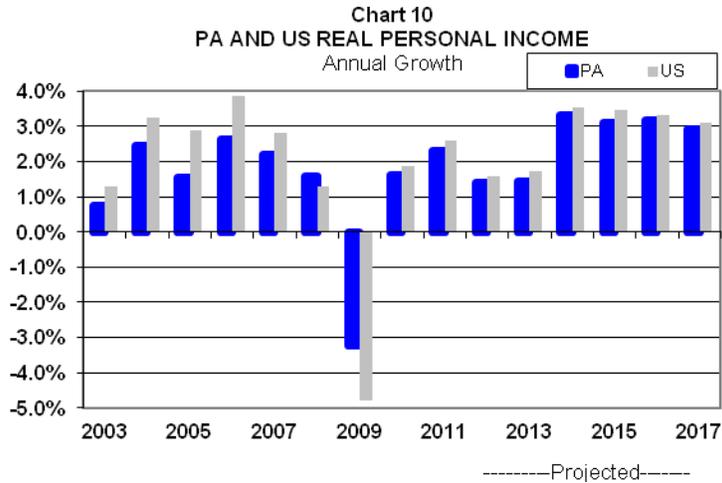
During 2012, employment growth in the commonwealth slowed in general and in comparison to the U.S. employment growth rate as seen in Chart 9. Overall, payrolls in the commonwealth grew just 0.7 percent in 2012, or less than half the rate of the U.S. According to Global Insight, employment in the natural resources and mining sector leveled off in the commonwealth during 2012 after two years of double digit growth. Employment in the mining and logging industries

grew the most of any sector during 2012 at 9.0 percent followed by leisure and hospitality at 2.9 percent, information services at 2.2 percent and professional and business services at 1.9 percent. Construction employment declined in 2012 by 3.4 percent and other services declined 1.6 percent. Government employment, after declining in prior years was essentially unchanged in 2012.

Employment growth is expected to accelerate in the commonwealth during 2013 as total growth in employment is forecast to be nearly 80,000 during 2013, an annual growth rate of 1.4 percent. Over the next four years, the commonwealth can expect to add jobs at an average annual rate of 1.2 percent while the broader U.S. economy is estimated to add jobs at an average annual rate of nearly 2 percent. The lower projected rate of growth in the commonwealth's employment levels would place Pennsylvania among the bottom tier of states in terms of employment growth.

The inverse relationship of U.S. and commonwealth growth in personal income re-emerged during the Great Recession. Chart 10 plots actual and projected annual real personal income growth for Pennsylvania and the United States for the years 2003 through 2017. As shown, growth in Pennsylvania real personal income exceeded the national average during the Great Recession of 2007-2009.

During 2010, the commonwealth's 1.5 percent growth in real personal income was close to the 1.9 percent national growth rate. That year Pennsylvania ranked 25<sup>th</sup> in the nation in terms of its rate of growth in personal income. As the national and state economies expanded during 2011, personal income in the commonwealth grew by 2.1 percent, compared to 2.3 percent nationally. During 2012, real personal income in the commonwealth grew by the rate of 2.1 percent, an amount equal to the U.S. rate for 2012. Based on current projections, the commonwealth is expected to continue to lag the national average growth in real personal income in 2013, with the commonwealth rising at a rate of 1.8 percent versus a U.S. rate of 2.2 percent. This trend is expected to continue through at least 2015 with the divergence in the growth rates growing in each year.



The short-term outlook for Pennsylvania is that its economy remains heavily dependent on the national economy. Economic growth in Pennsylvania has a high correlation with growth in the U.S. economy, as illustrated in Chart 11. As with trends in real personal income during expansionary periods, Pennsylvania's gross state product growth often lags behind the rate of growth in U.S. gross domestic product. The greatest recent gap between the two rates of growth was in 2006. Since then, the commonwealth's GSP growth rate has steadily gained on the U.S. GDP growth rate. The commonwealth has

actually outperformed the national economy during the period of 2008 through 2010. During 2008, the commonwealth's economy shrank at an annual rate of -0.1 percent while the national economy contracted at a rate of 0.3 percent. During 2010 the commonwealth's economy expanded at a rate of 3.2 percent, while the growth rate for the national economy was 2.4 percent in 2010. In 2011, the rate of growth in the Pennsylvania and national economies again began to diverge as the U.S. economy grew by 1.8 percent while the Pennsylvania economy grew at a rate of 1.2 percent. This trend continued in 2012 as the U.S. economy grew by 2.3 percent and the Pennsylvania economy grew at a rate of 1.8 percent. As the economic recovery gains strength, the gap between the two rates of growth is expected to continue through at least 2017.

## SUMMARY OF MAJOR OPERATING FUNDS

The total 2013-14 operating budget for the commonwealth is \$66.7 billion. It includes \$28.4 billion in the General Fund, more than \$2.5 billion in the Motor License Fund, nearly \$21.7 billion in federal funds and \$14.1 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. It receives all tax revenue, non-tax revenue and federal grants and entitlements not specified by law to be deposited elsewhere. 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 over 98.1 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 capital stock and franchise tax together provide approximately 86 percent of annual General Fund revenue. For non-tax revenue, the largest sources of revenues are typically from profit transfers from the Pennsylvania Liquor Control Board, earnings of investments, and the escheats or "unclaimed property" program.

**Recent Revenue Trends:** For the five fiscal years ending with 2011-12, total General Fund revenue declined by 0.9 percent, an annual rate of decline of 0.2 percent. The rate of growth for revenue during the period has been adversely affected by the recent economic recession and the lack of significant 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 alcoholic beverages tax, the cigarette tax and the financial and insurance tax. Each had five-year total increases of over 29.0 percent, 36.5 percent and 19.8, respectively. Revenue from some tax sources declined over the period. Receipts from the realty transfer tax declined 32.0 percent and corporate tax fell by 16.8 percent. Non-tax revenue sources during this period decline by 16.6 percent overall or an average of 4.4 percent annually. This decrease was largely driven by a decline in the use of balance transfers and other one-time revenue items in the last two fiscal years.

Receipts from the personal income tax in recent fiscal years had been steadily improving since the recession of 2001. However, the most recent recession has resulted in year-over-year declines in personal income tax receipts from fiscal year 2007-08 through fiscal year 2009-10. Annual declines in personal income tax receipts were 6.5 percent and 2.3 percent in the fiscal years ending 2008-09 and 2009-10, respectively. Growth in personal income tax receipts returned in 2010-11 with a year-over-year increase of 4.7 percent and growth of 3.5 percent in 2011-12. Due to the two year declines in personal income tax revenues mentioned above and without adjusting for changes in the tax rate, personal income tax collections over the past five completed fiscal years have declined by an annual average 0.2. Moderate economic growth in the first half of fiscal year 2012 as resulted in year-over-year growth in the commonwealth's personal income tax. Through December 2012, personal income tax receipts have grown 4.0 percent on a year-over-year basis and are 0.9 percent above the certified revenue estimate for fiscal year 2012-13. For fiscal year 2012-13, personal income tax receipts are anticipated to be 1.6 percent above the 2012-13 certified revenue estimate. Personal income tax receipts for fiscal year 2012-13 are now expected to grow 6.2 percent above 2011-12 actual collections. For fiscal year 2013-14, personal income tax receipts are expected to grow 2.5 percent above the revised estimate for fiscal year 2012-13. Estimates for the personal income tax are developed from a regression equation that uses forecasts of wages, salaries, interest, dividends and rents.

The sales and use tax is levied on taxable property and services used by consumers and by businesses. Recently, annual growth rates for this tax had been weak during the most recent recession but rebounded during fiscal year 2010-11. Sales and use tax receipts over the past five

completed fiscal years have been relatively flat at an average 0.8 percent annual growth. The national economic recession adversely impacted sales and use tax receipts during three of the past five recently completed fiscal years. Annual declines of 1.1 percent, 4.3 percent and 1.3 percent occurred during the fiscal years-ending 2008, 2009 and 2010. These three year annual declines in sales and use tax receipts were the first such year-over-year declines since 1990-91. This negative trend ended during the 2010-11 fiscal year as receipts grew robustly at 7.0 percent. Modest growth in sales and use tax receipts continued during fiscal year 2011-12 as the year-over-year growth was 2.1 percent. This modest level of growth has continued through the current fiscal year. Through December 2012, sales and use tax receipts have grown 2.1 percent from prior year levels. However, this growth is below that which was estimated during enactment of the fiscal year 2012-13 budget. Through December 2012, sales and use tax receipts are 2.7 percent below the 2012-13 estimate. Sales and use tax receipts for all of 2012-13 are projected to be 2.7 percent below the 2012-13 estimate. Sales and use tax receipts for fiscal year 2012-13 are now expected to grow 2.2 percent above 2011-12 actual collections. For 2013-14, consumer spending is expected to increase slightly and produce a growth rate of 4.5 percent above the revised 2012-13 estimate. Estimates for the sales and use tax are developed from a regression equation that uses forecasts of national consumer expenditures on durable goods, business investment, and national consumption on new and used motor vehicles.

The largest General Fund tax on business 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. Corporate tax receipts, including both the corporate net income tax and the capital stock and franchise tax, had been declining during the period of 2008-2010, however, growth in corporate tax receipts returned in fiscal year 2010-11. 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 at the end of calendar year 2013. The most recent economic recession has been very hard on corporate profits. Corporate tax receipts over the past five completed fiscal years have decreased by total of 16.8 percent, as corporate profits plunged in 2009 and 2010. During those two fiscal years, corporate tax receipts declined 19.5 percent and 7.8 percent respectively. Corporate tax collections rebounded in 2011, growing 15.6 percent, before again declining in fiscal year 2012 by 3.1 percent. As result, corporate tax receipts averaged a loss of 4.5 percent annually for each of the past five fiscal years. However, as the underlying economy has gained strength recently, corporate tax receipts have been buoyed during the current fiscal year. To date through December 2012, corporate tax receipts are 21.0 percent above 2011-12 levels during the same period. Corporate net income tax receipts for all of 2012-13 are projected to grow by 23.2 percent above 2011-12 actual receipts and capital stock and franchise tax receipts are expected to decline 27.8 percent below 2011-12 levels, due entirely from the continued phase-out of this tax. The continued modest recovery is expected to positively impact corporate net income tax receipts in 2013-14, as such receipts are projects to grow 3.2 percent above the revised 2012-13 estimates. Conversely, the effects of the continued rate reduction for the capital stock and franchise tax will likely result in a decline of 59.9 percent from this source of corporate taxes in 2013-14. 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 75 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 2013-14 is \$28.4 billion. General Fund expenditure growth is projected to increase 2.4 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 nearly \$5.5 billion for the Basic Education subsidy in state funds in 2013-14. Other increases for basic education include a \$4.5 million increase, or 5.4 percent, for Pre-K Counts; a \$1.9 million increase, or 5.1 percent, for Head Start Supplemental Assistance; and a \$5 million increase, or 2.3 percent, for Early Intervention. In total, state funding for basic education is over \$10 billion in 2013-14.

This budget also provides \$200 million for the Passport for Learning Block Grant to support school safety and security, Ready by 3 programs, individualized learning programs and science, technology, engineering and mathematics (STEM) education in grades 6 through 12. This is a \$1 billion four-year grant to be funded through proceeds from the privatization of the commonwealth's wholesale and retail liquor operations.

**Higher Education:** Higher education in Pennsylvania is provided through 271 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 more than \$1.58 billion for higher education institutions and students in state funds. This includes nearly \$362 million for student financial assistance.

**Public Health and Welfare:** 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 mental and physical disabilities and supports programs to prevent or reduce social, intellectual and physical disease and disabilities. For 2013-14, the total public health and human services expenditures from all sources is \$31.1 billion; the amount from the General Fund will be \$11.3 billion, which is an increase of \$308.9 million or 2.8 percent. While maintaining necessary services, this budget continues 2012-13 cost-containment initiatives and proposes additional cost-containment strategies in 2013-14.

The largest component of public health and welfare expenditures is the Medical Assistance (MA) program. In the last ten years, the program grew at an annual rate of 8.7 percent. Caseload growth has begun to stabilize after several years of higher growth due to poor economic conditions. Technological advances in medicine and general medical inflation, including increases in pharmaceutical prices, would have resulted in an increase in overall MA expenditures in 2013-14 if not for significant cost containment and operational efficiencies. Total funding in 2013-14 increased by \$100 million from \$19.4 billion to \$19.5 billion. State funds are anticipated to increase from \$6.4 billion in 2012-13 to nearly \$6.5 billion in 2013-14, which is an increase of \$87 million or 1.4 percent. The state fund increase is due primarily to a decrease in the federal financial participation rate and 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 \$2.6 billion from all sources for 2012-13. The 2013-14 budget maintains total resources of \$2.6 billion while the commonwealth's General Fund share is increased from \$809 million to \$838 million. Of the \$2.6 billion, the budget provides a total of \$718 million for child care services.

The 2013-14 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 2013, that will be reduced to 2,612, a reduction of 49 percent. Over that period the community budgets will have grown by more than \$1.1 billion, an increase of 67 percent.

**State Correctional Institutions:** The 2013-14 budget proposed for the state correctional system is \$1.9 billion. From 2009-10 to 2013-14, total costs have grown from \$1.8 billion to slightly more than \$2.0 billion. During this time, the inmate population has grown from 51,487 in 2009-10 to a peak of 51,727 in 2011-12 before declining in 2012-13 due to a series of savings initiatives and legislative changes. The inmate population is projected to continue declining in 2013-14.

## 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 in the Commonwealth 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 various fuels provided approximately 50.7 percent of total Motor License Fund revenues in 2011-12. Revenue from liquid fuels taxes had been growing incrementally over the past several years, posting gains in 2009-10 and 2010-11. However, revenues from this source declined in 2011-12 and posted a year-over-year loss of 1.2 percent. For the five-year period ending with 2011-12, liquid fuels tax revenues decreased at an annual average rate of 1.3 percent. Current fiscal year-to-date liquid fuels receipts are 2.1 percent below 2011-12 levels through December 2012. For 2012-13, a decrease of 0.7 percent is projected while the budget for 2013-14 projects an increase in liquid fuels tax receipts of 12.1 percent over the revised estimate for 2012-13. The projected rate of growth for 2013-14 is due to the budget proposal to phase in the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax. The increase will be partially offset by the budget proposal to reduce the Liquid Fuels and Fuels Tax to 11 cents per gallon in 2013-14 and to 10 cents per gallon in 2014-15 and thereafter.

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 weak. For the five-year period ending with 2011-12, license and fee revenues increased at an annual average of 0.6 percent. However, as the national economy continues to recover, an increase of 1.2 percent in license and fee revenue is projected for fiscal year 2012-13. This growth is expected to abate as license and fee revenues for 2013-14 are projected to decrease 2.1 percent. The revenue decrease is primarily a result of the budget proposal to divert certain fees to public transit and multimodal transportation programs.

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. This budget proposes to amend Act 44 of 2007 to provide additional funding to public transit and multimodal transportation programs. The 2013-14 contribution to the Motor License Fund will be reduced to \$145 million based on the proposal.

The budget for 2013-14 recommends \$4.6 billion for construction, reconstruction and maintenance of highways and bridges in the commonwealth. This is an increase of 5% from 2012-13, primarily due to the funding available through the budget proposals stated above. The increase is diminished due to the discontinuation of bond financing for bridge 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 largest program funded by the Lottery Fund is the Property Tax and Rent Rebate program within the Department of Revenue. This program 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.

The Pharmaceutical Assistance Contract for the Elderly (PACE) 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.

Act 111 of 2006 created PACE Plus Medicare, which enables cardholders to take advantage of the features of both PACE and Medicare Part D. 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 Medicare Prescription Drug, Improvement and Modernization Act of 2003, 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.

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 2013-14, \$275.2 million is provided for the PENNCARE appropriation including increases of \$20 million to serve 5,400 additional people in the Options Program, \$5 million to enhance support to Area Agencies on Aging and \$2 million to expand Attendant Care services to 193 additional people. For additional details, see the Department of Aging presentation.

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

## **Tobacco Settlement Fund**

On December 17, 1999, Pennsylvania finalized its contractual agreement with the five major tobacco companies under the Master Settlement Agreement (MSA). The MSA provides a perpetual reimbursement to states for the costs incurred as a result of tobacco use.

The Tobacco Settlement Act 77 of 2001 established the Tobacco Settlement Fund as the special revenue fund that receives the proceeds from the MSA for the commonwealth. It provides funding for programs such as home and community-based care, tobacco use prevention and cessation, broad-based health research, medical care for workers with disabilities, contributions to the PACENET program and uncompensated care.

The fund included an endowment component to preserve a portion of the receipts to ensure funds for future generations, sustain critical programs if tobacco allocations decrease and provide ongoing revenue if tobacco allocations cease. The initial payment from the MSA of \$142 million was deposited into the Endowment Account. In addition, strategic contribution payments, earnings from investments and 8 percent of the annual payment from the MSA have been deposited into the endowment account. On June 1, 2011, all remaining assets, cash and investments in the Health Endowment Account transferred to the Tobacco Settlement Fund per Act 46 of 2010.

The 2005-06 budget initiated a resource redirection to take into consideration the escalating cost of long-term care services for Pennsylvania seniors and persons with disabilities. Beginning in 2009-10, funds from the Tobacco Settlement Fund were transferred to the General Fund to help balance the budget. In 2009-10 and 2010-11, Act 50 of 2009 and Act 46 of 2010 redirected 25 percent of the funds allocated to tobacco use prevention and cessation activities, 33.3 percent of the funds allocated to health care insurance, 100 percent of the funds allocated for the Endowment Account, tobacco revenue interest and earnings and the annual strategic contribution payment to offset the cost of long-term care. In addition, Act 50 of 2009 redirected 37.5 percent of the funds allocated to tobacco use prevention and cessation to the General Fund and transferred \$150 million from the Endowment Account to the General Fund. Act 46 of 2010 redirected 37.5 percent of the funds allocated to tobacco use prevention and cessation to the General Fund, transferred \$121 million from the Endowment Account to augment the appropriation for payment of required contributions to the Public School Employees' Retirement System, transferred \$250 million from the Tobacco Settlement Fund to the General Fund, and transferred all remaining assets, cash and investments as of June 1, 2011 from the Health Endowment Account to the Tobacco Settlement Fund. Act 26 of 2011

redirected 62.5 percent of the funds allocated to tobacco use prevention and cessation activities, 33.3 percent of the funds allocated to health care insurance, 100 percent of the funds allocated for the Endowment Account and 18.2 percent of the funds allocated to uncompensated care to offset the cost of long-term care.

In 2012-13, Act 87 of 2012 redirects 62.5 percent of the funds allocated to tobacco use prevention and cessation activities, 33.3 percent of the funds allocated to health care insurance, 30 percent of the funds allocated to health and related research, 100 percent of the funds allocated for the Endowment Account and 18.2 percent of the funds allocated to uncompensated care to offset the cost of long term care. The 2013-14 budget proposes to continue the same percentage redirects currently in place for 2012-13 to offset the cost of long-term care except for the 33.3 percent redirection of the funds allocated to health care insurance. These funds will remain in the Tobacco Settlement Fund to support the increasing cost of the Medical Assistance for Workers with Disabilities program.

## 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.

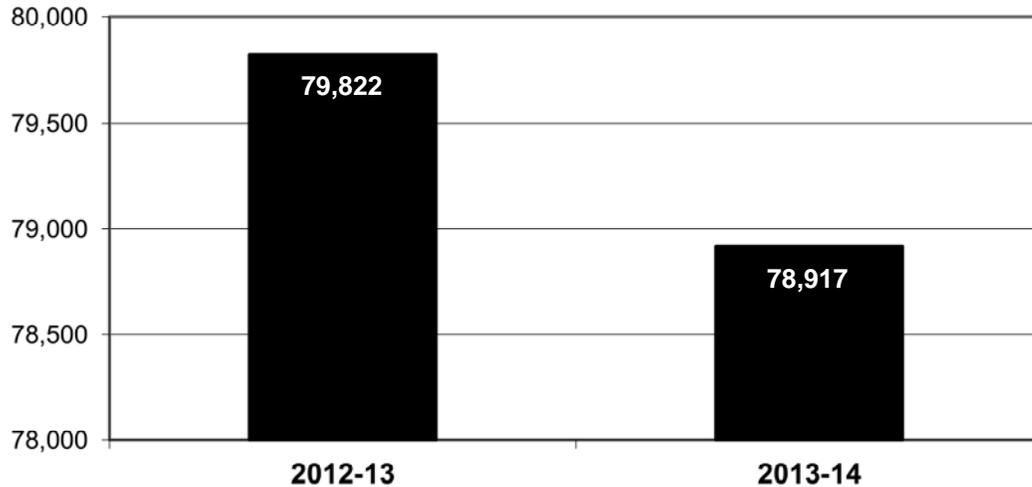
The transfer from the 2003-04 General Fund balance to the Budget Stabilization Reserve Fund of \$190 million exceeded the 25 percent statutory minimum and increased the balance in the Fund to more than \$260 million, bringing it slightly higher than the balance in 1996-97. In accordance with Act 41 of 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. There was \$61,000 remaining in the Budget Stabilization Reserve Fund as of June 30, 2012. This budget proposes to suspend the transfer of 25 percent of the 2012-13 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.

### Authorized Complement



This budget proposes an overall reduction in the commonwealth's current authorized FTE salaried complement level in 2013-14 of 905 positions, from 79,822 to 78,917 positions.

In conjunction with this reduction in authorized position levels, filled positions have also been declining. The number of filled salaried positions in agencies under the Governor's jurisdiction was 76,663 in January 2011. As of the end of January 2013, the number of filled salary positions was 74,634 – a reduction of 2,029 filled positions or 2.6 percent.



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# 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.

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## 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 2011-12 actual year, 2012-13 available year, 2013-14 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Beginning Balance.....	\$ 1,072,863	\$ 659,051	\$ 543,615	\$ 22,560	\$ 4,917	\$ 21,292	\$ 15,532
Revenues.....	\$ 27,677,999	\$ 28,822,000	\$ 29,251,199	\$ 30,246,005	\$ 31,066,729	\$ 31,880,556	\$ 32,682,590
Adjustments <sup>a</sup> .....	-1,061,272	-1,186,470	-1,325,000	-1,355,000	-1,385,000	-1,415,000	-1,445,000
Funds Available.....	\$ 27,689,590	\$ 28,294,581	\$ 28,469,814	\$ 28,913,565	\$ 29,686,646	\$ 30,486,848	\$ 31,253,122
Total Spending.....	-27,030,539	-27,750,966	-28,439,734	-28,907,009	-29,658,257	-30,466,139	-31,235,557
Preliminary Balance.....	\$ 659,051	\$ 543,615	\$ 30,080	\$ 6,556	\$ 28,389	\$ 20,709	\$ 17,565
Less Transfer to Budget Stabilization Reserve Fund.....	0 <sup>b</sup>	0 <sup>c</sup>	-7,520	-1,639	-7,097	-5,177	-4,391
Ending Balance.....	<u>\$ 659,051</u>	<u>\$ 543,615</u>	<u>\$ 22,560</u>	<u>\$ 4,917</u>	<u>\$ 21,292</u>	<u>\$ 15,532</u>	<u>\$ 13,174</u>

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

<sup>b</sup> Act 87 of 2012 suspended the 25% transfer to the Budget Stabilization Reserve Fund for FY 2011-12.

<sup>c</sup> This budget proposes the suspension of the 25% transfer to the Budget Stabilization Reserve Fund for FY 2012-13.

## Seven Year Financial Statements By Fund

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

	(Dollar Amounts in Thousands)						
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Beginning Balance.....	\$ 317,996	\$ 153,031	\$ 83,945	\$ 18,128	\$ 20,792	\$ 20,451	\$ 19,499
Receipts.....	2,449,877	2,434,000	2,446,800	2,730,900	2,529,500	2,589,000	2,571,700
Funds Available.....	\$ 2,767,873	\$ 2,587,031	\$ 2,530,745	\$ 2,749,028	\$ 2,550,292	\$ 2,609,451	\$ 2,591,199
Less Expenditures.....	-2,614,842	-2,503,086	-2,512,617	-2,728,236	-2,529,841	-2,589,952	-2,574,046
Ending Balance.....	<u>\$ 153,031</u>	<u>\$ 83,945</u>	<u>\$ 18,128</u>	<u>\$ 20,792</u>	<u>\$ 20,451</u>	<u>\$ 19,499</u>	<u>\$ 17,153</u>

### Banking Fund

	(Dollar Amounts in Thousands)						
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Beginning Balance.....	\$ 10,951	\$ 10,985	\$ 11,044	\$ 6,601	\$ 2,158	\$ -2,285	\$ -6,728
Receipts.....	21,388	21,408	18,269	18,269	18,269	18,269	18,269
Funds Available.....	\$ 32,339	\$ 32,393	\$ 29,313	\$ 24,870	\$ 20,427	\$ 15,984	\$ 11,541
Less Expenditures.....	-21,354	-21,349	-22,712	-22,712	-22,712	-22,712	-22,712
Ending Balance.....	<u>\$ 10,985</u>	<u>\$ 11,044</u>	<u>\$ 6,601</u>	<u>\$ 2,158</u>	<u>\$ -2,285</u>	<u>\$ -6,728</u>	<u>\$ -11,171</u>

### Boat Fund

	(Dollar Amounts in Thousands)						
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Beginning Balance.....	\$ 17,179	\$ 20,053	\$ 18,980	\$ 15,232	\$ 11,484	\$ 7,736	\$ 3,988
Receipts.....	20,681	18,071	15,263	15,263	15,263	15,263	15,263
Funds Available.....	\$ 37,860	\$ 38,124	\$ 34,243	\$ 30,495	\$ 26,747	\$ 22,999	\$ 19,251
Less Expenditures.....	-17,807	-19,144	-19,011	-19,011	-19,011	-19,011	-19,011
Ending Balance.....	<u>\$ 20,053</u>	<u>\$ 18,980</u>	<u>\$ 15,232</u>	<u>\$ 11,484</u>	<u>\$ 7,736</u>	<u>\$ 3,988</u>	<u>\$ 240</u>

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

## Seven Year Financial Statements By Fund

### Farm Products Show Fund

	(Dollar Amounts in Thousands)						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Beginning Balance.....	\$ 306	\$ 509	\$ 577	\$ 330	\$ 137	\$ 69	\$ 81
Receipts.....	8,968	11,378	11,941	11,995	12,120	12,200	12,200
Funds Available.....	\$ 9,274	\$ 11,887	\$ 12,518	\$ 12,325	\$ 12,257	\$ 12,269	\$ 12,281
Less Expenditures.....	-8,765	-11,310	-12,188	-12,188	-12,188	-12,188	-12,188
Ending Balance.....	<u>\$ 509</u>	<u>\$ 577</u>	<u>\$ 330</u>	<u>\$ 137</u>	<u>\$ 69</u>	<u>\$ 81</u>	<u>\$ 93</u>

### Fish Fund

	(Dollar Amounts in Thousands)						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Beginning Balance.....	\$ 34,151	\$ 38,961	\$ 40,601	\$ 35,175	\$ 29,749	\$ 24,323	\$ 18,897
Receipts.....	47,819	56,201	37,451	35,404	35,404	35,404	35,404
Funds Available.....	\$ 81,970	\$ 95,162	\$ 78,052	\$ 70,579	\$ 65,153	\$ 59,727	\$ 54,301
Less Expenditures.....	-43,009	-54,561	-42,877	-40,830	-40,830	-40,830	-40,830
Ending Balance.....	<u>\$ 38,961</u>	<u>\$ 40,601</u>	<u>\$ 35,175</u>	<u>\$ 29,749</u>	<u>\$ 24,323</u>	<u>\$ 18,897</u>	<u>\$ 13,471</u>

### Game Fund

	(Dollar Amounts in Thousands)						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Beginning Balance.....	\$ 29,301	\$ 38,359	\$ 24,388	\$ 12,768	\$ 9,000	\$ 5,232	\$ 1,464
Receipts.....	76,617	64,085	68,060	69,382	69,382	69,382	69,382
Funds Available.....	\$ 105,918	\$ 102,444	\$ 92,448	\$ 82,150	\$ 78,382	\$ 74,614	\$ 70,846
Less Expenditures.....	-67,559	-78,056	-79,680	-73,150	-73,150	-73,150	-73,150
Ending Balance.....	<u>\$ 38,359</u>	<u>\$ 24,388</u>	<u>\$ 12,768</u>	<u>\$ 9,000</u>	<u>\$ 5,232</u>	<u>\$ 1,464</u>	<u>\$ -2,304</u>

## Seven Year Financial Statements By Fund

### Keystone Recreation, Park and Conservation Fund

	(Dollar Amounts in Thousands)						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Beginning Balance.....	\$ 0	\$ 15,242	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receipts.....	<u>53,270</u>	<u>58,418</u>	<u>67,276</u>	<u>79,118</u>	<u>85,629</u>	<u>86,353</u>	<u>87,200</u>
Funds Available.....	\$ 53,270	\$ 73,660	\$ 67,276	\$ 79,118	\$ 85,629	\$ 86,353	\$ 87,200
Less Expenditures.....	<u>-38,028</u>	<u>-73,660</u>	<u>-67,276</u>	<u>-79,118</u>	<u>-85,629</u>	<u>-86,353</u>	<u>-87,200</u>
Ending Balance.....	<u>\$ 15,242</u>	<u>\$ 0</u>					

### Lottery Fund

	(Dollar Amounts in Thousands)						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Beginning Balance.....	\$ 158,986	\$ 188,316	\$ 187,360	\$ 200,803	\$ 251,792	\$ 368,794	\$ 573,292
Add Reserve From Prior Year.....	0	75,000	75,000	50,000	50,000	50,000	50,000
Receipts.....	<u>1,706,402</u>	<u>1,796,231</u>	<u>1,911,900</u>	<u>2,001,900</u>	<u>2,099,203</u>	<u>2,279,198</u>	<u>2,452,414</u>
Funds Available.....	\$ 1,865,388	\$ 2,059,547	\$ 2,174,260	\$ 2,252,703	\$ 2,400,995	\$ 2,697,992	\$ 3,075,706
Less Expenditures.....	<u>-1,602,072</u>	<u>-1,797,187</u>	<u>-1,923,457</u>	<u>-1,950,911</u>	<u>-1,982,201</u>	<u>-2,074,700</u>	<u>-2,154,149</u>
Less Reserve for Current Year.....	<u>-75,000</u>	<u>-75,000</u>	<u>-50,000</u>	<u>-50,000</u>	<u>-50,000</u>	<u>-50,000</u>	<u>-50,000</u>
Ending Balance.....	<u>\$ 188,316</u>	<u>\$ 187,360</u>	<u>\$ 200,803</u>	<u>\$ 251,792</u>	<u>\$ 368,794</u>	<u>\$ 573,292</u>	<u>\$ 871,557</u>

### Racing Fund

	(Dollar Amounts in Thousands)						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Beginning Balance.....	\$ 46	\$ 43	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receipts.....	<u>16,575</u>	<u>16,147</u>	<u>16,201</u>	<u>16,201</u>	<u>16,201</u>	<u>16,201</u>	<u>16,201</u>
Funds Available.....	\$ 16,621	\$ 16,190	\$ 16,201	\$ 16,201	\$ 16,201	\$ 16,201	\$ 16,201
Less Expenditures.....	<u>-16,578</u>	<u>-16,190</u>	<u>-16,201</u>	<u>-16,201</u>	<u>-16,201</u>	<u>-16,201</u>	<u>-16,201</u>
Ending Balance.....	<u>\$ 43</u>	<u>\$ 0</u>					

## Seven Year Financial Statements By Fund

### Tobacco Settlement Fund

	(Dollar Amounts in Thousands)						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Beginning Balance.....	\$ 132,649	\$ 78,821	\$ 72,687	\$ 80,843	\$ 82,140	\$ 80,234	\$ 74,878
Receipts.....	<u>337,363</u>	<u>331,590</u>	<u>340,030</u>	<u>333,171</u>	<u>329,968</u>	<u>326,518</u>	<u>338,919</u>
Funds Available.....	\$ 470,012	\$ 410,411	\$ 412,717	\$ 414,014	\$ 412,108	\$ 406,752	\$ 413,797
Less Expenditures.....	<u>-391,191</u>	<u>-337,724</u>	<u>-331,874</u>	<u>-331,874</u>	<u>-331,874</u>	<u>-331,874</u>	<u>-331,874</u>
Ending Balance.....	<u>\$ 78,821</u>	<u>\$ 72,687</u>	<u>\$ 80,843</u>	<u>\$ 82,140</u>	<u>\$ 80,234</u>	<u>\$ 74,878</u>	<u>\$ 81,923</u>

# Overview and Summaries

## Seven Year Department Summary by Fund

The following is a summary by department of 2011-12 actual expenditures, the 2012-13 amounts available, the 2013-14 amounts budgeted and future year estimates for the General Fund and selected Special Funds.

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Governor's Office</b>							
General Fund.....	\$ 6,309	\$ 6,429	\$ 6,429	\$ 6,429	\$ 6,429	\$ 6,429	\$ 6,429
<b>Executive Offices</b>							
General Fund.....	\$ 153,696	\$ 156,969	\$ 181,253	\$ 179,896	\$ 179,547	\$ 179,547	\$ 179,646
Motor License Fund.....	2,555	2,336	2,256	2,256	2,256	2,256	2,256
Department Total.....	\$ 156,251	\$ 159,305	\$ 183,509	\$ 182,152	\$ 181,803	\$ 181,803	\$ 181,902
<b>Lieutenant Governor</b>							
General Fund.....	\$ 1,237	\$ 1,278	\$ 1,317	\$ 1,317	\$ 1,317	\$ 1,317	\$ 1,317
<b>Attorney General</b>							
General Fund.....	\$ 81,392	\$ 78,121	\$ 78,121	\$ 78,121	\$ 78,121	\$ 78,121	\$ 78,121
<b>Auditor General</b>							
General Fund.....	\$ 44,624	\$ 42,393	\$ 42,393	\$ 42,393	\$ 42,393	\$ 42,393	\$ 42,393
<b>Treasury</b>							
General Fund.....	\$ 1,090,119	\$ 1,138,996	\$ 1,122,389	\$ 1,146,458	\$ 1,179,567	\$ 1,205,302	\$ 1,264,632
Lottery Fund.....	50	0	0	0	0	0	0
Racing Fund.....	10	0	0	0	0	0	0
Motor License Fund.....	37,517	30,129	29,057	28,243	28,243	28,196	28,196
Game Fund.....	5	0	0	0	0	0	0
Fish Fund.....	5	0	0	0	0	0	0
Banking Fund.....	5	0	0	0	0	0	0
Farm Products Show Fund.....	5	0	0	0	0	0	0
Boat Fund.....	5	0	0	0	0	0	0
Tobacco Settlement Fund.....	5	0	0	0	0	0	0
Keystone Recreation, Park and Conservation Fund.....	5	0	0	0	0	0	0
Department Total.....	\$ 1,127,731	\$ 1,169,125	\$ 1,151,446	\$ 1,174,701	\$ 1,207,810	\$ 1,233,498	\$ 1,292,828
<b>Aging</b>							
Lottery Fund.....	\$ 478,557	\$ 467,957	\$ 498,212	\$ 508,212	\$ 518,212	\$ 538,212	\$ 563,212
Tobacco Settlement Fund.....	24,790	25,282	24,847	24,847	24,847	24,847	24,847
Department Total.....	\$ 503,347	\$ 493,239	\$ 523,059	\$ 533,059	\$ 543,059	\$ 563,059	\$ 588,059
<b>Agriculture</b>							
General Fund.....	\$ 130,436	\$ 129,535	\$ 117,878	\$ 117,878	\$ 117,878	\$ 117,878	\$ 117,878
Racing Fund.....	16,334	17,667	15,964	15,964	15,964	15,964	15,964
Motor License Fund.....	4,328	4,328	4,328	4,328	4,328	4,328	4,328
Farm Products Show Fund.....	6,310	11,310	12,188	12,188	12,188	12,188	12,188
Department Total.....	\$ 157,408	\$ 162,840	\$ 150,358	\$ 150,358	\$ 150,358	\$ 150,358	\$ 150,358
<b>Banking and Securities</b>							
General Fund.....	\$ 1,000	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Banking Fund.....	21,349	21,349	22,712	22,712	22,712	22,712	22,712
Department Total.....	\$ 22,349	\$ 21,350	\$ 22,712	\$ 22,712	\$ 22,712	\$ 22,712	\$ 22,712

# Overview and Summaries

## Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Civil Service Commission</b>							
General Fund.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	1
<b>Community and Economic Development</b>							
General Fund.....	\$ 204,839	\$ 229,495	\$ 245,593	\$ 252,293	\$ 252,293	\$ 252,293	252,293
Motor License Fund.....	0	0	1,073	1,073	1,073	1,073	1,073
Tobacco Settlement Fund.....	3,350	3,361	3,284	3,284	3,284	3,284	3,284
Department Total.....	\$ 208,189	\$ 232,856	\$ 249,950	\$ 256,650	\$ 256,650	\$ 256,650	256,650
<b>Conservation and Natural Resources</b>							
General Fund.....	\$ 53,720	\$ 52,723	\$ 52,760	\$ 52,760	\$ 52,760	\$ 52,760	52,760
Motor License Fund.....	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Keystone Recreation, Park and Conservation Fund.	24,715	42,213	43,730	51,427	55,659	56,129	56,680
Department Total.....	\$ 79,435	\$ 95,936	\$ 97,490	\$ 105,187	\$ 109,419	\$ 109,889	110,440
<b>Corrections</b>							
General Fund.....	\$ 1,856,348	\$ 1,867,022	\$ 1,927,609	\$ 1,959,430	\$ 1,932,751	\$ 1,929,435	1,927,254
<b>Drug and Alcohol Programs</b>							
General Fund.....	\$ 40,698	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698	41,698
<b>Education</b>							
General Fund.....	\$ 10,491,335	\$ 10,970,950	\$ 11,309,054	\$ 11,576,251	\$ 11,904,372	\$ 12,303,497	12,773,716
Motor License Fund.....	1,103	1,103	1,100	1,100	1,100	1,100	1,100
Keystone Recreation, Park and Conservation Fund.	8,365	14,287	14,800	17,406	18,838	18,998	19,184
Department Total.....	\$ 10,500,803	\$ 10,986,340	\$ 11,324,954	\$ 11,594,757	\$ 11,924,310	\$ 12,323,595	12,794,000
<b>eHealth Partnership Authority</b>							
General Fund.....	\$ 780	\$ 804	\$ 2,200	\$ 1,500	\$ 750	\$ 0	0
<b>Emergency Management Agency</b>							
General Fund.....	\$ 32,890	\$ 63,606	\$ 17,977	\$ 10,915	\$ 10,915	\$ 10,915	10,915
<b>Environmental Protection</b>							
General Fund.....	\$ 134,236	\$ 126,814	\$ 127,618	\$ 127,618	\$ 127,618	\$ 127,618	127,618
Motor License Fund.....	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Department Total.....	\$ 138,236	\$ 130,814	\$ 131,618	\$ 131,618	\$ 131,618	\$ 131,618	131,618
<b>Ethics Commission</b>							
General Fund.....	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768	1,768
<b>Fish and Boat Commission</b>							
Fish Fund.....	\$ 33,749	\$ 33,749	\$ 33,753	\$ 33,753	\$ 33,753	\$ 33,753	33,753
Boat Fund.....	13,042	13,042	13,052	13,052	13,052	13,052	13,052
Department Total.....	\$ 46,791	\$ 46,791	\$ 46,805	\$ 46,805	\$ 46,805	\$ 46,805	46,805
<b>Game Commission</b>							
Game Fund.....	\$ 67,554	\$ 78,056	\$ 79,680	\$ 73,150	\$ 73,150	\$ 73,150	73,150

# Overview and Summaries

## Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>General Services</b>							
General Fund.....	\$ 117,055	\$ 117,590	\$ 118,740	\$ 118,740	\$ 118,740	\$ 118,740	\$ 118,740
Motor License Fund.....	12,785	12,777	10,292	10,292	10,292	10,292	10,292
Department Total.....	\$ 129,840	\$ 130,367	\$ 129,032	\$ 129,032	\$ 129,032	\$ 129,032	\$ 129,032
<b>Health</b>							
General Fund.....	\$ 186,944	\$ 189,867	\$ 188,312	\$ 188,312	\$ 188,312	\$ 188,312	\$ 188,312
Tobacco Settlement Fund.....	72,823	57,199	56,217	56,217	56,217	56,217	56,217
Department Total.....	\$ 259,767	\$ 247,066	\$ 244,529	\$ 244,529	\$ 244,529	\$ 244,529	\$ 244,529
<b>Health Care Cost Containment Council</b>							
General Fund.....	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683
<b>Higher Education Assistance Agency</b>							
General Fund.....	\$ 422,950	\$ 386,125	\$ 386,125	\$ 386,125	\$ 386,125	\$ 386,125	\$ 386,125
<b>Historical and Museum Commission</b>							
General Fund.....	\$ 16,999	\$ 17,800	\$ 18,474	\$ 18,474	\$ 18,474	\$ 18,474	\$ 18,474
Keystone Recreation, Park and Conservation Fund.....	4,943	8,443	8,746	10,285	11,132	11,226	11,336
Department Total.....	\$ 21,942	\$ 26,243	\$ 27,220	\$ 28,759	\$ 29,606	\$ 29,700	\$ 29,810
<b>Insurance</b>							
General Fund.....	\$ 119,975	\$ 123,195	\$ 122,570	\$ 121,690	\$ 121,806	\$ 121,865	\$ 121,957
<b>Labor and Industry</b>							
General Fund.....	\$ 70,664	\$ 72,590	\$ 71,785	\$ 71,785	\$ 71,785	\$ 71,785	\$ 71,785
<b>Military and Veterans Affairs</b>							
General Fund.....	\$ 127,606	\$ 123,757	\$ 120,778	\$ 120,478	\$ 120,478	\$ 120,478	\$ 120,478
<b>Probation and Parole</b>							
General Fund.....	\$ 124,383	\$ 131,667	\$ 142,677	\$ 143,699	\$ 143,699	\$ 143,699	\$ 143,699
<b>Public Utility Commission</b>							
General Fund.....	\$ 250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Public Welfare</b>							
General Fund.....	\$ 10,495,322	\$ 10,654,602	\$ 10,970,244	\$ 11,117,009	\$ 11,534,689	\$ 11,921,688	\$ 12,163,577
Lottery Fund.....	178,438	309,081	330,081	340,081	350,081	360,081	370,081
Tobacco Settlement Fund.....	291,517	254,658	247,526	247,526	247,526	247,526	247,526
Department Total.....	\$ 10,965,277	\$ 11,218,341	\$ 11,547,851	\$ 11,704,616	\$ 12,132,296	\$ 12,529,295	\$ 12,781,184
<b>Revenue</b>							
General Fund.....	\$ 187,616	\$ 185,136	\$ 178,844	\$ 178,844	\$ 178,844	\$ 178,844	\$ 178,844
Lottery Fund.....	776,417	847,906	921,233	922,635	929,852	988,186	1,032,635
Racing Fund.....	234	238	237	237	237	237	237
Motor License Fund.....	25,668	27,068	28,028	27,678	26,578	26,378	26,178
Department Total.....	\$ 989,935	\$ 1,060,348	\$ 1,128,342	\$ 1,129,394	\$ 1,135,511	\$ 1,193,645	\$ 1,237,894
<b>State</b>							
General Fund.....	\$ 10,331	\$ 9,109	\$ 9,109	\$ 9,109	\$ 9,109	\$ 9,139	\$ 9,109

# Overview and Summaries

## Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>State Employees' Retirement System</b>							
General Fund.....	\$ 4	\$ 4	\$ 0	\$ 0	\$ 0	\$ 0	0
<b>State Police</b>							
General Fund.....	\$ 193,205	\$ 195,254	\$ 205,284	\$ 205,284	\$ 205,284	\$ 205,284	205,284
Motor License Fund.....	579,938	584,701	619,063	619,063	619,063	619,063	619,063
Department Total.....	\$ 773,143	\$ 779,955	\$ 824,347	\$ 824,347	\$ 824,347	\$ 824,347	824,347
<b>Transportation</b>							
General Fund.....	\$ 15,582	\$ 17,212	\$ 6,909	\$ 6,909	\$ 6,909	\$ 6,909	6,909
Lottery Fund.....	79,000	80,975	80,975	85,075	87,202	89,381	89,381
Motor License Fund.....	1,945,948	1,840,379	1,812,420	2,029,203	1,831,908	1,892,266	1,876,560
Department Total.....	\$ 2,040,530	\$ 1,938,566	\$ 1,900,304	\$ 2,121,187	\$ 1,926,019	\$ 1,988,556	1,972,850
<b>Legislature</b>							
General Fund.....	\$ 272,784	\$ 271,984	\$ 271,984	\$ 271,984	\$ 271,984	\$ 271,984	271,984
<b>Judiciary</b>							
General Fund.....	\$ 298,860	\$ 309,288	\$ 308,188	\$ 308,188	\$ 308,188	\$ 308,188	308,188
<b>Government Support Agencies</b>							
General Fund.....	\$ 41,898	\$ 44,500	\$ 40,970	\$ 40,970	\$ 40,970	\$ 40,970	40,970
<b>COMMONWEALTH TOTALS:</b>							
General	\$ 27,030,539	\$ 27,760,966	\$ 28,439,734	\$ 28,907,009	\$ 29,658,257	\$ 30,466,139	\$ 31,235,557
Lottery	1,512,462	1,705,919	1,830,501	1,856,003	1,885,347	1,975,860	2,055,309
Racing	16,578	17,905	16,201	16,201	16,201	16,201	16,201
Motor License	2,614,842	2,507,821	2,512,617	2,728,236	2,529,841	2,589,952	2,574,046
Game	67,559	78,056	79,680	73,150	73,150	73,150	73,150
Fish	33,754	33,749	33,753	33,753	33,753	33,753	33,753
Banking and Securities Department	21,354	21,349	22,712	22,712	22,712	22,712	22,712
Farm Products Show	6,315	11,310	12,188	12,188	12,188	12,188	12,188
Boat	13,047	13,042	13,052	13,052	13,052	13,052	13,052
Keystone Recreation, Park and Conservation Fund.....	38,028	64,943	67,276	79,118	85,629	86,353	87,200
Tobacco Settlement	392,485	340,500	331,874	331,874	331,874	331,874	331,874
<b>GRAND TOTAL.....</b>	<b>\$ 31,746,963</b>	<b>\$ 32,555,560</b>	<b>\$ 33,359,588</b>	<b>\$ 34,073,296</b>	<b>\$ 34,662,004</b>	<b>\$ 35,621,234</b>	<b>\$ 36,455,042</b>

## General and Special Funds

This table shows a summary by Commonwealth Programs of 2011-12 expenditures, the 2012-13 amounts available, the 2013-14 amounts budgeted and future year estimates for the General Fund and selected Special Funds.

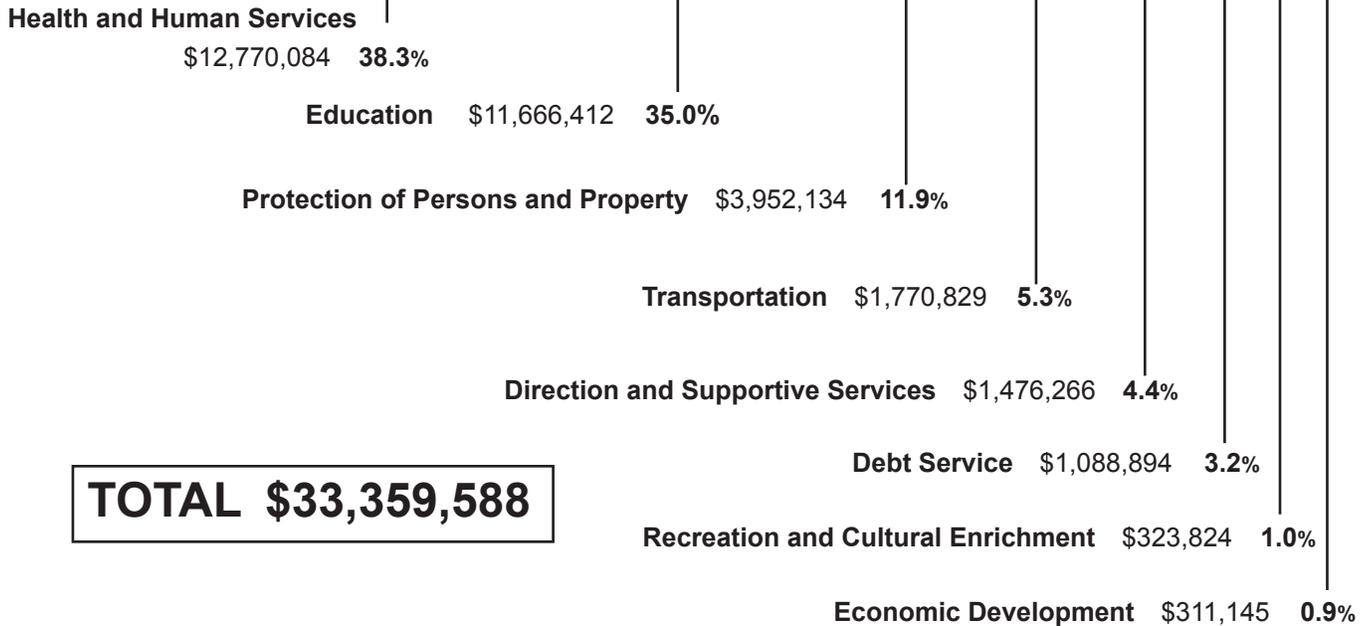
### Seven Year Commonwealth Program Summary

Commonwealth Program	(Dollar amounts in Thousands)						
	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Direction and Supportive Services.....	\$ 1,332,522	\$ 1,395,594	\$ 1,476,266	\$ 1,469,919	\$ 1,470,037	\$ 1,521,421	\$ 1,564,669
Protection of Persons and Property.....	3,816,678	3,886,965	3,952,134	3,976,464	3,949,510	3,946,283	3,944,164
Education.....	10,878,990	11,328,155	11,666,412	11,935,740	12,265,033	12,664,289	13,134,660
Health and Human Services.....	12,184,055	12,412,136	12,770,084	12,937,949	13,376,529	13,794,528	14,072,517
Economic Development.....	266,393	294,742	311,145	317,845	317,845	317,845	317,845
Transportation .....	1,914,117	1,804,860	1,770,829	1,991,527	1,796,750	1,859,287	1,843,581
Recreation and Cultural Enrichment.....	287,336	319,529	323,824	327,005	332,344	332,937	333,632
Debt Service.....	1,066,872	1,113,579	1,088,894	1,116,847	1,153,956	1,184,644	1,243,974
<b>GENERAL FUND AND SPECIAL</b>							
<b>FUNDS TOTAL.....</b>	<b>\$ 31,746,963</b>	<b>\$ 32,555,560</b>	<b>\$ 33,359,588</b>	<b>\$ 34,073,296</b>	<b>\$ 34,662,004</b>	<b>\$ 35,621,234</b>	<b>\$ 36,455,042</b>

Distribution of the Commonwealth Dollar

**GENERAL FUND AND  
SPECIAL FUNDS**

**2013-14 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 2011-12 expenditures, the 2012-13 amounts available, the 2013-14 amounts budgeted and future year estimates.

### Seven Year Commonwealth Program Summary

	(Dollar amounts in Thousands)						
	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Commonwealth Program</b>							
Direction and Supportive Services.....	\$ 787,481	\$ 780,412	\$ 795,363	\$ 789,064	\$ 783,965	\$ 778,215	\$ 778,314
Protection of Persons and Property.....	3,059,310	3,112,208	3,146,708	3,170,853	3,144,290	3,141,063	3,138,944
Education.....	10,871,043	11,315,362	11,653,202	11,920,399	12,248,520	12,647,645	13,117,864
Health and Human Services.....	10,853,060	11,011,859	11,320,801	11,467,566	11,885,246	12,272,245	12,514,134
Economic Development.....	263,043	291,381	306,788	313,488	313,488	313,488	313,488
Transportation .....	14,278	14,908	4,605	4,605	4,605	4,605	4,605
Recreation and Cultural Enrichment.....	140,812	140,429	141,173	141,173	141,173	141,173	141,173
Debt Service.....	1,041,512	1,094,407	1,071,094	1,099,861	1,136,970	1,167,705	1,227,035
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 27,030,539</b>	<b>\$ 27,760,966</b>	<b>\$ 28,439,734</b>	<b>\$ 28,907,009</b>	<b>\$ 29,658,257</b>	<b>\$ 30,466,139</b>	<b>\$ 31,235,557</b>

# Distribution of the Commonwealth Dollar

## GENERAL FUND

2013-14 Fiscal Year



This presentation shows the portion of each General Fund dollar spent in each major program area.

## General Fund

The following is a summary by Commonwealth Program of the 2012-13 amounts available and the 2013-14 amounts budgeted and the percent each program represents of the General Fund.

### Program Summary

(Dollar Amounts in Thousands)

	2012-13		2013-14	
<b>Commonwealth Program</b>				
Direction and Supportive Services.....	\$ 780,412	2.8%	\$ 795,363	2.8%
Protection of Persons and Property.....	3,112,208	11.2%	3,146,708	11.0%
Education.....	11,315,362	40.8%	11,653,202	41.0%
Health and Human Services.....	11,011,859	39.7%	11,320,801	39.8%
Economic Development.....	291,381	1.0%	306,788	1.1%
Other Programs.....	155,337	0.6%	145,778	0.5%
Debt Service.....	1,094,407	3.9%	1,071,094	3.8%
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 27,760,966</b>	<b>100.0%</b>	<b>\$ 28,439,734</b>	<b>100.0%</b>

# GENERAL FUND

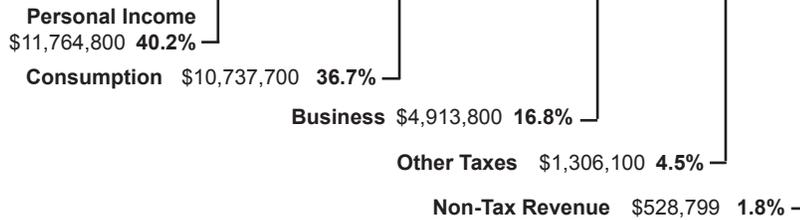
2013-14 Fiscal Year



## Income

(Dollar Amounts in Thousands)

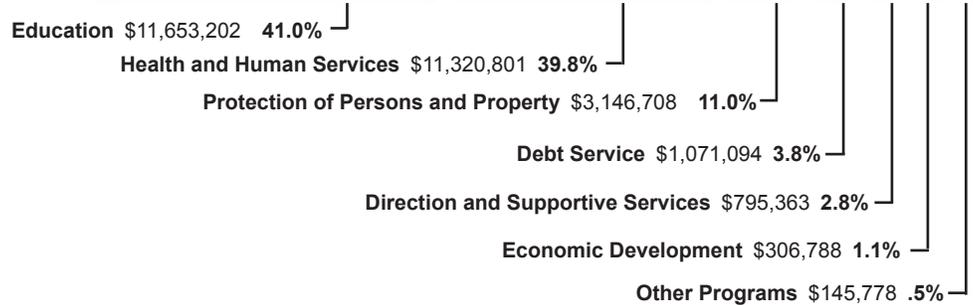
TOTAL INCOME .....	\$29,251,199
Refunds .....	-1,325,000
Beginning Balance.....	543,615
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TOTAL .....	\$28,469,814



## Outgo

(Dollar Amounts in Thousands)

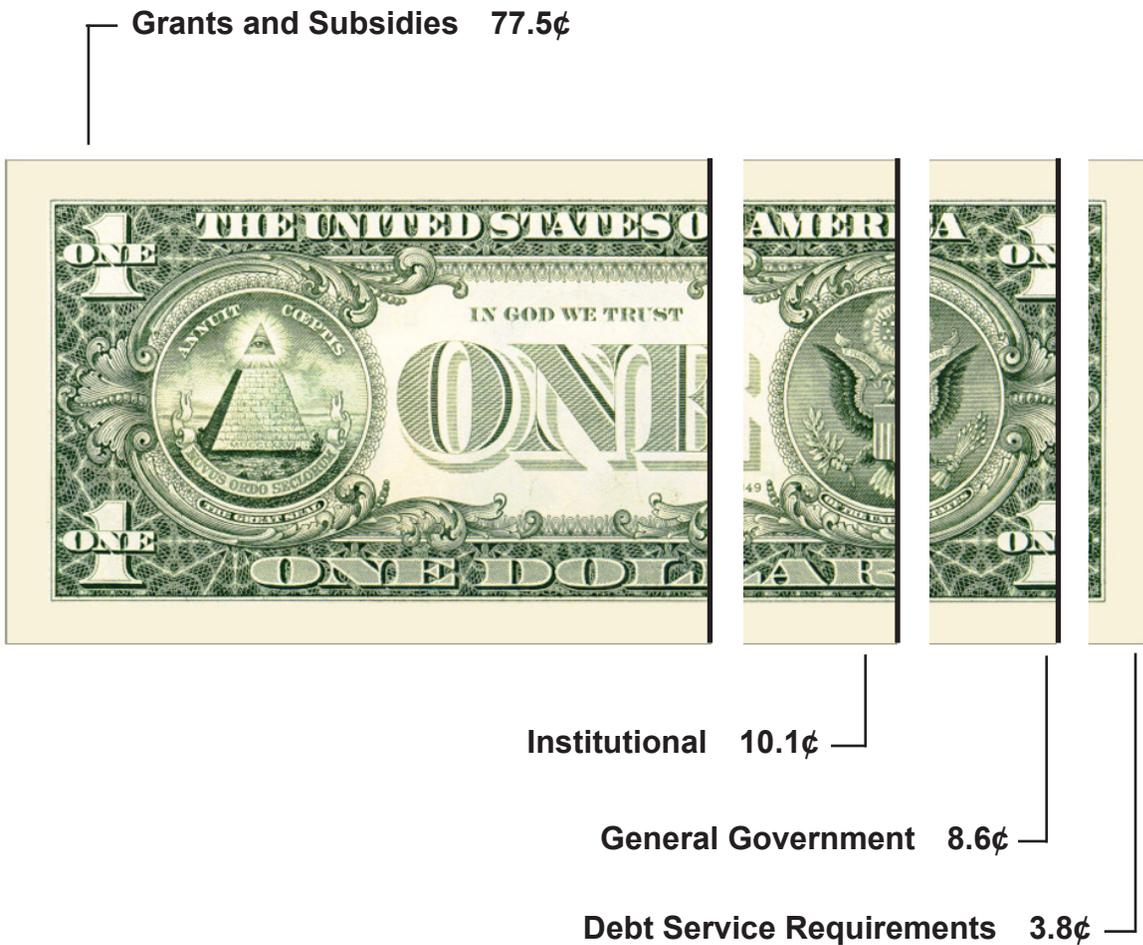
TOTAL OUTGO .....	\$ 28,439,734
Budget Stabilization	
Reserve Fund .....	7,520
Plus Ending Surplus ....	22,560
<hr/>	
TOTAL .....	\$ 28,469,814



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

2013-14 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.



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# 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 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.

In addition, two programs have been included in this presentation because the federal government provides flexibility on the activities eligible for funding. These programs are: Workforce Investment and Anti-Drug Abuse Programs. In 2005-06, the commonwealth began receiving funds from the federal Justice Assistance Grants (JAG) in lieu of the Drug Control and System Improvement (DCSI) grants.

Block grants such as Community Services, Workforce Investment and JAG have 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 2012-13 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 2013-14 is a preliminary proposal. Opportunities for public review and comment may result in modifications to the proposed distribution.

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## SUMMARY OF FEDERAL BLOCK GRANTS

This table shows a summary by federal block grant of 2011-12 expenditures, 2012-13 available and 2013-14 amounts budgeted as presented in the 2013-14 Governor's Executive Budget.

(Dollar Amounts in Thousands)

	2011-12 Actual Block	2012-13 Available Block	2013-14 Recommended Block
Community Services.....	\$ 31,007	\$ 31,007	\$ 31,007
Maternal and Child Health Services.....	32,399	33,853	33,203
Preventive Health and Health Services.....	5,759	5,503	5,231
Substance Abuse.....	66,385	66,474	65,798
Workforce Investment.....	265,700	262,029	240,900
Child Care and Development Fund.....	377,632	352,512	352,512
Low-Income Home Energy Assistance.....	249,112	374,000	376,000
Mental Health Services.....	14,486	14,559	17,734
Social Services.....	97,760	99,376	99,376
Temporary Assistance to Needy Families.....	593,237	626,365	623,619
Anti-Drug Abuse.....	35,195	48,700	28,900
<b>TOTAL.....</b>	<b>\$ 1,768,672</b>	<b>\$ 1,914,378</b>	<b>\$ 1,874,280</b>

## 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 Pennsylvania Directors' Association for Community Action 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	2011-12 Actual Block	2012-13 Available Block	2013-14 Recommended Block
<b>Community and Economic Development:</b>			
CSBG — Administration.....	\$ 1,507	\$ 1,507	\$ 1,507
Community Services Block Grant.....	29,500	29,500	29,500
<b>TOTAL.....</b>	<b>\$ 31,007</b>	<b>\$ 31,007</b>	<b>\$ 31,007</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	2011-12 Actual Block	2012-13 Available Block	2013-14 Recommended Block
<b>Health:</b>			
MCHSBG — Administration and Operation.....	\$ 15,517	\$ 16,673	\$ 16,173
MCHSBG — Program Services.....	16,882	17,180	17,030
<b>TOTAL.....</b>	<b>\$ 32,399</b>	<b>\$ 33,853</b>	<b>\$ 33,203</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 2010 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	2011-12 Actual Block	2012-13 Available Block	2013-14 Recommended Block
<b>Health:</b>			
PHHSBG — Administration and Operation.....	\$ 2,325	\$ 2,381	\$ 2,211
PHHSBG — Block Program Services.....	3,284	2,972	3,020
Subtotal.....	\$ 5,609	\$ 5,353	\$ 5,231
<b>Public Welfare:</b>			
PHHSBG — Domestic Violence.....	\$ 150	\$ 150	\$ 0
TOTAL.....	\$ 5,759	\$ 5,503	\$ 5,231

## 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 Smounts in Thousands)

Department / Appropriation	2011-12 Actual Block	2012-13 Available Block	2013-14 Recommended Block
<b>Corrections:</b>			
SABG — Drug and Alcohol Programs.....	\$ 2,100	\$ 2,100	\$ 2,100
<b>Drug and Alcohol Programs:</b>			
SABG — Administration and Operation.....	\$ 8,114 <sup>a</sup>	\$ 8,203	\$ 7,520
SABG — Drug and Alcohol Services.....	54,188 <sup>a</sup>	54,188	54,195
Subtotal.....	\$ 62,302	\$ 62,391	\$ 61,715
<b>Health:</b>			
SABG — DDAP Support Services (EA).....	\$ 0	\$ 200 <sup>b</sup>	\$ 238 <sup>b</sup>
<b>Public Welfare:</b>			
SABG — Homeless Services.....	\$ 1,983	\$ 1,983	\$ 1,983
<b>TOTAL.....</b>	<b>\$ 66,385</b>	<b>\$ 66,474</b>	<b>\$ 65,798</b>

<sup>a</sup> Appropriated in the Department of Health.

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

## 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 purpose of the adult program is to improve the quality of the workforce, reduce welfare dependency and enhance 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 successfully transition to careers and productive adulthood. The dislocated worker program shares the same overall 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.

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

(Dollar Amounts in Thousands)

Department / Appropriation	2011-12 Actual Block	2012-13 Available Block	2013-14 Recommended Block
<b>Labor and Industry:</b>			
Workforce Investment Act — Administration.....	\$ 11,000	\$ 11,129	\$ 11,000
ARRA — Workforce Investment Act Administration.....	4,200	6,000	0
WIA — Adult Employment & Training.....	60,000	60,000	50,000
WIA — Youth Employment & Training.....	52,000	52,000	52,000
WIA — Statewide Activities.....	23,000	23,000	18,000
WIA — Dislocated Workers.....	109,000	109,000	109,000
ARRA — WIA Dislocated Workers.....	5,600	0	0
WIA — Veterans Employment and Training.....	900	900	900
<b>TOTAL.....</b>	<b>\$ 265,700</b>	<b>\$ 262,029</b>	<b>\$ 240,900</b>

## 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.

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

(Dollar Amounts in Thousands)

Department / Appropriation	2011-12 Actual Block	2012-13 Available Block	2013-14 Recommended Block
<b>Executive Offices:</b>			
<i>Inspector General - Welfare Fraud</i>			
CCDFBG — Subsidized Day Care Fraud.....	\$ 436	\$ 1,000	\$ 1,000
<b>Public Welfare:</b>			
CCDFBG — Administration.....	\$ 13,383	\$ 14,189	\$ 14,189
CCDFBG — Child Care Services.....	194,967	190,067	190,067
ARRA — CCDFBG — Child Care Services.....	10,990	0	0
CCDFBG — School Age.....	1,260	1,260	1,260
CCDFBG — Child Care Assistance.....	156,596	145,996	145,996
Subtotal.....	\$ 377,196	\$ 351,512	\$ 351,512
TOTAL.....	\$ 377,632	\$ 352,512	\$ 352,512

## 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	2011-12 Actual Block	2012-13 Available Block	2013-14 Recommended Block
<b>Community and Economic Development:</b>			
LIHEABG — Administration.....	\$ 535	\$ 1,000	\$ 1,000
LIHEABG — Weatherization Program.....	30,000	31,000	31,000
Subtotal.....	<u>\$ 30,535</u>	<u>\$ 32,000</u>	<u>\$ 32,000</u>
<b>Public Welfare:</b>			
LIHEABG — Administration.....	\$ 18,900	\$ 22,000	\$ 24,000
LIHEABG — Low-Income Families and Individuals.....	199,677	320,000	320,000
Subtotal.....	<u>\$ 218,577</u>	<u>\$ 342,000</u>	<u>\$ 344,000</u>
TOTAL.....	<u><u>\$ 249,112</u></u>	<u><u>\$ 374,000</u></u>	<u><u>\$ 376,000</u></u>

## 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	2011-12 Actual Block	2012-13 Available Block	2013-14 Recommended Block
<b>Public Welfare:</b>			
MHSBG — Administration.....	\$ 273	\$ 273	\$ 276
MHSBG — Community Mental Health Svcs.....	14,213	14,286	17,458
<b>TOTAL.....</b>	<b>\$ 14,486</b>	<b>\$ 14,559</b>	<b>\$ 17,734</b>

## 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 Public Welfare. 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	2011-12 Actual Block	2012-13 Available Block	2013-14 Recommended Block
<b>Public Welfare:</b>			
SSBG — Administration.....	\$ 3,641	\$ 3,641	\$ 3,641
SSBG — County Assistance Offices.....	5,597	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.....	6,500	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>\$ 97,760</u>	<u>\$ 99,376</u>	<u>\$ 99,376</u>

## 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	2011-12 Actual Block	2012-13 Available Block	2013-14 Recommended Block
<b>Executive Offices:</b>			
<i>Inspector General - Welfare Fraud</i>			
TANFBG — Program Accountability.....	\$ 920	\$ 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>Public Welfare:</b>			
TANFBG — Administration.....	\$ 4,980	\$ 4,411	\$ 4,411
TANFBG — Information Systems.....	9,327	9,235	9,327
TANFBG — Statewide.....	1,291	1,993	1,072
TANFBG — County Assistance Offices.....	29,369	55,799	57,168
TANFBG — New Directions.....	123,154	124,554	124,554
TANFBG — Cash Grants.....	318,002	322,679	319,393
TANFBG — Alternatives to Abortion.....	1,000	1,000	1,000
TANFBG — Child Welfare.....	58,508	58,508	58,508
TANFBG — Child Care Assistance.....	31,686	31,686	31,686
Subtotal.....	\$ 577,317	\$ 609,865	\$ 607,119
TOTAL.....	\$ 593,237 <sup>b</sup>	\$ 626,365 <sup>b</sup>	\$ 623,619 <sup>b</sup>

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

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

## Anti-Drug Abuse

Two grant programs initially authorized by the Anti-Drug Abuse Act of 1986, the Drug Control and System Improvement (DCSI) grant and the Safe and Drug Free Schools and Communities (DFSC) grant, are presented below.

In 2005-06, the federal government combined the Edward Byrne Memorial Formula Grant Program, which was the source of the Drug Control and System Improvement (DCSI) grants, with the Local Law Enforcement Block Grant to create the Justice Assistance Grant (JAG) program. The new program continues the DCSI objectives of assisting 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 objective of the Safe and Drug Free Schools and Communities program is to establish state and local programs for alcohol and drug abuse education and prevention, in addition to violence prevention, coordinated with related community efforts and resources. The allocation made to Pennsylvania is administered by the Department of Education and the Commission on Crime and Delinquency, with the majority of these funds going to local education agencies. DFSC has not received new federal dollars since FFY 2010; however, the Special Program's portion is still receiving federal support.

The commonwealth also receives funds from the Substance Abuse Block Grant. This program, along with funding recommendations, is described elsewhere in this section.

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

Department / Appropriation	(Dollar Amounts in Thousands)		
	2011-12 Actual Block	2012-13 Available Block	2013-14 Recommended Block
<b>DRUG CONTROL AND SYSTEM IMPROVEMENT FORMULA GRANT PROGRAM (DCSI) and JUSTICE ASSISTANCE GRANTS (JAG)</b>			
<b>Executive Offices:</b>			
<i>Juvenile Court Judges Commission</i>			
JCMS Support and Deployment (EA).....	\$ 370 <sup>a</sup>	\$ 167 <sup>a</sup>	\$ 0
<i>Commission on Crime and Delinquency</i>			
Justice Assistance Grants.....	\$ 17,603	\$ 25,000	\$ 20,000
ARRA — Justice Assistance Grants.....	14,905	20,000	6,000
Justice Assistance Grants — Administration.....	1,089	1,700	1,700
ARRA — Justice Assistance Grants Administration.....	938	2,000	1,200
Subtotal — Commission on Crime and Delinquency.....	<u>\$ 34,535</u>	<u>\$ 48,700</u>	<u>\$ 28,900</u>
Subtotal — Executive Offices.....	<u>\$ 34,905</u>	<u>\$ 48,867</u>	<u>\$ 28,900</u>
<b>Corrections:</b>			
JAG — Culinary Program (EA).....	\$ 200 <sup>a</sup>	\$ 150 <sup>a</sup>	\$ 100 <sup>a</sup>
ARRA — Inmate Transportation Initiative (EA).....	200 <sup>a</sup>	0	0
ARRA — County Jail Reentry Project (EA).....	750 <sup>a</sup>	250 <sup>a</sup>	100 <sup>a</sup>
ARRA — Peer Support (EA).....	115 <sup>a</sup>	70 <sup>a</sup>	10 <sup>a</sup>
Subtotal.....	<u>\$ 1,265</u>	<u>\$ 470</u>	<u>\$ 210</u>
<b>Probation and Parole:</b>			
ARRA — System Process Enhancements (EA).....	\$ 84 <sup>a</sup>	\$ 0	\$ 0
ARRA — Maximizing Victim Restitution (EA).....	65 <sup>a</sup>	35 <sup>a</sup>	0
Subtotal.....	<u>\$ 149</u>	<u>\$ 35</u>	<u>\$ 0</u>
<b>State Police:</b>			
ARRA — JAG Protection from Abuse Database(EA).....	\$ 173 <sup>a</sup>	\$ 174 <sup>a</sup>	\$ 10 <sup>a</sup>
ARRA — JAG Instant Check Sytem Rewrite (EA).....	1,347 <sup>a</sup>	1,348 <sup>a</sup>	850 <sup>a</sup>
ARRA — JAG Megan's Law Modernization (EA).....	1,655 <sup>a</sup>	1,455 <sup>a</sup>	1,000 <sup>a</sup>
Subtotal.....	<u>\$ 3,175</u>	<u>\$ 2,977</u>	<u>\$ 1,860</u>

# Overview and Summaries

## Anti-Drug Abuse (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	2011-12 Actual Block	2012-13 Available Block	2013-14 Recommended Block
<b>Government Support Agencies:</b>			
<i>Commission on Sentencing</i>			
JAG — Consolidated Project Grants (EA).....	\$ 1,280 <sup>a</sup>	\$ 1,280 <sup>a</sup>	\$ 1,280 <sup>a</sup>
<b>Judiciary:</b>			
<i>Supreme Court</i>			
Drug Court Training (EA).....	\$ 18 <sup>a</sup>	\$ 0	\$ 0
TOTAL.....	\$ 34,535	\$ 48,700	\$ 28,900
<b>SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES (DFSC)</b>			
<b>Executive Offices:</b>			
<i>Commission on Crime and Delinquency</i>			
DFSC — Special Programs.....	\$ 430	\$ 0	\$ 0
<b>Education:</b>			
DFSC — School Districts.....	\$ 230	\$ 0	\$ 0
<b>Public Welfare:</b>			
DFSC — Juvenile Aftercare Services (EA).....	\$ 118 <sup>a</sup>	\$ 0	\$ 0
TOTAL.....	\$ 660	\$ 0	\$ 0
GRAND TOTAL ALL PROGRAMS.....	\$ 35,195	\$ 48,700	\$ 28,900

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

## 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 over 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".

	(Dollar Amounts in Thousands)	
	2012-13 Estimate	2013-14 Estimate
Governor's Office.....	\$ 768	\$ 798
Executive Offices.....	87	89
Lt. Governor's Office.....	337	345
Aging.....	338	348
Agriculture.....	382	395
Banking and Securities.....	465	478
Civil Service Commission.....	57	59
Community and Economic Development.....	237	246
Conservation and Natural Resources.....	287	298
Corrections.....	199	207
Education.....	269	280
Emergency Management Agency.....	204	212
Environmental Protection.....	1,801	1,873
Fish and Boat Commission.....	181	186
Game Commission.....	467	480
General Services.....	104	108
Health.....	648	670
Historical and Museum Commission.....	78	81
Insurance.....	336	349
Labor and Industry.....	478	497
Liquor Control Board.....	469	487
Military and Veterans Affairs.....	189	196
Milk Marketing Board.....	9	9
Probation and Parole Board.....	159	166
Public Utility Commission.....	219	226
Public Welfare.....	415	432
Revenue.....	185	192
State.....	349	362
State Police.....	485	503
Transportation.....	1,660	1,727
TOTAL	<u>\$ 11,862</u>	<u>\$ 12,299</u>

---- *Lottery sales promotion* - \$48 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 2013-14. These expenditures are expected to generate approximately \$3.96 billion in lottery revenues during 2013-14.

---- *Economic development* - A total of \$5.81 million is budgeted in the General Fund to promote tourism. This will contribute to an estimated \$26.4 billion in 2013-14 travel revenues to Pennsylvania and supports the State's aggressive effort to preserve and create jobs.

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Commonwealth of Pennsylvania

Governor's Executive Budget

*PROGRAM  
BUDGET  
SUMMARY*

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# COMMONWEALTH PROGRAM BUDGET

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.

## Reader's 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 B5 is an "all funds" seven-year summary of revenue and expenditures for the commonwealth operating program. This section is intended to assist readers with interpreting and understanding the revenue and expenditure items presented on the comprehensive statement.

### **Beginning Balances 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. While Revenue totals are shown for General Fund, Special Funds, Federal Funds and Other Funds, the Program Expenditures section of the statement aggregates expenditures of these four fund types into the eight Commonwealth Programs for ease of presentation. The General Fund and Special Funds beginning and ending balances are based on their respective financial statements found on pages A2.3 through A2.7 in Section A of this document.

### **Revenues**

All General Fund, Special Funds, Federal Funds and Other Funds revenue contributing toward the commonwealth 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 constitutes more than 96 percent of annual General Fund revenue. The largest sources of non-tax revenue are profit transfers from the Pennsylvania Liquor Control Board, earnings of investments and the escheats or "unclaimed property" program. General Fund revenue categories shown on the statement include Corporation Taxes, Personal Income Tax, Sales and Use Taxes, and All Other Revenues/Taxes. A Less Refunds category is also 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 of this document.

**Special Funds** – There are 10 Special Funds contributing revenue to the commonwealth operating program. Additional information on Special Funds revenue sources can be found in Sections C2 through C11 of this document.

**Federal Funds** – All monies received from the federal government are deposited into the State Treasury and thus must be appropriated. The Department of Public Welfare 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 on page C1.9 (for federal funds related to General Fund budgets) and in Section E, Department Presentations, on each agency's Summary by Fund and Appropriation statement.

**Other Funds** – There are more than 100 Other Funds contributing revenue to the commonwealth operating program. The State Stores Fund, the Public Transportation Trust Fund and the Property Tax Relief Fund contribute significant revenue to the Other Funds revenue total. Additional information on Other Funds revenues 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 B6 and B7. More detailed expenditure breakdowns by program category and subcategory are shown on pages B8 through B17.

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) may be shown on the statement and 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)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>BEGINNING BALANCES</b>							
General Fund .....	\$ 1,072,863	\$ 659,051	\$ 543,615	\$ 22,560	\$ 4,917	\$ 21,292	\$ 15,532
Adjustment to Beginning Balance.....	19,700	13,530	0	0	0	0	0
Adjusted Beginning Balance.....	<u>\$ 1,092,563</u>	<u>\$ 672,581</u>	<u>\$ 543,615</u>	<u>\$ 22,560</u>	<u>\$ 4,917</u>	<u>\$ 21,292</u>	<u>\$ 15,532</u>
Special Funds .....	<u>\$ 701,565</u>	<u>\$ 619,320</u>	<u>\$ 514,582</u>	<u>\$ 419,880</u>	<u>\$ 457,252</u>	<u>\$ 554,554</u>	<u>\$ 735,371</u>
<b>REVENUES</b>							
General Fund:							
Corporation Taxes.....	\$ 4,963,710	\$ 5,224,600	\$ 4,913,800	\$ 4,711,700	\$ 4,657,900	\$ 4,619,000	\$ 4,516,600
Personal Income Tax.....	10,800,528	11,471,700	11,764,800	12,432,300	13,049,800	13,616,500	14,254,200
Sales and Use Tax.....	8,772,266	8,968,100	9,372,600	9,779,400	9,976,100	10,218,100	10,448,300
All Other Revenues/Taxes.....	3,141,495	3,157,600	3,199,999	3,322,605	3,382,929	3,426,956	3,463,490
Less Refunds.....	-1,275,000	-1,300,000	-1,325,000	-1,355,000	-1,385,000	-1,415,000	-1,445,000
Total General Fund.....	<u>\$ 26,402,999</u>	<u>\$ 27,522,000</u>	<u>\$ 27,926,199</u>	<u>\$ 28,891,005</u>	<u>\$ 29,681,729</u>	<u>\$ 30,465,556</u>	<u>\$ 31,237,590</u>
Special Funds.....	4,557,727	4,680,630	4,825,152	5,203,659	5,101,049	5,335,912	5,505,076
Federal Funds.....	21,708,562	22,336,581	21,692,076	21,553,355	21,998,908	22,410,846	22,628,927
Other Funds.....	10,068,207	10,810,583	11,626,576	11,800,419	12,245,998	12,378,447	12,585,882
Total Revenues and Balances.....	<u>\$ 64,531,623</u>	<u>\$ 66,641,695</u>	<u>\$ 67,128,200</u>	<u>\$ 67,890,878</u>	<u>\$ 69,489,853</u>	<u>\$ 71,166,607</u>	<u>\$ 72,708,378</u>
<b>PROGRAM EXPENDITURES</b>							
Direction and Supportive							
Services.....	\$ 1,688,845	\$ 1,789,260	\$ 1,841,370	\$ 1,812,590	\$ 1,813,505	\$ 1,864,784	\$ 1,906,032
Protection of Persons and							
Property.....	8,329,280	8,777,969	8,715,286	8,662,795	8,660,032	8,706,379	8,700,970
Education.....	13,985,091	14,525,960	15,001,763	14,985,307	15,264,400	15,638,156	16,108,527
Health and Human Services.....	29,820,908	30,713,472	31,061,592	31,433,064	32,432,613	33,291,673	33,782,506
Economic Development.....	2,209,242	2,138,973	2,070,427	2,118,184	2,114,201	2,110,883	2,106,119
Transportation.....	5,824,316	5,961,067	6,224,861	6,616,990	6,778,996	6,923,565	7,131,518
Recreation and Cultural Enrichment.....	521,147	596,680	587,431	592,048	598,745	600,145	602,632
Debt Service.....	1,144,903	1,199,343	1,175,510	1,206,092	1,244,418	1,274,942	1,331,547
Less General Fund Lapses.....	-194,028	-110,000	0	0	0	0	0
Less Special Fund Lapses.....	-75,158	-6,450	0	0	0	0	0
Total Operating Expenditures.....	<u>\$ 63,254,546</u>	<u>\$ 65,586,274</u>	<u>\$ 66,678,240</u>	<u>\$ 67,427,070</u>	<u>\$ 68,906,910</u>	<u>\$ 70,410,527</u>	<u>\$ 71,669,851</u>
Transfer to Budget Stabilization							
Reserve Fund.....	0	0	-7,520	-1,639	-7,097	-5,177	-4,391
<b>ENDING BALANCES</b>							
General Fund.....	<u>\$ 659,051</u>	<u>\$ 543,615</u>	<u>\$ 22,560</u>	<u>\$ 4,917</u>	<u>\$ 21,292</u>	<u>\$ 15,532</u>	<u>\$ 13,174</u>
Special Funds .....	<u>\$ 619,320</u>	<u>\$ 514,582</u>	<u>\$ 419,880</u>	<u>\$ 457,252</u>	<u>\$ 554,554</u>	<u>\$ 735,371</u>	<u>\$ 1,020,962</u>

# Program Budget Summary

## Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 2011-12 actual expenditures, 2012-13 amounts available, 2013-14 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 2013-14 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Direction and Supportive Services</b>							
General Fund.....	\$ 787,481	\$ 780,412	\$ 795,363	\$ 789,064	\$ 783,965	\$ 778,215	\$ 778,314
Special Funds.....	545,041	615,182	680,903	680,855	686,072	743,206	786,355
Federal Funds.....	57,571	63,433	36,851	15,115	15,115	15,115	15,115
Other Funds.....	298,752	330,233	328,253	327,556	328,353	328,248	326,248
<b>Total Operating.....</b>	<b>\$ 1,688,845</b>	<b>\$ 1,789,260</b>	<b>\$ 1,841,370</b>	<b>\$ 1,812,590</b>	<b>\$ 1,813,505</b>	<b>\$ 1,864,784</b>	<b>\$ 1,906,032</b>
<b>Protection of Persons and Property</b>							
General Fund.....	\$ 3,059,310	\$ 3,112,208	\$ 3,146,708	\$ 3,170,853	\$ 3,144,290	\$ 3,141,063	\$ 3,138,944
Special Funds.....	757,368	774,757	805,426	805,611	805,220	805,220	805,220
Federal Funds.....	1,544,747	1,486,415	1,224,474	1,069,091	1,036,088	1,027,027	1,022,371
Other Funds.....	2,967,855	3,404,589	3,538,678	3,617,240	3,674,434	3,733,069	3,734,435
<b>Total Operating.....</b>	<b>\$ 8,329,280</b>	<b>\$ 8,777,969</b>	<b>\$ 8,715,286</b>	<b>\$ 8,662,795</b>	<b>\$ 8,660,032</b>	<b>\$ 8,706,379</b>	<b>\$ 8,700,970</b>
<b>Education</b>							
General Fund.....	\$ 10,871,043	\$ 11,315,362	\$ 11,653,202	\$ 11,920,399	\$ 12,248,520	\$ 12,647,645	\$ 13,117,864
Special Funds.....	7,947	12,793	13,210	15,341	16,513	16,644	16,796
Federal Funds.....	2,272,226	2,304,123	2,235,674	2,149,890	2,099,690	2,074,190	2,074,190
Other Funds.....	833,875	893,682	1,099,677	899,677	899,677	899,677	899,677
<b>Total Operating.....</b>	<b>\$ 13,985,091</b>	<b>\$ 14,525,960</b>	<b>\$ 15,001,763</b>	<b>\$ 14,985,307</b>	<b>\$ 15,264,400</b>	<b>\$ 15,638,156</b>	<b>\$ 16,108,527</b>
<b>Health and Human Services</b>							
General Fund.....	\$ 10,853,060	\$ 11,011,859	\$ 11,320,801	\$ 11,467,566	\$ 11,885,246	\$ 12,272,245	\$ 12,514,134
Special Funds.....	1,330,995	1,400,277	1,449,283	1,470,383	1,491,283	1,522,283	1,558,383
Federal Funds.....	15,311,401	15,839,601	15,684,537	15,856,827	16,385,583	16,832,082	17,054,819
Other Funds.....	2,325,452	2,461,735	2,606,971	2,638,288	2,670,501	2,665,063	2,655,170
<b>Total Operating.....</b>	<b>\$ 29,820,908</b>	<b>\$ 30,713,472</b>	<b>\$ 31,061,592</b>	<b>\$ 31,433,064</b>	<b>\$ 32,432,613</b>	<b>\$ 33,291,673</b>	<b>\$ 33,782,506</b>
<b>Economic Development</b>							
General Fund.....	\$ 263,043	\$ 291,381	\$ 306,788	\$ 313,488	\$ 313,488	\$ 313,488	\$ 313,488
Special Funds.....	3,350	3,361	4,357	4,357	4,357	4,357	4,357
Federal Funds.....	849,600	759,664	686,390	678,480	678,480	678,480	678,480
Other Funds.....	1,093,249	1,084,567	1,072,892	1,121,859	1,117,876	1,114,558	1,109,794
<b>Total Operating.....</b>	<b>\$ 2,209,242</b>	<b>\$ 2,138,973</b>	<b>\$ 2,070,427</b>	<b>\$ 2,118,184</b>	<b>\$ 2,114,201</b>	<b>\$ 2,110,883</b>	<b>\$ 2,106,119</b>

# Program Budget Summary

## Seven Year Summary of Commonwealth Programs

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Transportation</b>							
General Fund.....	\$ 14,278	\$ 14,908	\$ 4,605	\$ 4,605	\$ 4,605	\$ 4,605	\$ 4,605
Special Funds.....	1,899,839	1,789,952	1,766,224	1,986,922	1,792,145	1,854,682	1,838,976
Federal Funds.....	1,590,391	1,792,349	1,740,549	1,702,449	1,702,449	1,702,449	1,702,449
Other Funds.....	2,319,808	2,363,858	2,713,483	2,923,014	3,279,797	3,361,829	3,585,488
<b>Total Operating.....</b>	<b>\$ 5,824,316</b>	<b>\$ 5,961,067</b>	<b>\$ 6,224,861</b>	<b>\$ 6,616,990</b>	<b>\$ 6,778,996</b>	<b>\$ 6,923,565</b>	<b>\$ 7,131,518</b>
<b>Recreation and Cultural Enrichment</b>							
General Fund.....	\$ 140,812	\$ 140,429	\$ 141,173	\$ 141,173	\$ 141,173	\$ 141,173	\$ 141,173
Special Funds.....	146,524	179,100	182,651	185,832	191,171	191,764	192,459
Federal Funds.....	82,626	90,996	83,601	81,503	81,503	81,503	81,503
Other Funds.....	151,185	186,155	180,006	183,540	184,898	185,705	187,497
<b>Total Operating.....</b>	<b>\$ 521,147</b>	<b>\$ 596,680</b>	<b>\$ 587,431</b>	<b>\$ 592,048</b>	<b>\$ 598,745</b>	<b>\$ 600,145</b>	<b>\$ 602,632</b>
<b>Debt Service</b>							
General Fund.....	\$ 1,041,512	\$ 1,094,407	\$ 1,071,094	\$ 1,099,861	\$ 1,136,970	\$ 1,167,705	\$ 1,227,035
Special Funds.....	25,360	19,172	17,800	16,986	16,986	16,939	16,939
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	78,031	85,764	86,616	89,245	90,462	90,298	87,573
<b>Total Operating.....</b>	<b>\$ 1,144,903</b>	<b>\$ 1,199,343</b>	<b>\$ 1,175,510</b>	<b>\$ 1,206,092</b>	<b>\$ 1,244,418</b>	<b>\$ 1,274,942</b>	<b>\$ 1,331,547</b>
Capital Bond Authorizations...	\$ 0	\$ 0	\$ 1,224,715	\$ 1,125,177	\$ 1,043,098	\$ 1,042,055	\$ 805,366
<b>Program Total.....</b>	<b>\$ 1,144,903</b>	<b>\$ 1,199,343</b>	<b>\$ 2,400,225</b>	<b>\$ 2,331,269</b>	<b>\$ 2,287,516</b>	<b>\$ 2,316,997</b>	<b>\$ 2,136,913</b>
<b>COMMONWEALTH TOTALS</b>							
General Fund.....	\$ 27,030,539	\$ 27,760,966	\$ 28,439,734	\$ 28,907,009	\$ 29,658,257	\$ 30,466,139	\$ 31,235,557
Special Funds.....	4,716,424	4,794,594	4,919,854	5,166,287	5,003,747	5,155,095	5,219,485
Federal Funds.....	21,708,562	22,336,581	21,692,076	21,553,355	21,998,908	22,410,846	22,628,927
Other Funds.....	10,068,207	10,810,583	11,626,576	11,800,419	12,245,998	12,378,447	12,585,882
<b>Total Operating.....</b>	<b>\$ 63,523,732</b>	<b>\$ 65,702,724</b>	<b>\$ 66,678,240</b>	<b>\$ 67,427,070</b>	<b>\$ 68,906,910</b>	<b>\$ 70,410,527</b>	<b>\$ 71,669,851</b>
Capital Bond Authorizations...	\$ 0	\$ 0	\$ 1,224,715	\$ 1,125,177	\$ 1,043,098	\$ 1,042,055	\$ 805,366
<b>Program Total.....</b>	<b>\$ 63,523,732</b>	<b>\$ 65,702,724</b>	<b>\$ 67,902,955</b>	<b>\$ 68,552,247</b>	<b>\$ 69,950,008</b>	<b>\$ 71,452,582</b>	<b>\$ 72,475,217</b>

## 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 the commonwealth programs can be attained. This commonwealth program supports the administration's goals to streamline state government and achieve efficiencies and to refocus the investment of taxpayer dollars on the core functions of government. The Reinvesting in Pennsylvania theme in the Overview and Summaries section highlights the administration's priorities in this program area.

Centralized functions affecting all agencies make up 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, Department of General Services, Department of 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)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Administrative and Support Services.....</b> \$	150,013	154,032	166,884	165,283	164,184	163,434	163,533
Executive Direction.....	99,522	101,083	116,073	115,172	114,823	114,823	114,922
Personnel Selection.....	1	1	1	1	1	1	1
State Retirement System.....	4	4	0	0	0	0	0
Ethics Commission.....	1,768	1,768	1,768	1,768	1,768	1,768	1,768
eHealth Partnership Authority.....	780	804	2,200	1,500	750	0	0
Legal Services.....	3,357	3,189	3,189	3,189	3,189	3,189	3,189
Health Care Cost Containment Council.....	2,683	2,683	2,683	2,683	2,683	2,683	2,683
Government Support Agencies.....	41,898	44,500	40,970	40,970	40,970	40,970	40,970
<b>Fiscal Management.....</b> \$	778,711	838,072	907,189	902,443	903,660	955,794	998,943
Revenue Collection and Administration.....	674,402	741,272	803,421	803,373	808,590	865,724	908,873
Disbursement.....	59,685	54,407	61,375	56,677	52,677	47,677	47,677
Auditing.....	44,624	42,393	42,393	42,393	42,393	42,393	42,393
<b>Physical Facilities and Commodities Management.....</b> \$	129,840	130,367	129,032	129,032	129,032	129,032	129,032
Facility, Property and Commodity Management.....	129,840	130,367	129,032	129,032	129,032	129,032	129,032
<b>Legislative Processes.....</b> \$	272,784	271,984	271,984	271,984	271,984	271,984	271,984
Legislature.....	272,784	271,984	271,984	271,984	271,984	271,984	271,984
<b>Interstate Relations.....</b> \$	1,174	1,139	1,177	1,177	1,177	1,177	1,177
Interstate Relations.....	1,174	1,139	1,177	1,177	1,177	1,177	1,177
<b>PROGRAM TOTAL.....</b> \$	<b>1,332,522</b>	<b>1,395,594</b>	<b>1,476,266</b>	<b>1,469,919</b>	<b>1,470,037</b>	<b>1,521,421</b>	<b>1,564,669</b>

## 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. The Criminal Justice and Enhanced Public Safety theme in the Overview and Summaries section highlights the administration's priorities in this program area.

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)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>General Administration and Support</b> ..... \$	34,967	37,897	42,175	41,719	41,719	41,719	41,719
Criminal and Juvenile Justice Planning.....	22,598	25,278	29,391	28,935	28,935	28,935	28,935
Environmental Support Services.....	12,369	12,619	12,784	12,784	12,784	12,784	12,784
<b>Public Protection and Law Enforcement</b> ..... \$	980,948	991,782	1,031,943	1,032,128	1,031,737	1,031,737	1,031,737
State Police.....	773,143	779,955	824,347	824,347	824,347	824,347	824,347
Attorney General.....	81,392	78,121	78,121	78,121	78,121	78,121	78,121
Highway Safety Administration and Licensing.....	126,413	133,706	129,475	129,660	129,269	129,269	129,269
<b>Control and Reduction of Crime</b> ..... \$	1,980,731	1,998,689	2,070,286	2,103,129	2,076,450	2,073,134	2,070,953
Institutionalization of Offenders.....	1,856,348	1,867,022	1,927,609	1,959,430	1,932,751	1,929,435	1,927,254
Reintegration of Adult Offenders.....	124,383	131,667	142,677	143,699	143,699	143,699	143,699
<b>Juvenile Crime Prevention</b> ..... \$	19,764	18,906	24,124	24,124	24,124	24,124	24,124
Reintegration of Juvenile Delinquents.....	19,764	18,906	24,124	24,124	24,124	24,124	24,124
<b>Adjudication of Defendants</b> ..... \$	298,860	309,288	308,188	308,188	308,188	308,188	308,188
State Judicial System.....	298,860	309,288	308,188	308,188	308,188	308,188	308,188
<b>Public Order and Community Safety</b> ..... \$	49,622	80,823	37,344	29,944	29,944	29,944	29,944
Emergency Management.....	30,681	61,502	15,931	8,831	8,831	8,831	8,831
State Military Readiness.....	18,941	19,321	21,413	21,113	21,113	21,113	21,113
<b>Protection From Natural Hazards and Disasters</b> ..... \$	125,867	118,195	118,834	118,834	118,834	118,834	118,834
Environmental Protection and Management.....	125,867	118,195	118,834	118,834	118,834	118,834	118,834
<b>Consumer Protection</b> ..... \$	290,896	297,077	285,332	284,452	284,568	284,657	284,719
Consumer Protection.....	10,331	9,109	9,109	9,109	9,109	9,139	9,109
Financial Institution and Securities Industry Regulation....	22,349	21,350	22,712	22,712	22,712	22,712	22,712
Insurance Industry Regulation.....	119,975	123,195	122,570	121,690	121,806	121,865	121,957

# Program Budget Summary

## Protection of Persons and Property (continued)

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Consumer Protection (Continued)</b>							
Horse Racing Regulation.....	16,334	17,667	15,964	15,964	15,964	15,964	15,964
Public Utilities Regulation.....	250	0	0	0	0	0	0
Protection and Development of Agricultural Industries.....	121,657	125,756	114,977	114,977	114,977	114,977	114,977
<b>Community and Occupational Safety and Stability..... \$</b>	<b>25,532 \$</b>	<b>24,817 \$</b>	<b>24,528 \$</b>	<b>24,566 \$</b>	<b>24,566 \$</b>	<b>24,566 \$</b>	<b>24,566</b>
Community and Occupational Safety and Stability.....	23,323	22,713	22,482	22,482	22,482	22,482	22,482
Fire Prevention and Safety.....	2,209	2,104	2,046	2,084	2,084	2,084	2,084
<b>Prevention &amp; Elimination of Discriminatory Practices. \$</b>	<b>9,491 \$</b>	<b>9,491 \$</b>	<b>9,380 \$</b>	<b>9,380 \$</b>	<b>9,380 \$</b>	<b>9,380 \$</b>	<b>9,380</b>
Prevention & Elimination of Discriminatory Practices.....	9,491	9,491	9,380	9,380	9,380	9,380	9,380
<b>PROGRAM TOTAL.....</b>	<b>\$ 3,816,678</b>	<b>\$ 3,886,965</b>	<b>\$ 3,952,134</b>	<b>\$ 3,976,464</b>	<b>\$ 3,949,510</b>	<b>\$ 3,946,283</b>	<b>\$ 3,944,164</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 Education Innovation in Pennsylvania theme in the Overview and Summaries section highlights 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 Revenue, Public Welfare 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)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Educational Support Services</b> ..... \$	27,425	27,595	27,595	27,595	27,595	27,595	27,595
Education Support Services.....	27,425	27,595	27,595	27,595	27,595	27,595	27,595
<b>Basic Education</b> ..... \$	9,249,335	9,701,776	10,039,413	10,306,610	10,634,731	11,033,856	11,504,075
PreK-12 Education.....	9,231,549	9,682,648	10,020,549	10,287,746	10,615,867	11,014,992	11,485,211
Public Utility Realty Payments.....	17,786	19,128	18,864	18,864	18,864	18,864	18,864
<b>Higher Education</b> ..... \$	1,602,230	1,598,784	1,599,404	1,601,535	1,602,707	1,602,838	1,602,990
Higher Education.....	1,179,280	1,212,659	1,213,279	1,215,410	1,216,582	1,216,713	1,216,865
Financial Assistance to Students.....	398,561	361,736	361,736	361,736	361,736	361,736	361,736
Financial Assistance to Institutions.....	24,389	24,389	24,389	24,389	24,389	24,389	24,389
<b>PROGRAM TOTAL</b> ..... \$	<b>10,878,990</b>	<b>11,328,155</b>	<b>11,666,412</b>	<b>11,935,740</b>	<b>12,265,033</b>	<b>12,664,289</b>	<b>13,134,660</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 Human Services and Health Care 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, Drug and Alcohol Programs and Public Welfare 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)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
<b>Human Services Support</b> .....	\$ 102,651	\$ 106,048	\$ 124,695	\$ 124,695	\$ 124,695	\$ 124,695	\$ 124,695
Human Services Support.....	102,651	106,048	124,695	124,695	124,695	124,695	124,695
<b>Social Development of Individuals</b> .....	\$ 1,563,883	\$ 1,599,769	\$ 1,628,603	\$ 1,626,217	\$ 1,626,184	\$ 1,626,152	\$ 1,626,119
Human Services.....	1,118,235	1,160,251	1,184,296	1,181,910	1,181,877	1,181,845	1,181,812
Child Development.....	445,648	439,518	444,307	444,307	444,307	444,307	444,307
<b>Support of Older Pennsylvanians</b> .....	\$ 788,217	\$ 779,339	\$ 815,459	\$ 826,559	\$ 837,459	\$ 858,459	\$ 884,559
Community Services for Older Pennsylvanians.....	278,557	277,957	308,212	318,212	328,212	338,212	348,212
Homeowners and Renters Assistance.....	284,870	286,100	292,400	293,500	294,400	295,400	296,500
Pharmaceutical Assistance.....	224,790	215,282	214,847	214,847	214,847	224,847	239,847
<b>Income Maintenance</b> .....	\$ 695,139	\$ 531,317	\$ 556,405	\$ 555,162	\$ 555,162	\$ 555,162	\$ 555,162
Income Maintenance.....	677,050	510,763	537,122	535,879	535,879	535,879	535,879
Workers Compensation and Assistance.....	2,014	1,839	1,765	1,765	1,765	1,765	1,765
Military Compensation and Assistance.....	16,075	18,715	17,518	17,518	17,518	17,518	17,518
<b>Physical Health Treatment</b> .....	\$ 7,013,318	\$ 7,355,759	\$ 7,450,487	\$ 7,597,308	\$ 8,022,704	\$ 8,420,428	\$ 8,672,373
Medical Assistance.....	4,973,486	5,143,722	5,131,571	5,221,121	5,566,387	5,878,371	6,038,517
Long-Term Living.....	1,627,360	1,818,135	1,931,425	1,988,696	2,068,826	2,154,566	2,246,365
Health Treatment Services.....	11,965	12,794	11,029	11,029	11,029	11,029	11,029
Health Support Services.....	43,902	43,964	44,141	44,141	44,141	44,141	44,141
Health Research.....	67,233	53,729	48,623	48,623	48,623	48,623	48,623
Emergency Food Assistance.....	19,417	19,417	19,417	19,417	19,417	19,417	19,417
Prevention and Treatment of Drug and Alcohol Abuse.....	40,698	41,698	41,698	41,698	41,698	41,698	41,698
Preventive Health.....	136,667	136,579	140,736	140,736	140,736	140,736	140,736
Veterans Homes.....	92,590	85,721	81,847	81,847	81,847	81,847	81,847
<b>Mental Health</b> .....	\$ 748,332	\$ 705,428	\$ 732,497	\$ 729,699	\$ 729,643	\$ 729,587	\$ 729,530
Mental Health.....	748,332	705,428	732,497	729,699	729,643	729,587	729,530
<b>Intellectual Disabilities</b> .....	\$ 1,272,515	\$ 1,334,476	\$ 1,461,938	\$ 1,478,309	\$ 1,480,682	\$ 1,480,045	\$ 1,480,079
Intellectual Disabilities.....	1,272,515	1,334,476	1,461,938	1,478,309	1,480,682	1,480,045	1,480,079
<b>PROGRAM TOTAL</b> .....	\$ 12,184,055	\$ 12,412,136	\$ 12,770,084	\$ 12,937,949	\$ 13,376,529	\$ 13,794,528	\$ 14,072,517

## 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 JOBSFirst PA and Economic Development 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)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Economic Development and Job Creation</b> ..... \$	154,748	166,038	186,256	192,956	192,956	192,956	192,956
PA Job Creation, Business Growth and Attraction.....	154,748	166,038	186,256	192,956	192,956	192,956	192,956
<b>Global Economic Development</b> ..... \$	5,880	6,143	8,576	8,576	8,576	8,576	8,576
PA Worldwide.....	5,880	6,143	8,576	8,576	8,576	8,576	8,576
<b>Innovative Economic Development</b> ..... \$	26,850	27,861	27,684	27,684	27,684	27,684	27,684
PA Innovation Economy.....	26,850	27,861	27,684	27,684	27,684	27,684	27,684
<b>Workforce Investment</b> ..... \$	45,327	48,038	47,538	47,538	47,538	47,538	47,538
Workforce Development.....	1,902	4,613	4,113	4,113	4,113	4,113	4,113
Vocational Rehabilitation.....	43,425	43,425	43,425	43,425	43,425	43,425	43,425
<b>Commonwealth Economic Assets</b> ..... \$	4,285	6,260	5,810	5,810	5,810	5,810	5,810
PA Assets.....	4,285	6,260	5,810	5,810	5,810	5,810	5,810
<b>Community Development</b> ..... \$	29,303	40,402	35,281	35,281	35,281	35,281	35,281
PA Communities.....	16,426	26,554	21,624	21,624	21,624	21,624	21,624
Public Utility Realty Payments.....	12,877	13,848	13,657	13,657	13,657	13,657	13,657
<b>PROGRAM TOTAL</b> ..... \$	<b>266,393</b>	<b>294,742</b>	<b>311,145</b>	<b>317,845</b>	<b>317,845</b>	<b>317,845</b>	<b>317,845</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 Transportation – Building Toward our Future theme and the JOBSFirst PA and Economic Development theme in the Overview and Summaries section highlight 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)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Transportation Systems and Services</b> .....	\$ 1,914,117	\$ 1,804,860	\$ 1,770,829	\$ 1,991,527	\$ 1,796,750	\$ 1,859,287	\$ 1,843,581
Transportation Support Services.....	54,956	56,264	56,632	56,632	56,632	56,632	56,632
Highways and Bridges.....	1,525,955	1,412,490	1,378,829	1,594,047	1,384,299	1,439,621	1,415,004
Local Highway and Bridge Assistance.....	239,928	240,223	249,788	251,168	264,012	269,048	277,959
Intermodal Transportation.....	93,278	95,883	85,580	89,680	91,807	93,986	93,986
<b>PROGRAM TOTAL</b> .....	<b>\$ 1,914,117</b>	<b>\$ 1,804,860</b>	<b>\$ 1,770,829</b>	<b>\$ 1,991,527</b>	<b>\$ 1,796,750</b>	<b>\$ 1,859,287</b>	<b>\$ 1,843,581</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)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Recreation</b> ..... \$	193,780	220,783	223,975	225,142	229,374	229,844	230,395
Parks and Forests Management.....	79,435	95,936	97,490	105,187	109,419	109,889	110,440
Recreational Fishing and Boating.....	46,791	46,791	46,805	46,805	46,805	46,805	46,805
Wildlife Management.....	67,554	78,056	79,680	73,150	73,150	73,150	73,150
<b>Cultural Enrichment</b> ..... \$	93,556	98,746	99,849	101,863	102,970	103,093	103,237
State Historical Preservation.....	16,999	17,800	18,474	18,474	18,474	18,474	18,474
Local Museum Assistance.....	4,943	8,443	8,746	10,285	11,132	11,226	11,336
Development of Artists and Audiences.....	9,065	9,065	9,098	9,098	9,098	9,098	9,098
State Library Services.....	62,549	63,438	63,531	64,006	64,266	64,295	64,329
<b>PROGRAM TOTAL</b> ..... \$	<b>287,336</b>	<b>319,529</b>	<b>323,824</b>	<b>327,005</b>	<b>332,344</b>	<b>332,937</b>	<b>333,632</b>

## 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 agency that participates in this program is Treasury.

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Debt Service.....	\$ 1,066,872	\$ 1,113,579	\$ 1,088,894	\$ 1,116,847	\$ 1,153,956	\$ 1,184,644	\$ 1,243,974
Debt Service.....	1,066,872	1,113,579	1,088,894	1,116,847	1,153,956	1,184,644	1,243,974
<b>PROGRAM TOTAL.....</b>	<b>\$ 1,066,872</b>	<b>\$ 1,113,579</b>	<b>\$ 1,088,894</b>	<b>\$ 1,116,847</b>	<b>\$ 1,153,956</b>	<b>\$ 1,184,644</b>	<b>\$ 1,243,974</b>



Commonwealth of Pennsylvania

Governor's Executive Budget

# *SUMMARY*

*BY*

*FUND*

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# 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.

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**FINANCIAL STATEMENT**

The following financial statement and accompanying notes are a summary of the General Fund revenues and expenditures for the 2011-12 actual year, 2012-13 available year and 2013-14 budget year. The financial statement excludes augmentations and Federal funds that are detailed in subsequent tables.

	(Dollar Amounts in Thousands)		
	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Beginning Balance</b> .....	\$ 1,072,863	\$ 659,051	\$ 543,615
Adjustment to Beginning Balance.....	19,700	13,530	0
Adjusted Beginning Balance.....	\$ 1,092,563	\$ 672,581	\$ 543,615
<b>Revenue:</b>			
Revenue Receipts.....	\$ 27,677,999	\$ 28,822,000	\$ 29,204,400
Proposed Revenue Changes.....	0	0	46,799
Less Refunds.....	-1,275,000	-1,300,000	-1,325,000
Total Revenue.....	\$ 26,402,999	\$ 27,522,000	\$ 27,926,199
Prior Year Lapses.....	194,028	100,000	0
Funds Available.....	\$ 27,689,590	\$ 28,294,581	\$ 28,469,814
<b>Expenditures:</b>			
Appropriations.....	\$ 27,030,539	\$ 27,665,111	\$ 28,439,734
Supplemental Appropriations.....	0	95,855	0
Less Current Year Lapses.....	0	-10,000	0
Total State Expenditures.....	\$ 27,030,539	\$ 27,750,966	\$ 28,439,734
Preliminary Balance.....	\$ 659,051	\$ 543,615	\$ 30,080
Less Transfer to Budget Stabilization			
Reserve Fund.....	0 <sup>a</sup>	0 <sup>b</sup>	-7,520
<b>Ending Balance</b> .....	<u>\$ 659,051</u>	<u>\$ 543,615</u>	<u>\$ 22,560</u>

<sup>a</sup> Act 87 of 2012 suspended the 25% transfer to the Budget Stabilization Reserve Fund for FY 2011-12.

<sup>b</sup> This budget proposes the suspension of the 25% transfer to the Budget Stabilization Reserve Fund for FY 2012-13.

**NOTES ON FINANCIAL STATEMENT**  
(Dollar Amounts in Thousands)

**PROPOSED TAX AND REVENUE MODIFICATIONS**

	<b>2013-14 Estimated</b>
<b>Tax Revenue:</b>	
<b>Corporate Net Income Tax – Increase NOL Cap</b> .....	\$ -11,401
The Net Operating Loss Deduction cap is proposed to be increased from \$3 million/20% of taxable income to \$4 million/25% of taxable income in 2014 and to \$5 million/30% of taxable income in 2015. The corporate net income tax rate is proposed to be phased-down to 6.99 percent by tax year 2025, beginning in 2015.	
<b>Corporate Loans Tax Repeal</b> .....	\$ -700
Effective in tax years 2014 and after, the corporate loans tax is proposed for repeal.	
<b>Corporate Net Income Tax</b> .....	\$ 7,000
A change to the sourcing of sales for calculating the apportionment of income is proposed and sales of services would be sourced at the location of the customer.	
<b>Realty Transfer Tax</b> .....	\$ 4,300
The circumstances in which the transfer of interests in a real estate company is subject to tax is proposed for expansion.	
<b>Personal Income Tax</b> .....	\$ 2,600
Additional filing requirements and enforcement initiatives are proposed to apply to certain pass through businesses, including estates and trusts	
<b>Tax Credit Repeals</b> .....	\$ 500
The repeal of certain tax credits is proposed.	
<b>Non-Tax Revenue:</b>	
<b>Redirection of Motor License Fund Fines</b> .....	\$ 29,500
The redirection of certain fines to the General Fund is proposed.	
<b>Transfer from Race Horse Development Fund</b> .....	\$ 15,000
A transfer of funds to the General Fund is proposed.	
<b>TOTAL PROPOSED TAX AND REVENUE MODIFICATIONS</b>	<b>\$ 46,799</b>

**NOTES ON FINANCIAL STATEMENT**

(Dollar Amounts in Thousands)

**SUPPLEMENTAL APPROPRIATIONS**

	<b>2012-13 Available</b>
<b>STATE SUPPLEMENTALS</b>	
<b>Education</b>	
Early Intervention.....	\$ 10,800
<b>Military and Veterans Affairs</b>	
Paralyzed Veterans Pension.....	\$ 830
<b>Public Welfare</b>	
General Government Operations.....	\$ -638
Information Systems.....	-438
County Administration - Statewide.....	-998
County Assistance Offices.....	-14,997
Child Support Enforcement.....	-188
New Directions.....	-387
Youth Development Institutions and Forestry Camps.....	-7,832
Intellectual Disabilities - State Centers.....	-2,855
Supplemental Grants - Aged, Blind, and Disabled.....	-10,113
Payment to Federal Government - Medicare Drug Program.....	2,077
Medical Assistance - Outpatient.....	179,507
Medical Assistance - Inpatient.....	16,260
Medical Assistance - Capitation.....	-157,865
Long-Term Care.....	9,948
Home and Community-Based Services.....	25,687
Special Pharmaceutical Services.....	-388
Early Intervention.....	4,312
Services to Persons with Disabilities.....	25,225
Attendant Care.....	1,415
Medical Assistance - Workers with Disabilities.....	1,562
<b>Public Welfare Total.....</b>	<b>\$ 69,294</b>
<b>Emergency Management Agency</b>	
Summer 2011 Storm Disaster Relief.....	\$ 14,931
<b>TOTAL SUPPLEMENTALS.....</b>	<b>\$ 95,855</b>

## STATE FUNDS BY DEPARTMENT

The following is a summary, by department, of 2011-12 actual expenditures, the 2012-13 amounts available and the 2013-14 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2011-12 Actual	2012-13 Available	2013-14 Budget
Governor's Office.....	\$ 6,309	\$ 6,429	\$ 6,429
Executive Offices.....	153,696	156,969	181,253
Lieutenant Governor's Office.....	1,237	1,278	1,317
Attorney General.....	81,392	78,121	78,121
Auditor General.....	44,624	42,393	42,393
Treasury.....	1,090,119	1,138,996	1,122,389
Agriculture.....	130,436	129,535	117,878
Banking and Securities.....	1,000	1	-
Civil Service Commission.....	1	1	1
Community and Economic Development *.....	204,839	229,495	245,593
Conservation and Natural Resources.....	53,720	52,723	52,760
Corrections.....	1,856,348	1,867,022	1,927,609
Drug and Alcohol Programs.....	40,698	41,698	41,698
Education**.....	10,491,335	10,970,950	11,309,054
eHealth Partnership Authority.....	780	804	2,200
Emergency Management Agency.....	32,890	63,606	17,977
Environmental Protection***.....	134,236	126,814	127,618
Ethics Commission.....	1,768	1,768	1,768
General Services.....	117,055	117,590	118,740
Health.....	186,944	189,867	188,312
Health Care Cost Containment Council.....	2,683	2,683	2,683
Higher Education Assistance Agency.....	422,950	386,125	386,125
Historical and Museum Commission.....	16,999	17,800	18,474
Insurance.....	119,975	123,195	122,570
Labor and Industry.....	70,664	72,590	71,785
Military and Veterans Affairs.....	127,606	123,757	120,778
Probation and Parole Board.....	124,383	131,667	142,677
Public Utility Commission.....	250	-	-
Public Welfare.....	10,495,322	10,654,602	10,970,244
Revenue****.....	187,616	185,136	178,844
State.....	10,331	9,109	9,109
State Employees' Retirement System.....	4	4	-
State Police.....	193,205	195,254	205,284
Transportation.....	15,582	17,212	6,909
Legislature.....	272,784	271,984	271,984
Judiciary.....	298,860	309,288	308,188
Government Support Agencies.....	41,898	44,500	40,970
<b>GRAND TOTAL.....</b>	<b>\$ 27,030,539</b>	<b>\$ 27,760,966</b>	<b>\$ 28,439,734</b>

\* Includes Pennsylvania Housing Finance Agency.

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

\*\*\* Includes Environmental Hearing Board.

\*\*\*\* Excludes refunds.

## FEDERAL FUNDS BY DEPARTMENT

The following is a summary of Federal funds, by department, of 2011-12 actual expenditures, the 2012-13 amounts available and the 2013-14 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2011-12 Actual	2012-13 Available	2013-14 Budget
Executive Offices.....	\$ 119,981	\$ 159,277	\$ 119,439
Attorney General.....	19,955	20,872	16,166
Agriculture.....	38,629	39,584	39,610
Community and Economic Development.....	146,643	183,924	139,130
Conservation and Natural Resources.....	39,164	43,815	40,868
Corrections.....	10,612	9,685	6,555
Drug and Alcohol Programs.....	69,658	70,101	67,792
Education.....	2,278,782	2,312,823	2,244,350
eHealth Partnership Authority.....	16,368	16,749	-
Emergency Management Agency.....	286,119	396,037	296,066
Environmental Protection*.....	261,992	223,675	189,770
General Services.....	61	-	-
Health.....	557,233	656,971	544,733
Higher Education Assistance Agency.....	1,575	-	-
Historical and Museum Commission.....	3,686	2,519	2,530
Infrastructure Investment Authority.....	221,191	250,907	250,230
Insurance.....	432,364	424,468	401,391
Labor and Industry.....	628,111	467,088	432,785
Liquor Control Board.....	70	46	-
Military and Veterans Affairs.....	339,095	217,242	175,850
Probation and Parole Board.....	294	189	86
Public Utility Commission.....	4,124	4,857	4,707
Public Welfare.....	14,179,086	14,610,788	14,534,074
State.....	38,800	36,617	30,854
State Police.....	93,587	58,077	55,336
Transportation.....	106,307	286,003	275,603
Judiciary.....	2,086	2,150	1,015
Government Support Agencies.....	1,280	1,280	1,280
<b>GRAND TOTAL.....</b>	<b>\$ 19,896,853</b>	<b>\$ 20,495,744</b>	<b>\$ 19,870,220</b>

\* Includes Environmental Hearing Board.

## AUGMENTATIONS BY DEPARTMENT

The following is a summary of augmentations, by department, of 2011-12 actual expenditures, the 2012-13 amounts available and the 2013-14 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2011-12 Actual	2012-13 Available	2013-14 Budget
Executive Offices.....	\$ 109,857	\$ 115,934	\$ 111,141
Attorney General*.....	12,469	15,350	15,602
Auditor General.....	11,544	14,320	12,150
Treasury.....	6,805	9,340	5,960
Agriculture.....	5,447	6,172	6,672
Banking and Securities.....	8,186	2,147	-
Civil Service Commission.....	14,274	13,730	14,041
Community and Economic Development*.....	6,238	6,405	6,234
Conservation and Natural Resources.....	83,052	87,568	84,833
Corrections.....	1,934	1,934	2,147
Drug and Alcohol Programs.....	1,678	2,073	2,074
Education*.....	5,380	5,274	206,056
Emergency Management Agency.....	128	541	541
Environmental Protection* **.....	25,177	29,896	34,450
General Services.....	33,950	42,252	39,645
Health*.....	13,739	24,944	31,664
Higher Education Assistance Agency.....	50,002	75,000	75,000
Historical and Museum Commission.....	783	952	1,022
Insurance.....	2,267	2,842	-
Labor and Industry*.....	5,828	1,960	3,238
Military and Veterans Affairs.....	28,630	29,201	29,813
Probation and Parole Board.....	21,991	21,798	21,790
Public Utility Commission*.....	55,685	60,398	63,090
Public Welfare.....	1,871,418	1,982,236	2,147,561
Revenue.....	29,091	36,189	39,806
State*.....	48,891	54,266	53,504
State Police*.....	59,127	62,813	63,977
Transportation*.....	1,101	-	-
Judiciary*.....	57,048	57,048	57,048
<b>GRAND TOTAL.....</b>	<b>\$ 2,571,720</b>	<b>\$ 2,762,583</b>	<b>\$ 3,129,059</b>

\* 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)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>TAX REVENUE</b>							
<b>Corporation Taxes</b>							
Corporate Net Income Tax.....	\$ 2,022,401	\$ 2,491,700	\$ 2,567,600	\$ 2,580,800	\$ 2,508,000	\$ 2,430,000	\$ 2,288,200
Capital Stock and Franchise Taxes.....	837,243	604,200	242,600	9,100	0	0	0
Selective Business:							
Gross Receipts Tax.....	1,330,023	1,325,800	1,295,900	1,301,300	1,306,700	1,321,600	1,336,700
Public Utility Realty Tax.....	28,721	30,500	30,800	31,100	31,400	31,700	32,000
Insurance Premiums Tax.....	458,409	444,200	442,900	457,200	475,700	493,900	511,800
Financial Institutions Tax.....	272,462	316,700	322,700	328,800	335,000	341,400	347,900
Other Selective Business Taxes.....	14,451	11,500	11,300	3,400	1,100	400	0
<b>Total — Corporation Taxes.....</b>	<b>\$ 4,963,710</b>	<b>\$ 5,224,600</b>	<b>\$ 4,913,800</b>	<b>\$ 4,711,700</b>	<b>\$ 4,657,900</b>	<b>\$ 4,619,000</b>	<b>\$ 4,516,600</b>
<b>Consumption Taxes</b>							
Sales and Use Tax.....	\$ 8,772,266	\$ 8,968,100	\$ 9,372,600	\$ 9,779,400	\$ 9,976,100	\$ 10,218,100	\$ 10,448,300
Cigarette Tax.....	1,069,907	1,041,300	1,013,700	988,400	963,000	937,700	912,300
Malt Beverage Tax.....	25,903	26,000	26,000	26,000	26,000	26,000	27,000
Liquor Tax.....	298,144	310,400	325,400	341,100	357,600	374,900	393,000
<b>Total — Consumption Taxes.....</b>	<b>\$ 10,166,220</b>	<b>\$ 10,345,800</b>	<b>\$ 10,737,700</b>	<b>\$ 11,134,900</b>	<b>\$ 11,322,700</b>	<b>\$ 11,556,700</b>	<b>\$ 11,780,600</b>
<b>Other Taxes</b>							
Personal Income Tax.....	\$ 10,800,528	\$ 11,471,700	\$ 11,764,800	\$ 12,432,300	\$ 13,049,800	\$ 13,616,500	\$ 14,254,200
Realty Transfer Tax.....	292,152	338,400	374,200	448,500	486,800	491,100	496,200
Inheritance Tax.....	827,682	823,500	849,200	901,700	927,500	970,200	1,002,600
Table Games.....	95,029	89,000	95,400	97,900	100,200	102,700	105,200
Minor and Repealed Taxes.....	3,207	-13,100	-12,700	-12,300	-12,300	-12,400	-12,400
<b>Total — Other Taxes.....</b>	<b>\$ 12,018,598</b>	<b>\$ 12,709,500</b>	<b>\$ 13,070,900</b>	<b>\$ 13,868,100</b>	<b>\$ 14,552,000</b>	<b>\$ 15,168,100</b>	<b>\$ 15,845,800</b>
<b>TOTAL TAX REVENUE.....</b>	<b>\$ 27,148,528</b>	<b>\$ 28,279,900</b>	<b>\$ 28,722,400</b>	<b>\$ 29,714,700</b>	<b>\$ 30,532,600</b>	<b>\$ 31,343,800</b>	<b>\$ 32,143,000</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.....	138,822	124,800	109,500	108,900	108,900	108,900	108,900
Miscellaneous.....	244,227	273,400	246,899	250,005	252,829	255,456	258,290
Fines, Penalties and Interest:							
On Taxes.....	14,344	17,600	17,600	17,600	17,600	17,600	17,600
Other.....	52,078	46,300	74,800	74,800	74,800	74,800	74,800
<b>TOTAL NONTAX REVENUES.....</b>	<b>\$ 529,471</b>	<b>\$ 542,100</b>	<b>\$ 528,799</b>	<b>\$ 531,305</b>	<b>\$ 534,129</b>	<b>\$ 536,756</b>	<b>\$ 539,590</b>
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 27,677,999</b>	<b>\$ 28,822,000</b>	<b>\$ 29,251,199</b>	<b>\$ 30,246,005</b>	<b>\$ 31,066,729</b>	<b>\$ 31,880,556</b>	<b>\$ 32,682,590</b>

Totals may not add due to rounding.

## Adjustments to Revenue Estimate

On June 30, 2012, the Official Estimate for fiscal year 2012-13 was certified to be \$28,590,000,000. 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)		
	2012-13 Official Estimate	Adjustments	2012-13 Revised Estimate
<b>TAX REVENUE</b>			
<b>Corporation Taxes</b>			
Corporate Net Income Tax.....	\$ 2,204,500	\$ 287,200	\$ 2,491,700
Capital Stock and Franchise Taxes.....	538,900	65,300	604,200
Selective Business:			
Gross Receipts Tax.....	1,418,000	-92,200	1,325,800
Public Utility Realty Tax.....	29,100	1,400	30,500
Insurance Premiums Tax.....	437,200	7,000	444,200
Financial Institutions Tax.....	276,900	39,800	316,700
Other Selective Business Taxes.....	10,600	900	11,500
Total — Corporation Taxes.....	<u>\$ 4,915,200</u>	<u>\$ 309,400</u>	<u>\$ 5,224,600</u>
<b>Consumption Taxes</b>			
Sales and Use Tax.....	\$ 9,219,300	\$ -251,200	\$ 8,968,100
Cigarette Tax.....	1,071,800	-30,500	1,041,300
Malt Beverage Tax.....	26,000	0	26,000
Liquor Tax.....	310,000	400	310,400
Total — Consumption Taxes.....	<u>\$ 10,627,100</u>	<u>\$ -281,300</u>	<u>\$ 10,345,800</u>
<b>Other Taxes</b>			
Personal Income Tax.....	\$ 11,285,600	\$ 186,100	\$ 11,471,700
Realty Transfer Tax.....	319,700	18,700	338,400
Inheritance Tax.....	861,800	-38,300	823,500
Table Games.....	93,100	-4,100	89,000
Minor and Repealed Taxes.....	-21,900	8,800	-13,100
Total — Other Taxes.....	<u>\$ 12,538,300</u>	<u>\$ 171,200</u>	<u>\$ 12,709,500</u>
<b>TOTAL TAX REVENUE.....</b>	<u>\$ 28,080,600</u>	<u>\$ 199,300</u>	<u>\$ 28,279,900</u>
<b>NONTAX REVENUE</b>			
State Stores Fund Transfer.....	\$ 80,000	\$ 0	\$ 80,000
Licenses Fees and Miscellaneous:			
Licenses and Fees.....	132,100	-7,300	124,800
Miscellaneous.....	234,000	39,400	273,400
Fines, Penalties and Interest:			
On Taxes.....	17,000	600	17,600
Other.....	46,300	0	46,300
<b>TOTAL NONTAX REVENUES.....</b>	<u>\$ 509,400</u>	<u>\$ 32,700</u>	<u>\$ 542,100</u>
<b>GENERAL FUND TOTAL.....</b>	<u>\$ 28,590,000</u>	<u>\$ 232,000</u>	<u>\$ 28,822,000</u>

# 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, 2015 to December 31, 2015 .....	9.89%
January 1, 1995 to December 31, 2014 .....	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 Net Operating Loss Deduction cap will be increased from the current law of \$3 million or 20% of taxable income to \$4 million or 25% of taxable income for tax year 2014 and \$5 million or 30% of taxable income for tax year 2015 and after. The rate will also be phased down to 6.99% in tax year 2025 and after, beginning with a rate reduction to 9.89% in tax year 2015. There is also a proposed change to the sourcing of sales for calculating the apportionment of income; the proposal would source sales of services at the location of the customer. There is a proposed minimum nonfiling penalty of \$500.

## 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.

**Tax Rates:**

January 1, 2013 through December 31, 2013 ....	0.89 mills (including \$40 million transfer to the Hazardous Sites Cleanup Fund). The tax will be eliminated for tax years beginning on or after January 1, 2014.
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).

# General Fund Revenue Sources

January 1, 1992 to December 31, 1997 .....	11 mills plus a 1.75 mill surtax (including 0.5 mill for transfer semiannually to HSCF).
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 and 2013.

**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

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**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.

**Tax Rates:** Since calendar year 1990 the tax rate for the Bank and Trust Company Shares Tax and Title Insurance Shares Tax has been 1.25 percent. For calendar year 1989 the rate was 10.77 percent. Before January 1, 1989, the rate for both taxes was 1.075 percent on the value of capital stock shares. The Mutual Thrift Institution Tax rate is 20 percent for tax years 1987 through 1990, 12.5 percent for tax year 1991 and 11.5 percent thereafter.

**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.

## Other Selective Business Taxes

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**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:** The Loans Tax rate is 4 mills on each dollar of taxable indebtedness. 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.

**Proposed Change:** Effective for tax years 2014 and after, the corporate loans tax is repealed.

## Sales and Use Tax

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**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.

## Cigarette Tax

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**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.

## 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 ( $2/3\text{¢}$ ) per half pint of 8 fluid ounces or fraction thereof, and in larger quantities at the rate of one cent ( $1\text{¢}$ ) 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 Change:** The federal rules for like-kind exchanges would now apply, permitting the like-kind exchange of property without a state tax consequence. Federal law permitting business to deduct \$5000 in the year of the start-up would now be followed. The resident credit would no longer be permitted for income taxes paid to foreign counties. There are also more filing requirements and enforcement initiatives to improve compliance for pass-through entities including trusts and estates.

## 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

# General Fund Revenue Sources

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.

**Proposed Change:** The circumstances in which the transfer of interests in a real estate company is subject to tax are expanded.

## Inheritance and Estate Taxes

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**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 is levied when the Federal estate tax credit for State death taxes exceeds a decedent's Inheritance Tax liability. The Federal estate tax credit was phased out between 2002 and 2005; the credit is to be fully reinstated in 2013 under current law.

**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 equals 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

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**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

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**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.

## State Stores Fund Transfer

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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

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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

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This revenue source includes penalties and interest collected in the enforcement of corporation taxes.

Also included are 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)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>TAX REVENUE</b>			
<b>Corporate Net Income Tax</b> .....	\$ 2,022,401	\$ 2,491,700	\$ 2,567,600
<b>Capital Stock and Franchise Taxes</b>			
Capital Stock Taxes — Domestic.....	\$ 227,382	\$ 164,100	\$ 65,900
Franchise Taxes — Foreign.....	609,861	440,100	176,700
<b>SUBTOTAL</b> .....	<b>\$ 837,243</b>	<b>\$ 604,200</b>	<b>\$ 242,600</b>
<b>Gross Receipts Tax</b>			
Electric, Hydroelectric and Water Power.....	\$ 886,520	\$ 885,800	\$ 842,300
Motor Transportation.....	1	0	0
Telephone and Telegraph.....	439,184	435,700	449,300
Transportation.....	4,318	4,300	4,300
<b>SUBTOTAL</b> .....	<b>\$ 1,330,023</b>	<b>\$ 1,325,800</b>	<b>\$ 1,295,900</b>
<b>Public Utility Realty Tax</b> .....	<b>\$ 28,721</b>	<b>\$ 30,500</b>	<b>\$ 30,800</b>
<b>Insurance Premiums Tax</b>			
Domestic Casualty.....	\$ 101,620	\$ 98,500	\$ 98,200
Domestic Fire.....	27,332	26,500	26,400
Domestic Life and Previously Exempted Lines.....	77,134	74,700	74,500
Excess Insurance Brokers.....	17,944	17,400	17,300
Foreign Excess Casualty.....	12,092	11,700	11,700
Foreign Excess Fire.....	8,586	8,300	8,300
Foreign Life.....	198,102	192,000	191,400
Marine.....	121	100	100
Title Insurance.....	6,258	6,100	6,000
Unauthorized Insurance.....	9,220	8,900	9,000
<b>SUBTOTAL</b> .....	<b>\$ 458,409</b>	<b>\$ 444,200</b>	<b>\$ 442,900</b>
<b>Financial Institutions Taxes</b>			
Federal Mutual Thrift Institutions.....	\$ 4,285	\$ 4,500	\$ 4,500
National Banks.....	194,325	227,100	231,600
State Banks.....	43,660	51,000	52,000
State Mutual Thrift Institutions.....	10,129	10,700	10,700
Trust Companies.....	20,063	23,400	23,900
<b>SUBTOTAL</b> .....	<b>\$ 272,462</b>	<b>\$ 316,700</b>	<b>\$ 322,700</b>
<b>Other Selective Business Taxes</b>			
Corporate Loans — Domestic.....	\$ 7,910	\$ 6,300	\$ 5,900
Corporate Loans — Foreign.....	1,821	1,400	1,500
Miscellaneous Business Taxes.....	278	200	200
Corporation Taxes — Clearing Accounts Undistributed.....	4,442	3,600	3,700
<b>SUBTOTAL</b> .....	<b>\$ 14,451</b>	<b>\$ 11,500</b>	<b>\$ 11,300</b>
<b>Sales and Use Tax</b>			
Motor Vehicle.....	\$ 1,160,614	\$ 1,203,000	\$ 1,296,300
Non-Motor Vehicle.....	7,611,651	7,765,100	8,076,300
<b>SUBTOTAL</b> .....	<b>\$ 8,772,266</b>	<b>\$ 8,968,100</b>	<b>\$ 9,372,600</b>
<b>Cigarette Tax</b> .....	<b>\$ 1,069,907</b>	<b>\$ 1,041,300</b>	<b>\$ 1,013,700</b>
<b>Malt Beverage Tax</b> .....	<b>\$ 25,903</b>	<b>\$ 26,000</b>	<b>\$ 26,000</b>
<b>Liquor Tax</b> .....	<b>\$ 298,144</b>	<b>\$ 310,400</b>	<b>\$ 325,400</b>

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>Personal Income Tax</b>			
Non-Withholding.....	\$ 2,504,199	\$ 2,867,600	\$ 2,822,000
Withholding.....	8,296,329	8,604,100	8,942,800
SUBTOTAL.....	\$ 10,800,528	\$ 11,471,700	\$ 11,764,800
<b>Realty Transfer Tax.....</b>	\$ 292,152	\$ 338,400	\$ 374,200
<b>Inheritance Tax</b>			
Nonresident Inheritance and Estate Tax.....	\$ 5,602	\$ 5,600	\$ 6,300
Resident Inheritance and Estate Tax.....	822,080	817,900	842,900
SUBTOTAL.....	\$ 827,682	\$ 823,500	\$ 849,200
<b>Table Games.....</b>	\$ 95,029	\$ 89,000	\$ 95,400
<b>Minor and Repealed Taxes</b>			
Spirituuous and Vinous Liquors Tax.....	\$ -23	\$ 0	\$ 0
Unallocated EFT Payments.....	531	500	500
Excess Vehicle Rental Tax.....	7,693	7,700	7,700
Payments of Intergrated Taxes (KITS).....	-157	-200	-200
Tax on Writs, Wills and Deeds.....	1,197	1,200	1,200
Clearing of Wage Garnishment Collections.....	1,080	1,100	1,100
NIZ State Tax Transfer.....	-7,113	-23,400	-23,000
SUBTOTAL.....	\$ 3,207	\$ -13,100	\$ -12,700
<b>TOTAL TAX REVENUE.....</b>	\$ 27,148,528	\$ 28,279,900	\$ 28,722,400
<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.....	\$ 1	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
SUBTOTAL.....	\$ 1	\$ 0	\$ 0
<b>Executive Offices</b>			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 87	\$ 87	\$ 87
Interest Transferred to Employee Benefits.....	-1,036	-1,036	-1,036
Access to Justice Account.....	-1	-1	-1
Right To Know.....	*	*	*
Refunds Of Expenditures Not Credited To Appropriations.....	2	2	2
SUBTOTAL.....	\$ -948	\$ -948	\$ -948
<b>Lieutenant Governor's Office</b>			
LICENSES AND FEES			
Board Of Pardons Fees.....	\$ 15	\$ 15	\$ 15
Board Of Pardons — Filing Fees.....	12	12	12
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ *	\$ *
SUBTOTAL.....	\$ 27	\$ 27	\$ 27
<b>Auditor General</b>			
LICENSES AND FEES			
Filing Fees — Board of Arbitration of Claims.....	\$ 2	\$ 2	\$ 2
SUBTOTAL.....	\$ 2	\$ 2	\$ 2

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>Attorney General</b>			
<b>MISCELLANEOUS REVENUE</b>			
Assessed Civil Penalties Payments.....	\$ 151	\$ 226	\$ 226
Miscellaneous Interest Offset for Appropriation 611.....	-77	-80	-80
Miscellaneous.....	39	4	4
Refunds Of Expenditures Not Credited To Appropriations.....	22	20	20
Home Improvement Contractor Fee.....	151	0	0
<b>SUBTOTAL.....</b>	<b>\$ 286</b>	<b>\$ 170</b>	<b>\$ 170</b>
<b>Treasury Department</b>			
<b>MISCELLANEOUS REVENUE</b>			
Allocation of Treasury Costs.....	\$ 3,228	\$ 0	\$ 0
Contra Account Audit Service fees.....	0	0	-220
Depository Adjustments.....	-2	0	0
Dividend Income Reinvested - Long Term.....	212	0	0
Interest Transferred to Asbestos/Lead Account.....	0	0	0
Interest Transferred to Hodge Trust Fund.....	0	0	0
Interest Transferred to PA Tech Invest Authority.....	0	0	0
Interest Income Reinvested - Long Term.....	0	0	0
Interest on Average Collected Balance - WIC Program.....	3	0	0
Interest on Deposits.....	361	0	0
Interest on Securities — Liquor License Fund.....	5	0	0
Interest on Securities.....	6,584	7,308	6,343
Miscellaneous.....	176	0	0
Premium And Discount On Tax Notes Sold.....	0	0	0
Premium on Sale of Securities.....	0	0	0
Realized Gain or Loss on Sale of Investments - Long Term.....	0	0	0
Redeposit of Checks.....	3,245	15,000	15,000
Refunds Of Expend Not Credited To Approp.....	0	0	0
Transfer to Disaster Relief Fund - Act 323.....	0	0	0
Unclaimed Property — Recovery Fees w/h for Audit Service.....	0	0	-15
Unclaimed Property — Reduction of Holding Period.....	0	0	0
Unclaimed Property — Contra Acct Paypal Fees.....	-13	0	0
Unclaimed Property — Contra Acct Other Holder Fees.....	0	0	0
Unclaimed Property — Admin Cost Reimbursement.....	0	0	0
Unclaimed Property — Claim Payments.....	-109,589	-76,600	-79,200
Unclaimed Property — Financial Institution Deposits.....	30,188	35,000	36,700
Unclaimed Property — Other Holder Deposits.....	204,469	195,890	201,200
<b>SUBTOTAL.....</b>	<b>\$ 138,867</b>	<b>\$ 176,598</b>	<b>\$ 179,808</b>
<b>Department of Agriculture</b>			
<b>LICENSES AND FEES</b>			
Abattoir Licenses.....	\$ *	\$ *	\$ *
Approved Inspectors Certificate And Registration Fees.....	3	3	3
Domestic Animal Dealers' Licenses.....	*	0	0
Eating & Drinking Licenses.....	2,395	2,400	2,500
Egg Certification Fees.....	12	12	12
Garbage Feeders Licenses.....	*	*	*
Ice Cream Licenses.....	162	165	165
Lab Directors' Exam Fees.....	*	1	1
Livestock Branding Fees.....	*	*	*
Miscellaneous Licenses And Fees.....	10	16	16
Poultry Technician Licenses.....	5	4	4
Pub Weighmasters (Under Act 155).....	264	265	270
Registration Fee — Food Establishment.....	223	245	245
Rendering Plant Licenses.....	2	2	2
<b>MISCELLANEOUS REVENUE</b>			
Interest Earnings Contra BA 68.....	\$ -18	\$ 0	\$ 0
Refunds Of Expenditures Not Credited To Appropriations.....	*	0	0
Right to Know.....	8	8	9
<b>SUBTOTAL.....</b>	<b>\$ 3,066</b>	<b>\$ 3,121</b>	<b>\$ 3,227</b>

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>Department of Community and Economic Development</b>			
<b>LICENSES AND FEES</b>			
Municipal Indebtedness Fees.....	\$ 280	\$ 281	\$ 285
<b>MISCELLANEOUS REVENUE</b>			
Interest From Grantees.....	\$ 0	\$ 0	\$ 0
Miscellaneous.....	597	600	610
General Principal Repayments.....	21	23	23
General Interest on Loans.....	1	1	1
HRA/EDS Principal Repayments.....	105	100	90
HRA/EDS Interest on Loans.....	5	5	5
ID/BID Principal Repayments.....	1,637	1,500	1,500
ID/BID Interest on Loans.....	202	200	200
Refunds of Expenditures Not Credited to Appropriations.....	68	70	75
<b>SUBTOTAL.....</b>	<b>\$ 2,916</b>	<b>\$ 2,780</b>	<b>\$ 2,789</b>
<b>Department of Conservation and Natural Resources</b>			
<b>MISCELLANEOUS REVENUE</b>			
Camp Leases.....	\$ 833	\$ 833	\$ 833
Ground Rents.....	17	13	13
Housing Rents.....	26	25	25
Minerals Sales.....	2	2	2
Miscellaneous.....	10	5	5
Sale of DEP Water Kits.....	1	2	2
Parks Consignment Sales.....	*	0	0
Refunds Of Expenditures Not Credited To Appropriations.....	*	0	0
Rights-Of-Way.....	872	872	872
Water Leases.....	22	22	22
<b>SUBTOTAL.....</b>	<b>\$ 1,783</b>	<b>\$ 1,774</b>	<b>\$ 1,774</b>
<b>Department of Corrections</b>			
<b>MISCELLANEOUS REVENUE</b>			
Antitrust Case Payments.....	\$ 0	\$ 5	\$ 5
Miscellaneous.....	26	26	30
Refunds Of Expenditures Not Credited To Appropriations.....	2	2	3
Telephone Commissions.....	7,369	7,400	7,425
<b>SUBTOTAL.....</b>	<b>\$ 7,397</b>	<b>\$ 7,433</b>	<b>\$ 7,463</b>
<b>Department of Education</b>			
<b>LICENSES AND FEES</b>			
Fees For GED Transcripts.....	\$ 57	\$ 57	\$ 57
Fees For Licensing Private Schools.....	159	164	163
PDE Fees Transcripts — Closed Private Schools.....	*	*	*
Private Academic School Teacher Certification Fees.....	49	43	43
Fees For Licensing Private Driver Training Schools.....	74	80	80
Secondary Education Evaluation Fees.....	6	7	7
Teacher Certification Fees.....	3,567	3,700	3,700
Fingerprint and FBI Background Check Fees.....	115	120	120
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ 116	\$ 0	\$ 0
Right to Know.....	*	0	0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
<b>SUBTOTAL.....</b>	<b>\$ 4,143</b>	<b>\$ 4,171</b>	<b>\$ 4,170</b>
<b>Emergency Management Agency</b>			
<b>MISCELLANEOUS REVENUE</b>			
Interest Earnings Contra BA 31.....	\$ -4	\$ *	\$ *
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
<b>SUBTOTAL.....</b>	<b>\$ -4</b>	<b>\$ 0</b>	<b>\$ 0</b>

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>Department of Environmental Protection</b>			
<b>LICENSES AND FEES</b>			
Blasters' Examination and Licensing Fees.....	\$ 69	\$ 60	\$ 60
Dams and Encroachment Fees.....	411	254	254
Explosives Storage Permit Fees.....	74	73	73
Government Financed Costs Contracts.....	107	0	0
Hazardous Waste Facility Annual Permit Administration Fees.....	45	44	44
Hazardous Waste Facility Permit Application Fees.....	0	24	24
Hazardous Waste Storage-Disposal Fac-Fee.....	69	48	48
Hazardous Waste Transporter License and Fees.....	45	45	45
Infectious and Chemical Waste Transport Fees.....	11	10	10
Municipal Waste Annual Permit Administration Fees.....	211	210	210
Municipal Waste Permit Application Fees.....	105	105	105
Residual Waste Closure Administration Fees.....	9	8	8
Residual Waste Permit Administration Fees.....	681	306	306
Residual Waste Permit Application/Modification Fees.....	60	60	60
Restaurant Licenses.....	0	70	70
Sewage Permit Fees.....	123	123	123
Submerged Land Fees.....	55	55	55
Water Bacteriological Examination Fees.....	31	31	31
Water Power and Supply Permit Fees.....	93	93	93
<b>MISCELLANEOUS REVENUE</b>			
Ground Rentals.....	\$ 10	\$ 10	\$ 10
Miscellaneous.....	348	48	48
Payment To Occupy Submerged Lands.....	410	367	367
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
Rights-of-Way.....	31	19	19
Royalties for Recovery Of Materials — Schuylkill River.....	113	98	98
SUBTOTAL.....	<u>\$ 3,111</u>	<u>\$ 2,161</u>	<u>\$ 2,161</u>
<b>Department of General Services</b>			
<b>MISCELLANEOUS REVENUE</b>			
Allocation Of Purchasing Costs Job 7.....	\$ 2,618	\$ 2,576	\$ 2,640
Miscellaneous.....	*	4	4
Real Estate Services.....	604	158	162
Rebates to be Distributed.....	-355	87	87
Refunds of Expenditures Not Credited to Appropriations.....	*	1	1
Rental Of State Property.....	96	80	70
Right To Know.....	3	3	3
Sale Of State Property.....	1,357	4,500	4,500
Sale Of Unserviceable Property.....	0	325	350
Sale Of Property Escrow.....	0	3	3
Reading State Office Building.....	114	116	119
Scranton State Office Building.....	794	814	834
SUBTOTAL.....	<u>\$ 5,231</u>	<u>\$ 8,667</u>	<u>\$ 8,773</u>
<b>Department of Health</b>			
<b>LICENSES AND FEES</b>			
Bathing Place Program — Application Fees.....	\$ *	\$ *	\$ *
Cre Certification Fees.....	21	22	22
Home Care Agency Licensure Fees.....	129	102	102
Hospice Licensing Fees.....	31	29	29
Immunization Service Fees.....	44	40	40
Miscellaneous Licensure Fees.....	159	161	161
Nursing Home Licenses.....	294	286	286
Pediatric Extended Care Licensing Fees.....	4	3	3
Profit Making Hospital Licenses.....	255	233	233
Organized Camps Program Fees.....	3	3	3
Registration Fees — Hearing Aid Act.....	114	110	110
Registration Fees — Drugs Devices and Cosmetics Act.....	472	459	459
Vital Statistics Fees.....	5,475	5,372	5,372
Wholesale Prescription Drug Distribution Licenses.....	74	74	74

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>MISCELLANEOUS REVENUE</b>			
Interest Transferred to Share Loan Program.....	\$ -1	\$ -1	\$ -1
Miscellaneous.....	67	55	55
Right to Know.....	1	1	1
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
<b>SUBTOTAL.....</b>	<b>\$ 7,142</b>	<b>\$ 6,949</b>	<b>\$ 6,949</b>
<b>Historical and Museum Commission</b>			
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ 0	\$ *	\$ *
Refunds of Expenditures Not Credited to Appropriations.....	*	3	3
<b>SUBTOTAL.....</b>	<b>\$ 0</b>	<b>\$ 3</b>	<b>\$ 3</b>
<b>Insurance Department</b>			
<b>LICENSES AND FEES</b>			
Agents' and Brokers' Certification Fees.....	\$ 0	\$ 0	\$ 0
Agents' Licenses.....	\$ 29,133	\$ 27,500	\$ 13,750
Brokers' Licenses.....	9,339	8,900	4,450
Division of Companies Certification — Certificates and Filing Fees.....	2,311	2,000	1,000
Examination Fees and Expenses.....	3,600	2,600	1,800
Market Conduct Examination Fees.....	498	1,000	500
Miscellaneous Fees.....	507	550	275
Valuation of Policies Fees.....	5,659	3,750	1,875
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ 1,196	\$ 5	\$ 3
Refunds of Expenditures Not Credited to Appropriations.....	-2	2	1
<b>SUBTOTAL.....</b>	<b>\$ 52,241</b>	<b>\$ 46,307</b>	<b>\$ 23,654</b>
<b>Department of Labor and Industry</b>			
<b>LICENSES AND FEES</b>			
Accessibility.....	\$ 51	\$ 47	\$ 47
Approval of Building Plan Fees.....	516	475	475
Approval of Elevator Plan Fees.....	510	500	250
Bedding And Upholstery Fees.....	803	725	725
Boiler Inspection Fees.....	3,995	3,200	3,200
Boiler Plan Fees.....	76	52	52
Elevator Inspection Fees.....	678	700	350
Employment Agency Licenses.....	20	20	20
Employment Agents' Registration Fees.....	3	3	3
Flammable Liquids Storage Fees.....	44	40	40
Industrial Board.....	82	80	80
Liquefied Petroleum Gas Plan Fees.....	45	30	30
Liquefied Petroleum Gas Registration Fees.....	82	60	60
Stuffed Toys Manufacturers' Registration Fees.....	70	68	68
UCC Certifications.....	61	62	62
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ 2	\$ 1	\$ 1
BOIS Miscellaneous Reimbursement.....	*	0	0
Interest Earnings Contra BA12.....	-5	0	0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
<b>SUBTOTAL.....</b>	<b>\$ 7,033</b>	<b>\$ 6,063</b>	<b>\$ 5,463</b>
<b>Department of Military and Veterans Affairs</b>			
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ -131	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	0	1	1
Right To know.....	*	*	*
<b>SUBTOTAL.....</b>	<b>\$ -131</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>Board of Probation and Parole</b>			
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ 270	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
<b>SUBTOTAL.....</b>	<b>\$ 270</b>	<b>\$ 0</b>	<b>\$ 0</b>

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>Department of Public Welfare</b>			
<b>LICENSES AND FEES</b>			
Private Mental Hospital Licenses.....	\$ 45	\$ 45	\$ 45
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ 18	18	18
Refunds of Expenditures Not Credited to Appropriations.....	2	2	2
<b>SUBTOTAL.....</b>	<b>\$ 65</b>	<b>\$ 65</b>	<b>\$ 65</b>
<b>Department of Revenue</b>			
<b>LICENSES AND FEES</b>			
Certification And Copy Fees.....	\$ 31	\$ 30	\$ 30
Cigarette Permit Fees.....	381	357	332
Domestic Violence and Rape Crisis Program Fee.....	1,456	1,399	1,355
Autho Fees/ Act 2010.....	7,500	0	7,500
<b>MISCELLANEOUS REVENUE</b>			
Exempt Collections Per Act 1992-67.....	\$ 18,899	19,459	20,037
District Justice Costs.....	7,631	7,632	7,634
Miscellaneous.....	-194	135	135
Distribution Due Absentee.....	56	95	95
Donations.....	0	0	0
Conscience Money.....	2	2	2
Table License Fees Man S.....	-50	0	0
Right to Know.....	1	1	1
Refunds of Expenditures Not Credited to Appropriations.....	44	51	57
<b>SUBTOTAL.....</b>	<b>\$ 35,757</b>	<b>\$ 29,161</b>	<b>\$ 37,178</b>
<b>Securities Commission</b>			
<b>LICENSES AND FEES</b>			
Associated Persons — Initial.....	\$ 104	\$ 120	\$ 142
Associated Persons — Renewal.....	440	464	512
Associated Persons — Transfer.....	4	4	4
Brokers, Dealers Registration Fees — Initial.....	53	56	61
Brokers, Dealers Registration Fees — Renewal.....	783	819	831
Investment Advisors' Filing Fees — Initial.....	63	69	80
Investment Advisors' Filing Fees — Renewal.....	189	220	275
Investment Advisors' — Notice Filings Initial.....	81	88	96
Investment Advisors' — Notice Filings Renewal.....	620	630	700
Mutual Funds — Increase in Amount of Filing.....	744	750	750
Mutual Funds — Initial Filing.....	664	500	500
Mutual Funds — Renewal Filing.....	2,873	3,000	3,000
506 RD Filings.....	1,109	1,150	1,150
Section 203 (D) — Initial Filing.....	5	80	8
Section 203 (I) (O) (II) — Initial Filing.....	0	*	*
Section 203(P) — Initial Filing.....	0	*	*
Section 203(S) — Initial Filing.....	1	3	3
Section 203(T) — Filing.....	0	4	4
Section 205 — Security Registration and Amendment Fees.....	42	50	50
Section 206 — Increase in Amount of Filing.....	1	1	1
Section 206 — Qualification Filing — Initial.....	112	160	160
Securities Agents' Filing Fees — Initial.....	2,936	3,280	3,444
Securities Agents' Filing Fees — Renewal.....	13,683	14,366	15,080
Securities Agents' Filing Fees — Transfer.....	44	180	180
Takeover Disclosure Filing Fees + Sct Iv Rgtrn.....	*	0	0
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ *	\$ 0	\$ 0
Refund of Expenditures not Credited to Approp.....	0	0	0
<b>SUBTOTAL.....</b>	<b>\$ 24,551</b>	<b>\$ 25,994</b>	<b>\$ 27,031</b>

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>Department of State</b>			
<b>LICENSES AND FEES</b>			
Charities Bureau Registration Fees.....	\$ 2,469	\$ 2,100	\$ 2,100
Commission and Filing Fees — Bureau Of Elections.....	771	770	760
Commission and Filing Fees — Corporation Bureau.....	25,966	24,494	24,084
Commission Fees.....	0	0	0
Campaign Finance Fee.....	0	107	105
Notary Public Commission Fees.....	765	775	775
<b>MISCELLANEOUS REVENUE</b>			
Prof. & Occupational Affairs Credit Card Transfers.....	\$ -1,293	\$ 0	\$ 0
Campaign Finance Fee.....	45	0	0
Interest Transferred to HAVA Program.....	-71	0	0
Refunds of Expenditures Not Credited to Appropriations.....	0	0	0
Right To Know.....	*	0	0
SUBTOTAL.....	\$ 28,652	\$ 28,246	\$ 27,824
<b>State Police</b>			
<b>MISCELLANEOUS REVENUE</b>			
Act 64 - Contra Miscellaneous Revenue.....	\$ -22	\$ 0	\$ 0
Miscellaneous.....	444	175	175
Reimbursement For Lost Property.....	3	1	1
Refunds of Expenditures Not Credited to Appropriations.....	3	300	300
SUBTOTAL.....	\$ 428	\$ 476	\$ 476
<b>Department of Transportation</b>			
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ 31	\$ 5	\$ 5
Right To Know.....	19	0	0
SUBTOTAL.....	\$ 50	\$ 5	\$ 5
<b>Other</b>			
<b>LICENSES AND FEES</b>			
Gaming Control Board - Ancillary Table Games License Fees.....	\$ 124	\$ 405	\$ 255
<b>MISCELLANEOUS REVENUE</b>			
Conscience Money.....	\$ 0	\$ 0	\$ 0
Payments in Lieu of Taxes — SWIF.....	\$ 3,211	\$ 3,000	\$ 3,000
Gaming Control Board - Miscellaneous.....	0	0	0
Gaming Control Board - Refunds of Expend Not Credited to Approp.....	*	0	0
Public Television - Refunds of Expend Not Credited to Approp.....	0	0	0
State Ethics Commission - Refunds Not Credited to Approp.....	0	0	0
State Ethics Commission - Lobbying Act 134-206.....	92	1	1
State Tax Equalization Board - Right To Know.....	*	0	0
Supreme Court.....	74	79	79
Transfers From Special Funds.....	57,612	45,400	14,999
SUBTOTAL.....	\$ 61,113	\$ 48,885	\$ 18,334
<b>Total Licenses, Fees and Miscellaneous.....</b>	<b>\$ 383,049</b>	<b>\$ 398,111</b>	<b>\$ 356,399</b>
<b>Fines, Penalties and Interest on Taxes</b>			
Corporation Net Income Tax.....	\$ 7,915	\$ 9,700	\$ 9,700
Interest on Excise Taxes — Corporations (Department of Revenue).....	5,549	6,800	6,800
Penalties on Excise Taxes — Corporations.....	879	1,100	1,100
SUBTOTAL.....	\$ 14,344	\$ 17,600	\$ 17,600
<b>Other Fines and Penalties</b>			
<b>Executive Offices</b>			
PA Human Relations Commission - Civil Penalties.....	\$ 0	\$ 0	\$ 0
<b>Department of Agriculture</b>			
Amusement Rides and Attractions — Fines.....	\$ 0	\$ 0	\$ 0
General Food Fines.....	10	10	11
Harness Racing Fines and Penalties.....	138	150	150
Horse Racing Fines and Penalties.....	142	160	170
Miscellaneous Fines.....	2	3	3
Civil Penalties - Food Establishments.....	1	5	5
Seasonal Farm Laborers Fines & Penalties.....	0	0	0
Weights & Mearsures Division - Fines.....	6	6	6

\* Less than \$500.

# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>Department of Conservation and Natural Resources</b>			
Miscellaneous Fines.....	1	1	1
<b>Department of Education</b>			
PDE- School Licensing.....	0	0	0
Teacher Certification Fines & Penalties.....	0	0	0
<b>Department of Environmental Protection</b>			
Miscellaneous Fines.....	21	5	5
<b>Ethics Commission</b>			
Violations-Act 1978-170.....	61	75	75
Lobbying Act 134-206.....	0	100	100
<b>Gaming Control Board</b>			
Miscellaneous Fines and Penalties.....	780	780	780
<b>Department of Health</b>			
Non-Compliance Fines And Penalties.....	0	35	35
<b>Insurance Department</b>			
Miscellaneous Fines.....	9,215	1,000	0
Surcharge Moving Vehicles Violations.....	41,356	44,000	43,900
<b>Department of Labor and Industry</b>			
Minor Labor Law Fines.....	1	1	1
Miscellaneous Fines.....	47	50	50
<b>Public Utility Commission</b>			
Violation Of Order Fines.....	285	0	0
<b>Department of Revenue</b>			
Malt Liquor Fines and Penalties.....	12	8	8
State Gaming Tax Penalties.....	0	0	0
<b>Department of Transportation</b>			
Miscellaneous Fines.....	0	0	29,500
SUBTOTAL.....	<u>\$ 52,078</u>	<u>\$ 46,389</u>	<u>\$ 74,800</u>
<b>Total Fines, Penalties and Interest.....</b>	<u>\$ 66,422</u>	<u>\$ 63,989</u>	<u>\$ 92,400</u>
<b>TOTAL NONTAX REVENUES.....</b>	<u>\$ 529,470</u>	<u>\$ 542,100</u>	<u>\$ 528,799</u>
<b>TOTAL GENERAL FUND REVENUES.....</b>	<u><u>\$ 27,677,999</u></u>	<u><u>\$ 28,822,000</u></u>	<u><u>\$ 29,251,199</u></u>

\* 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)					
	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual
<b>TAX REVENUE</b>						
<b>Corporation Taxes</b>						
Corporate Net Income Tax.....	\$ 2,492,482	\$ 2,417,657	\$ 1,979,889	\$ 1,790,963	\$ 2,131,451	\$ 2,022,401
Capital Stock and Franchise Taxes..	999,954	1,019,942	787,704	761,188	819,363	837,243
Selective Business:						
Gross Receipts Tax.....	1,293,311	1,348,878	1,376,796	1,286,669	1,225,163	1,330,023
Public Utility Realty Tax.....	47,518	44,689	41,867	39,549	34,434	28,721
Insurance Premiums Tax.....	412,490	418,229	431,535	459,528	428,594	458,409
Financial Institutions Tax.....	213,645	191,839	198,505	222,802	237,631	272,462
Other Selective Business Taxes....	16,893	16,435	17,994	18,508	15,391	14,451
<b>Total — Corporation Taxes.....</b>	<b>\$ 5,476,294</b>	<b>\$ 5,457,669</b>	<b>\$ 4,834,292</b>	<b>\$ 4,579,207</b>	<b>\$ 4,892,028</b>	<b>\$ 4,963,710</b>
<b>Consumption Taxes</b>						
Sales and Use Tax.....	\$ 8,590,769	\$ 8,496,554	\$ 8,135,508	\$ 8,029,170	\$ 8,590,217	\$ 8,772,266
Cigarette Tax.....	778,582	784,055	754,159	976,056	1,075,366	1,069,907
Malt Beverage Tax.....	25,171	26,289	25,970	26,587	25,923	25,903
Liquor Tax.....	239,494	251,138	266,540	271,015	281,746	298,144
<b>Total — Consumption Taxes.....</b>	<b>\$ 9,634,016</b>	<b>\$ 9,558,036</b>	<b>\$ 9,182,177</b>	<b>\$ 9,302,828</b>	<b>\$ 9,973,252</b>	<b>\$ 10,166,220</b>
<b>Other Taxes</b>						
Personal Income Tax.....	\$ 10,261,619	\$ 10,907,741	\$ 10,198,646	\$ 9,968,733	\$ 10,435,706	\$ 10,800,528
Realty Transfer Tax.....	570,994	429,540	294,464	296,033	279,151	292,152
Inheritance Tax.....	756,553	828,628	772,165	753,778	805,214	827,682
Table Games.....	0	0	0	0	68,663	95,029
Minor and Repealed Taxes.....	-15,461	111,569	12,819	9,349	6,607	3,207
<b>Total — Other Taxes.....</b>	<b>\$ 11,573,705</b>	<b>\$ 12,277,478</b>	<b>\$ 11,278,094</b>	<b>\$ 11,027,893</b>	<b>\$ 11,595,341</b>	<b>\$ 12,018,598</b>
<b>TOTAL TAX REVENUE.....</b>	<b>\$ 26,684,015</b>	<b>\$ 27,293,183</b>	<b>\$ 25,294,564</b>	<b>\$ 24,909,929</b>	<b>\$ 26,460,621</b>	<b>\$ 27,148,528</b>
<b>NONTAX REVENUE</b>						
State Stores Fund Transfer.....	\$ 150,000	\$ 80,000	\$ 125,000	\$ 105,000	\$ 105,000	\$ 80,000
Licenses, Fees and Miscellaneous:						
Licenses and Fees.....	119,587	122,422	120,715	284,002	125,420	138,822
Miscellaneous.....	454,037	383,904	-30,556	2,322,688	790,442	244,227
Fines, Penalties and Interest:						
On Taxes.....	38,287	36,753	17,242	24,018	12,540	14,344
Other.....	3,410	11,799	2,839	2,525	3,193	52,078
<b>TOTAL NONTAX REVENUES.....</b>	<b>\$ 765,321</b>	<b>\$ 634,878</b>	<b>\$ 235,240</b>	<b>\$ 2,738,233</b>	<b>\$ 1,036,596</b>	<b>\$ 529,471</b>
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 27,449,336</b>	<b>\$ 27,928,061</b>	<b>\$ 25,529,804</b>	<b>\$ 27,648,162</b>	<b>\$ 27,497,217</b>	<b>\$ 27,677,999</b>

Totals may not add due to rounding.



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# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
Beginning Balance.....	\$ 317,996	\$ 153,031	\$ 83,945
<b>Revenue:</b>			
Revenue Receipts.....	\$ 2,414,215	\$ 2,396,990	\$ 2,446,800
Adjustment to Official Estimate.....	0	12,010	0
Prior Year Lapses.....	<u>35,662</u>	<u>25,000</u>	<u>0</u>
<b>Funds Available .....</b>	<b><u>\$ 2,767,873</u></b>	<b><u>\$ 2,587,031</u></b>	<b><u>\$ 2,530,745</u></b>
<b>Expenditures:</b>			
Appropriations.....	<u>\$ 2,614,842</u>	<u>\$ 2,507,821</u>	<u>\$ 2,512,617</u>
Less Current Year Lapses.....	<u>0</u>	<u>-4,735</u>	<u>0</u>
Estimated Expenditures.....	<u>\$ -2,614,842</u>	<u>\$ -2,503,086</u>	<u>\$ -2,512,617</u>
<b>Ending Balance.....</b>	<b><u>\$ 153,031</u></b>	<b><u>\$ 83,945</u></b>	<b><u>\$ 18,128</u></b>

\* Excludes restricted revenue.

## Summary by Department

	(Dollar Amounts in Thousands)		
	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>Executive Offices</b>			
<b>General Government</b>			
Commonwealth Technology Services.....	\$ 2,555	\$ 2,336	\$ 2,256
DEPARTMENT TOTAL.....	<u>\$ 2,555</u>	<u>\$ 2,336</u>	<u>\$ 2,256</u>
<b>Treasury Department</b>			
<b>General Government</b>			
Administration of Refunding Liquid Fuels Tax.....	\$ 557	\$ 557	\$ 557
Refunding Liquid Fuels Taxes — Agricultural (EA).....	3,396	3,200	3,200
Refunding Liquid Fuels Taxes — State Share (EA).....	1,318	1,000	1,300
Refunding Liquid Fuels Taxes — Political Subdivisions (EA).....	3,086	2,500	2,500
Refunding Liquid Fuels Taxes — Volunteer Services (EA).....	400	400	400
Refunding Liquid Fuels Taxes — Snowmobiles and ATV's (EA).....	1,000	1,000	1,000
Refunding Liquid Fuels Taxes — Boat Fund (EA).....	2,300	2,300	2,300
Replacement Checks (EA).....	100	0	0
Subtotal.....	<u>\$ 12,157</u>	<u>\$ 10,957</u>	<u>\$ 11,257</u>
<b>Debt Service Requirements</b>			
Capital Debt — Transportation Projects.....	\$ 10,510	\$ 4,322	\$ 749
General Obligation Debt Service.....	14,800	14,800	17,001
Loan and Transfer Agent.....	50	50	50
Subtotal.....	<u>\$ 25,360</u>	<u>\$ 19,172</u>	<u>\$ 17,800</u>
<b>TOTAL STATE FUNDS</b> .....	<u>\$ 37,517</u>	<u>\$ 30,129</u>	<u>\$ 29,057</u>
Restricted Revenue.....	\$ 40,043	\$ 47,766	\$ 46,066
DEPARTMENT TOTAL.....	<u>\$ 77,560</u>	<u>\$ 77,895</u>	<u>\$ 75,123</u>
<b>Department of Agriculture</b>			
Weights and Measures.....	\$ 4,328	\$ 4,328	\$ 4,328
DEPARTMENT TOTAL.....	<u>\$ 4,328</u>	<u>\$ 4,328</u>	<u>\$ 4,328</u>
<b>Department of Community and Economic Development</b>			
Appalachian Regional Commission.....	\$ 0	\$ 0	\$ 1,073
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,073</u>
<b>Department of Conservation and Natural Resources</b>			
Dirt and Gravel Roads.....	\$ 1,000	\$ 1,000	\$ 1,000
<b>TOTAL STATE FUNDS</b> .....	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Restricted Revenue.....	\$ 3,000	\$ 5,300	\$ 6,323
DEPARTMENT TOTAL.....	<u>\$ 4,000</u>	<u>\$ 6,300</u>	<u>\$ 7,323</u>
<b>Department of Education</b>			
<b>Grants and Subsidies</b>			
Safe Driving Course.....	\$ 1,103	\$ 1,103	\$ 1,100
DEPARTMENT TOTAL.....	<u>\$ 1,103</u>	<u>\$ 1,103</u>	<u>\$ 1,100</u>
<b>Department of Environmental Protection</b>			
Dirt and Gravel Roads.....	\$ 4,000	\$ 4,000	\$ 4,000
DEPARTMENT TOTAL.....	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>

## Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>Department of General Services</b>			
Tort Claims Payments.....	\$ 12,500	\$ 12,500	\$ 10,000
Harristown Rental Charges (EA).....	92	88	92
Harristown Utility and Municipal Charges (EA).....	193	189	200
<b>DEPARTMENT TOTAL</b> .....	<b>\$ 12,785</b>	<b>\$ 12,777</b>	<b>\$ 10,292</b>
<b>Department of Labor and Industry</b>			
Federal Funds.....	\$ 0	\$ 300	\$ 300
<b>Department of Revenue</b>			
<b>General Government</b>			
Collections — Liquid Fuels Tax.....	\$ 14,668	\$ 16,068	\$ 17,028
Refunding Liquid Fuels Tax (EA).....	11,000	11,000	11,000
<b>TOTAL STATE FUNDS</b> .....	<b>\$ 25,668</b>	<b>\$ 27,068</b>	<b>\$ 28,028</b>
Federal Funds.....	\$ 122	\$ 120	\$ 135
<b>DEPARTMENT TOTAL</b> .....	<b>\$ 25,790</b>	<b>\$ 27,188</b>	<b>\$ 28,163</b>
<b>State Police</b>			
<b>General Government</b>			
General Government Operations.....	\$ 524,619	\$ 529,813	\$ 563,411
Statewide Public Safety Radio System.....	14,878	14,878	15,721
Law Enforcement Information Technology.....	19,503	19,116	19,116
Municipal Police Training.....	1,081	1,039	1,030
Patrol Vehicles.....	11,000	11,000	11,000
Automated Fingerprint Identification System .....	87	85	85
Commercial Vehicle Inspection.....	8,770	8,770	8,700
<b>TOTAL STATE FUNDS</b> .....	<b>\$ 579,938</b>	<b>\$ 584,701</b>	<b>\$ 619,063</b>
Augmentations.....	\$ 565	\$ 0	\$ 0
<b>DEPARTMENT TOTAL</b> .....	<b>\$ 580,503</b>	<b>\$ 584,701</b>	<b>\$ 619,063</b>
<b>Department of Transportation</b>			
<b>General Government</b>			
General Government Operations.....	\$ 52,456	\$ 53,764	\$ 54,132
Welcome Centers.....	3,158	3,309	3,282
Highway and Safety Improvements.....	110,000	110,000	120,000
Expanded Highway and Bridge Program.....	165,000	165,000	110,000
Highway Capital Projects (EA).....	215,000	220,000	220,000
Highway Maintenance.....	867,000	810,000	820,000
Secondary Roads — Maintenance & Resurfacing (EA).....	63,797	64,181	61,547
Disaster Recovery.....	58,000	0	0
Reinvestment — Facilities.....	16,000	12,000	16,000
Safety Administration and Licensing.....	125,109	131,402	127,171
Refunding Collected Monies (EA).....	2,500	2,500	2,500
<b>Subtotal</b> .....	<b>\$ 1,678,020</b>	<b>\$ 1,572,156</b>	<b>\$ 1,534,632</b>

## Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	2011-12 <u>Actual</u>	2012-13 <u>Estimated</u>	2013-14 <u>Budget</u>
<b>Grants and Subsidies</b>			
Local Road Maintenance and Construction Payments.....	\$ 199,928	\$ 200,223	\$ 209,788
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 Construction Payments.....	5,000	5,000	5,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000
Subtotal.....	<u>\$ 267,928</u>	<u>\$ 268,223</u>	<u>\$ 277,788</u>
<b><i>SUBTOTAL STATE FUNDS</i></b> .....	<b><u>\$ 1,945,948</u></b>	<b><u>\$ 1,840,379</u></b>	<b><u>\$ 1,812,420</u></b>
Federal Funds.....	\$ 1,488,114	\$ 1,514,206	\$ 1,472,306
Augmentations.....	230,804	225,794	71,493
Restricted Revenue.....	857,694	868,787	1,297,861
DEPARTMENT TOTAL.....	<u>\$ 4,522,560</u>	<u>\$ 4,449,166</u>	<u>\$ 4,654,080</u>
<b>Fund Summary</b>			
State Funds — Transportation.....	\$ 1,945,948	\$ 1,840,379	\$ 1,812,420
State Funds — Other Departments.....	668,894	667,442	700,197
<b><i>TOTAL STATE FUNDS</i></b> .....	<b><u>\$ 2,614,842</u></b>	<b><u>\$ 2,507,821</u></b>	<b><u>\$ 2,512,617</u></b>
<b>Motor License Fund Total—All Funds</b>			
State Funds.....	\$ 2,614,842	\$ 2,507,821	\$ 2,512,617
Federal Funds.....	1,488,236	1,514,626	1,472,741
Augmentations.....	231,369	225,794	71,493
Restricted Revenue.....	900,737	921,853	1,350,250
FUND TOTAL.....	<u>\$ 5,235,184</u>	<u>\$ 5,170,094</u>	<u>\$ 5,407,101</u>

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Liquid Fuels Taxes.....	\$ 1,223,985	\$ 1,215,800	\$ 1,363,200	\$ 1,413,900	\$ 1,522,100	\$ 1,561,900	\$ 1,633,000
Motor Licenses and Fees.....	892,586	903,400	884,500	1,116,100	867,000	884,900	856,800
Other Motor License Fund Revenues.....	297,644	289,800	199,100	200,900	140,400	142,200	81,900
<b>TOTAL MOTOR LICENSE FUND REVENUES.....</b>	<b>\$ 2,414,215</b>	<b>\$ 2,409,000</b>	<b>\$ 2,446,800</b>	<b>\$ 2,730,900</b>	<b>\$ 2,529,500</b>	<b>\$ 2,589,000</b>	<b>\$ 2,571,700</b>
Aviation Restricted Revenues.....	\$ 7,802	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,600
Highway Bridge Improvement Restricted Revenues.....	\$ 107,290	\$ 107,000	\$ 149,800	\$ 173,500	\$ 201,400	\$ 209,500	\$ 224,200
State Highway Transfer Restricted Revenues.....	\$ 24,105	\$ 23,800	\$ 34,600	\$ 40,500	\$ 47,500	\$ 49,400	\$ 53,100
Oil Company Franchise Tax Restricted Revenues.....	\$ 441,932	\$ 436,400	\$ 634,600	\$ 743,400	\$ 871,100	\$ 906,900	\$ 972,500
Supplemental Maintenance Restricted Revenues.....	\$ 309,352	\$ 305,500	\$ 444,200	\$ 520,300	\$ 609,800	\$ 634,800	\$ 680,700

### Adjustments to 2012-13 Revenue Estimate

On June 30, 2012 an official estimate for the 2012-13 fiscal year of \$2,396,990,000 was certified. The revised 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.

	2012-13 Official Estimate	Adjustments	2012-13 Revised Estimate
Liquid Fuels Taxes.....	\$ 1,219,530	\$ -3,730	\$ 1,215,800
Motor Licenses and Fees.....	892,480	10,920	903,400
Other Motor License Fund Revenues.....	284,980	4,820	289,800
<b>TOTAL.....</b>	<b>\$ 2,396,990</b>	<b>\$ 12,010</b>	<b>\$ 2,409,000</b>

## Revenue Sources

### Liquid Fuels Taxes

Actual		Estimated	
2006-07.....	\$ 1,255,361	2012-13.....	\$ 1,215,800
2007-08.....	1,236,469	2013-14.....	1,363,200 *
2008-09.....	1,163,233	2014-15.....	1,413,900 *
2009-10.....	1,183,922	2015-16.....	1,522,100 *
2010-11.....	1,218,635	2016-17.....	1,561,900 *
2011-12.....	1,223,985	2017-18.....	1,633,000 *

#### Tax Base and Rates:

**Liquid Fuels and Fuels Tax:** The Liquid Fuels and Fuels Tax is based on the number of gallons of liquid fuels (primarily gasoline) and fuels (primarily diesel) used, sold or delivered within the commonwealth by distributors. All monies collected are placed in the Motor License Fund, except discounts and an amount equal to one-half cent per gallon which is placed in the Liquid Fuels Tax Fund. The present tax rate is 12 cents per gallon. Prior to October 1, 1997, liquid fuels and fuels were taxed separately under the Liquid Fuels Tax Act and the Fuels Use Tax Act respectively. Both acts were repealed effective October 1, 1997.

**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 total of the liquid fuels and fuels tax and the oil company franchise tax applicable to one 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 comprised of a 12 cents per gallon tax and an oil company franchise tax element based upon 153.5 mills of the average wholesale price for liquid fuels and 208.5 mills of the average wholesale price for fuels and is imposed on a cents-per-gallon equivalent basis. 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 fuels taxed pursuant to the Liquid Fuels and Fuels Tax and the Alternative Fuels Tax. The current tax rate is 153.5 mills for liquid fuels and alternative fuels and 208.5 mills for fuels and is imposed on a cents-per-gallon equivalent basis. The tax rate was increased by 38.5 mills effective May 1, 1997. The revenues from this rate increase are dedicated to specific highway maintenance purposes. Of the current tax rate, 57 mills is deposited as unrestricted Motor License Fund revenues. The balance of the tax rate represents revenues restricted to certain highway activities. These dedicated and restricted taxes 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.

\* This budget proposes to reduce the Liquid Fuels and Fuels Tax to 11 cents per gallon in 2013-14 and to 10 cents per gallon in 2014-15 and thereafter. Additionally, it proposes to phase in the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax.

## Revenue Sources (continued)

### Motor Licenses and Fees

Actual		Estimated	
2006-07.....	\$ 870,038	2012-13.....	\$ 903,400
2007-08.....	872,063	2013-14.....	884,500 *
2008-09.....	883,846	2014-15.....	1,116,100 *
2009-10.....	857,666	2015-16.....	867,000 *
2010-11.....	891,552	2016-17.....	884,900 *
2011-12.....	892,586	2017-18.....	856,800 *

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 as of either July 1, 1997, or January 1, 1998, by Act 3 of 1997.

\* This budget proposes to redirect certain motor vehicle fees to public transit and multimodal transportation programs and to authorize a fee option in lieu of suspension for driving without insurance. It also proposes that vehicle registration renewals be on a biennial cycle rather than the current annual cycle and that driver license renewals be on a six year cycle rather than the current four year cycle.

### Other Motor License Fund Revenues

Actual		Estimated	
2006-07.....	\$ 165,377	2012-13.....	\$ 289,800
2007-08.....	559,399	2013-14.....	199,100 *
2008-09.....	509,665	2014-15.....	200,900 *
2009-10.....	599,478	2015-16.....	140,400 *
2010-11.....	411,088	2016-17.....	142,200 *
2011-12.....	297,644	2017-18.....	81,900 *

Other Motor License Fund revenues include the following sources:

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

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

Beginning in July 1987, the total of all fines, fees and costs collected by any division of the Unified Judicial System which is in excess of the amount collected from such sources in 1986-87 is to be deposited in the Judicial Computer System Augmentation Account in accordance with Act 64 of 1987. Any fines, fees or costs which are allocated by law to counties and municipalities are not affected by this act.

In addition, the Motor License Fund receives payments from the Pennsylvania Turnpike Commission in accordance with Act 44 of 2007.

\*This budget proposes to restructure the Act 44 of 2007 payments and to redirect vehicle code fines revenue and subsequent distribution from the Motor License Fund to the General Fund.

## 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 account are not included in these amounts.

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>LIQUID FUELS TAXES</b>			
<b>Liquid Fuels Tax</b>			
Liquid Fuels Tax.....	\$ 560,456	\$ 554,870	\$ 508,840
Liquid Fuels Tax Interest.....	43	40	40
Liquid Fuels Tax Penalties.....	899	890	820
Subtotal.....	<u>\$ 561,398</u>	<u>\$ 555,800</u>	<u>\$ 509,700</u>
<b>Fuel Use Tax</b>			
Fuel Use Tax.....	\$ 155,659	\$ 155,700	\$ 143,500
Fuel Use Tax Interest.....	0	0	0
Fuel Use Tax Penalties.....	0	0	0
Subtotal.....	<u>\$ 155,659</u>	<u>\$ 155,700</u>	<u>\$ 143,500</u>
<b>Alternative Fuel Tax</b>			
Alternative Fuel Tax.....	\$ 293	\$ 1,100	\$ 1,000
Alternative Fuel Tax Penalties and Interest.....	0	0	0
Subtotal.....	<u>\$ 293</u>	<u>\$ 1,100</u>	<u>\$ 1,000</u>
<b>Motor Carriers Road Tax — International Fuel Tax Agreement</b>			
Motor Carriers Road/IFTA — Fuels Tax.....	\$ 47,702	\$ 47,890	\$ 48,190
Motor Carriers Road/IFTA — Registration Fees, .....			
Special Permit Fees and Fines.....	1,003	1,010	1,010
Subtotal.....	<u>\$ 48,705</u>	<u>\$ 48,900</u>	<u>\$ 49,200</u>
<b>Oil Company Franchise Tax.....</b>	<b>\$ 457,930</b>	<b>\$ 454,300</b>	<b>\$ 659,800</b>
<b>TOTAL LIQUID FUELS TAXES.....</b>	<b><u>\$ 1,223,985</u></b>	<b><u>\$ 1,215,800</u></b>	<b><u>\$ 1,363,200</u></b>
<b>MOTOR LICENSES AND FEES</b>			
Operators' Licenses.....	\$ 61,870	\$ 62,600	\$ 61,100
Other Fees Collected by Bureau of Motor Vehicles.....	27,199	28,200	18,400
Registration Fees Received from Other States/IRP.....	91,580	94,100	96,600
Special Hauling Permit Fees.....	28,747	29,000	29,800
Vehicle Registration and Titling.....	683,190	689,500	678,600
<b>TOTAL MOTOR LICENSES AND FEES.....</b>	<b><u>\$ 892,586</u></b>	<b><u>\$ 903,400</u></b>	<b><u>\$ 884,500</u></b>
<b>OTHER MOTOR LICENSE FUND REVENUES</b>			
<b>Fines and Penalties</b>			
<b>Department of Revenue</b>			
Vehicle Code Fines.....	\$ 26,271	\$ 24,760	\$ 0
<b>Department of Transportation</b>			
Vehicle Code Fines.....	5,562	5,240	0
Subtotal.....	<u>\$ 31,833</u>	<u>\$ 30,000</u>	<u>\$ 0</u>

## Revenue Detail (continued)

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>Miscellaneous Revenues</b>			
<b>Treasury Department</b>			
Interest Income Reinvested - Long Term.....	\$ 31	\$ 30	\$ 30
Interest on Securities.....	41,850	35,520	36,620
Interest on Securities - Liquid Fuels Tax Fund.....	28	20	20
Redeposit of Checks.....	148	130	130
Subtotal.....	\$ 42,057	\$ 35,700	\$ 36,800
<b>Department of General Services</b>			
Sale of Unserviceable Property.....	\$ 1,655	\$ 1,700	\$ 1,700
<b>Department of Transportation</b>			
Fees for Reclaiming Abandoned Vehicles.....	\$ 35	\$ 40	\$ 20
Highway Bridge Income.....	141	140	100
Highway Encroachment Permits.....	1,229	1,250	870
Interest Earned - Restricted Revenue.....	-647 <sup>a</sup>	-660 <sup>a</sup>	-460 <sup>a</sup>
Miscellaneous Revenues.....	156	160	110
Recovered Damages.....	77	80	50
Refunds of Expenditures Not Credited to			
Appropriations or Allocations.....	2	0	0
Sale of Inspection Stickers.....	21,038	21,320	14,860
Sale of Maps and Plans.....	68	70	50
Subtotal.....	\$ 22,099	\$ 22,400	\$ 15,600
<b>Pennsylvania Turnpike</b>			
Annual Payments.....	\$ 200,000	\$ 200,000	\$ 145,000
<b>TOTAL OTHER MOTOR LICENSE FUND REVENUES.....</b>	<b>\$ 297,644</b>	<b>\$ 289,800</b>	<b>\$ 199,100</b>
<b>TOTAL MOTOR LICENSE FUND REVENUES.....</b>	<b>\$ 2,414,215</b>	<b>\$ 2,409,000</b>	<b>\$ 2,446,800</b>

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

## Restricted Revenues Not Included in Department Total

### Aviation Revenues

Actual		Estimated	
2006-07.....	\$ 11,748	2012-13.....	\$ 8,500
2007-08.....	9,694	2013-14.....	8,500
2008-09.....	7,944	2014-15.....	8,500
2009-10.....	8,038	2015-16.....	8,500
2010-11.....	9,507	2016-17.....	8,500
2011-12.....	7,802	2017-18.....	8,600

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, 2013, 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.

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>AVIATION REVENUES</b>			
Aviation Liquid Fuels Tax.....	\$ 7,155	\$ 7,900	\$ 7,900
Interest.....	647	600	600
<b>TOTAL AVIATION REVENUES.....</b>	<b>\$ 7,802</b>	<b>\$ 8,500</b>	<b>\$ 8,500</b>

### Highway Bridge Improvement Revenues

Actual		Estimated	
2006-07.....	\$ 118,025	2012-13.....	\$ 107,000
2007-08.....	109,171	2013-14.....	149,800 *
2008-09.....	103,723	2014-15.....	173,500 *
2009-10.....	98,255	2015-16.....	201,400 *
2010-11.....	103,551	2016-17.....	209,500 *
2011-12.....	107,290	2017-18.....	224,200 *

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; and temporary permit fees collected from out-of-state motor carriers for travel in Pennsylvania. Although repealed by Act 3 of 1997, nominal revenues are still received from the motor carrier surcharge.

\* This budget proposes to phase in the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax.

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>HIGHWAY BRIDGE IMPROVEMENT REVENUES</b>			
Registration Fee Portion-PA-Based Motor Vehicles.....	\$ 12,488	\$ 12,100	\$ 11,900
Temporary Permit Fees.....	551	600	600
Oil Company Franchise Tax.....	94,251	94,300	137,300 *
<b>TOTAL HIGHWAY BRIDGE REVENUES.....</b>	<b>\$ 107,290</b>	<b>\$ 107,000</b>	<b>\$ 149,800</b>

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

### State Highway Transfer Revenues

Actual		Estimated	
2006-07.....	\$ 24,360	2012-13.....	\$ 23,800
2007-08.....	23,555	2013-14.....	34,600 *
2008-09.....	23,836	2014-15.....	40,500 *
2009-10.....	23,570	2015-16.....	47,500 *
2010-11.....	23,949	2016-17.....	49,400 *
2011-12.....	24,105	2017-18.....	53,100 *

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.

\* This budget proposes to phase in the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax. Additional funding will also be used to enhance the local bridge project program.

### Oil Company Franchise Tax Revenues

Actual		Estimated	
2006-07.....	\$ 446,540	2012-13.....	\$ 436,400
2007-08.....	431,835	2013-14.....	634,600 *
2008-09.....	437,007	2014-15.....	743,400 *
2009-10.....	432,131	2015-16.....	871,100 *
2010-11.....	439,060	2016-17.....	906,900 *
2011-12.....	441,932	2017-18.....	972,500 *

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. Revenues are 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.

\* This budget proposes to phase in the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax. Revenue distributions for maintenance and capital projects will be adjusted to align with the transportation investment plan.

### Supplemental Maintenance Revenues

Actual		Estimated	
2006-07.....	\$ 312,580	2012-13.....	\$ 305,500
2007-08.....	302,285	2013-14.....	444,200 *
2008-09.....	305,905	2014-15.....	520,300 *
2009-10.....	302,492	2015-16.....	609,800 *
2010-11.....	307,342	2016-17.....	634,800 *
2011-12.....	309,352	2017-18.....	680,700 *

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. Revenues are restricted to the following purposes: 12 percent for municipalities and 88 percent for maintenance.

\* This budget proposes to phase in the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax.



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# 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.

## Financial Statement

(Dollar Amounts in Thousands)

	2011-12 <u>Actual</u>	2012-13 <u>Available</u>	2013-14 <u>Estimated</u>
<b>Beginning Balance</b> .....	\$ 10,951	\$ 10,985	\$ 11,044
<b>Receipts:</b>			
Revenue Estimate.....	\$ 18,901	\$ 18,289	\$ 18,269
Prior Year Lapses.....	2,487	3,119	0
Total Receipts.....	<u>\$ 21,388</u>	<u>\$ 21,408</u>	<u>\$ 18,269</u>
<b>Funds Available</b> .....	<u>\$ 32,339</u>	<u>\$ 32,393</u>	<u>\$ 29,313</u>
<b>Expenditures:</b>			
Appropriated.....	\$ 21,354	\$ 21,349	\$ 22,712
Estimated Expenditures.....	-21,354	-21,349	-22,712
<b>Ending Balance</b> .....	<u>\$ 10,985</u>	<u>\$ 11,044</u>	<u>\$ 6,601</u>

## Summary by Department

(Dollar Amounts in Thousands)

	2011-12 <u>Actual</u>	2012-13 <u>Estimate</u>	2013-14 <u>Budget</u>
<b>Treasury Department</b>			
<b>General Government</b>			
Replacement Checks.....	\$ 5	\$ 0	\$ 0
<b>Banking and Securities Department</b>			
<b>General Government</b>			
General Government Operations.....	<u>\$ 21,349</u>	<u>\$ 21,349</u>	<u>\$ 22,712</u>
<b>TOTAL STATE FUNDS</b> .....	<u>\$ 21,354</u>	<u>\$ 21,349</u>	<u>\$ 22,712</u>

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Licenses and Fees.....	\$ 17,428	\$ 17,089	\$ 17,069	\$ 17,069	\$ 17,069	\$ 17,069	\$ 17,069
Fines and Penalties.....	1,189	850	850	850	850	850	850
Miscellaneous.....	284	350	350	350	350	350	350
<b>TOTAL BANKING FUND REVENUES.....</b>	<b>\$ 18,901</b>	<b>\$ 18,289</b>	<b>\$ 18,269</b>	<b>\$ 18,269</b>	<b>\$ 18,269</b>	<b>\$ 18,269</b>	<b>\$ 18,269</b>

### Revenue Sources

#### Licenses and Fees

Actual		Estimated	
2006-07.....	\$ 15,843	2012-13.....	\$ 17,089
2007-08.....	14,760	2013-14.....	17,069
2008-09.....	15,766	2014-15.....	17,069
2009-10.....	15,831	2015-16.....	17,069
2010-11.....	16,902	2016-17.....	17,069
2011-12.....	17,428	2017-18.....	17,069

The commonwealth receives revenue from examination fees based on the actual costs of examining credit unions, savings associations, trust companies, check cashers, consumer discount companies, first mortgage companies, loan correspondents, money transmitters, pawnbrokers and second mortgage companies. Assessment fees, based on total assets, also are charged against all depository institutions (banks, credit unions, savings associations and trust companies). Depository institutions also pay application fees for new charters, branches and mergers. Annual license fees are paid by check cashers, collector-repossessors, consumer discount companies, mortgage companies, installment sellers, loan brokers, money transmitters, pawnbrokers and sales finance companies.

#### Fines and Penalties

Actual		Estimated	
2006-07.....	\$ 495	2012-13.....	\$ 850
2007-08.....	659	2013-14.....	850
2008-09.....	474	2014-15.....	850
2009-10.....	762	2015-16.....	850
2010-11.....	1,834	2016-17.....	850
2011-12.....	1,189	2017-18.....	850

The commonwealth receives fines and penalties collected from companies illegally doing business in the commonwealth, as well as from companies that file required financial reports beyond deadlines established by regulation.

## Revenue Sources (continued)

### Miscellaneous Revenue

Actual		Estimated	
2006-07.....	\$ 2,271	2012-13.....	\$ 350
2007-08.....	1,648	2013-14.....	350
2008-09.....	285	2014-15.....	350
2009-10.....	-220	2015-16.....	350
2010-11.....	1,669	2016-17.....	350
2011-12.....	284	2017-18.....	350

Miscellaneous revenues are earned interest.

## Revenue Detail

The following is a detailed list of all revenues available for Banking Fund appropriations.

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimate	2013-14 Budget
<b>Licenses and Fees</b>			
Bank — Application Fees .....	\$ 158	\$ 63	\$ 65
Savings Associations — Examinations .....	0	30	0
Savings Associations — Overhead Assessments .....	39	36	36
Non Depository Examinations.....	1,895	1,590	1,590
Credit Unions — Overhead Assessments .....	950	1,000	1,050
Examinations — Credit Union .....	782	795	817
Examinations — Trust Companies .....	111	184	120
Overhead Assessments — Trust Companies .....	75	73	73
Total Assessment Charges — Banks .....	9,134	9,100	9,100
Licenses — Application Fees .....	4,281	4,215	4,215
Miscellaneous .....	3	3	3
<b>TOTAL</b> .....	<b>\$ 17,428</b>	<b>\$ 17,089</b>	<b>\$ 17,069</b>
<b>Fines and Penalties</b>			
Banking Law — Fines and Penalties .....	\$ 1,189	\$ 850	\$ 850
<b>Miscellaneous Revenue</b>			
Interest on Securities.....	\$ 284	\$ 350	\$ 350
<b>TOTAL REVENUES</b> .....	<b>\$ 18,901</b>	<b>\$ 18,289</b>	<b>\$ 18,269</b>



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# BOAT FUND

The Boat Fund is a special revenue fund composed of monies from license fees, fines, penalties, federal contributions and other sources under the Fish and Boat Law and from liquid fuels 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.

## Financial Statement

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Beginning Balance</b> .....	\$ 17,179	\$ 20,053	\$ 18,980
<b>Receipts:</b>			
Revenue Estimate.....	\$ 16,196	\$ 15,456	\$ 15,263
Prior Year Lapses.....	4,485	2,615	0
Total Receipts.....	<u>\$ 20,681</u>	<u>\$ 18,071</u>	<u>\$ 15,263</u>
<b>Funds Available</b> .....	\$ 37,860	\$ 38,124	\$ 34,243
<b>Expenditures:</b>			
Appropriated.....	\$ 17,807	\$ 19,144	\$ 19,011
Estimated Expenditures.....	<u>-17,807</u>	<u>-19,144</u>	<u>-19,011</u>
<b>Ending Balance</b> .....	<u>\$ 20,053</u>	<u>\$ 18,980</u>	<u>\$ 15,232</u>

## Summary by Department

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimate	2013-14 Budget
<b>Treasury Department</b>			
<b>General Government</b>			
Replacement Checks.....	\$ 5	\$ 0	\$ 0
<b>Fish and Boat Commission</b>			
<b>General Government</b>			
General Operations.....	\$ 13,042	\$ 13,042	\$ 13,052
<b>TOTAL STATE FUNDS</b> .....	<u>\$ 13,047</u>	<u>\$ 13,042</u>	<u>\$ 13,052</u>
Federal Funds.....	\$ 4,760	\$ 6,084	\$ 5,916
Other Funds.....	0	18	43
<b>FUND TOTAL</b> .....	<u>\$ 17,807</u>	<u>\$ 19,144</u>	<u>\$ 19,011</u>

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Licenses and Fees.....	\$ 7,399	\$ 6,996	\$ 6,996	\$ 6,996	\$ 6,996	\$ 6,996	\$ 6,996
Fines and Penalties.....	182	250	200	200	200	200	200
Miscellaneous.....	3,855	2,108	2,108	2,108	2,108	2,108	2,108
<b>TOTAL BOAT FUND REVENUES.....</b>	<b>\$ 11,436</b>	<b>\$ 9,354</b>	<b>\$ 9,304</b>	<b>\$ 9,304</b>	<b>\$ 9,304</b>	<b>\$ 9,304</b>	<b>\$ 9,304</b>
Augmentations.....	\$ 4,760	\$ 6,102	\$ 5,959	\$ 5,959	\$ 5,959	\$ 5,959	\$ 5,959
<b>TOTAL BOAT FUND RECEIPTS.....</b>	<b>\$ 16,196</b>	<b>\$ 15,456</b>	<b>\$ 15,263</b>	<b>\$ 15,263</b>	<b>\$ 15,263</b>	<b>\$ 15,263</b>	<b>\$ 15,263</b>

### Revenue Sources

#### Licenses and Fees

Actual		Estimated	
2006-07.....	\$ 6,724	2012-13.....	\$ 6,996
2007-08.....	6,593	2013-14.....	6,996
2008-09.....	6,898	2014-15.....	6,996
2009-10.....	5,990	2015-16.....	6,996
2010-11.....	5,980	2016-17.....	6,996
2011-12.....	7,399	2017-18.....	6,996

The Boat Fund receives revenue from boat registration fees, which were increased with passage of Act 159 of 2004. For motorboats up to 16 feet in length, the annual registration fee is \$26.00. For those between 16 and 20 feet, the fee is \$39.00 per year. The annual fee for motorboats over 20 feet is \$52.00. There is also a voluntary registration fee of \$9.00 per year for all boats not equipped with motors. Other fees, such as duplicate registrations (\$3.00 each) and commercial passenger boat registrations (\$25.00 each), remain unchanged.

#### Fines and Penalties

Actual		Estimated	
2006-07.....	\$ 213	2012-13.....	\$ 250
2007-08.....	241	2013-14.....	200
2008-09.....	236	2014-15.....	200
2009-10.....	182	2015-16.....	200
2010-11.....	189	2016-17.....	200
2011-12.....	182	2017-18.....	200

The Boat Fund receives fines and penalties for violations of the Motor Boat Law.

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Licenses and Fees.....	\$ 7,399	\$ 6,996	\$ 6,996	\$ 6,996	\$ 6,996	\$ 6,996	\$ 6,996
Fines and Penalties.....	182	250	200	200	200	200	200
Miscellaneous.....	3,855	2,108	2,108	2,108	2,108	2,108	2,108
<b>TOTAL BOAT FUND REVENUES.....</b>	<b>\$ 11,436</b>	<b>\$ 9,354</b>	<b>\$ 9,304</b>	<b>\$ 9,304</b>	<b>\$ 9,304</b>	<b>\$ 9,304</b>	<b>\$ 9,304</b>
Augmentations.....	\$ 4,760	\$ 6,102	\$ 5,959	\$ 5,959	\$ 5,959	\$ 5,959	\$ 5,959
<b>TOTAL BOAT FUND RECEIPTS.....</b>	<b>\$ 16,196</b>	<b>\$ 15,456</b>	<b>\$ 15,263</b>	<b>\$ 15,263</b>	<b>\$ 15,263</b>	<b>\$ 15,263</b>	<b>\$ 15,263</b>

### Revenue Sources

#### Licenses and Fees

Actual	Estimated
2006-07..... \$ 6,724	2012-13..... \$ 6,996
2007-08..... 6,593	2013-14..... 6,996
2008-09..... 6,898	2014-15..... 6,996
2009-10..... 5,990	2015-16..... 6,996
2010-11..... 5,980	2016-17..... 6,996
2011-12..... 7,399	2017-18..... 6,996

The Boat Fund receives revenue from boat registration fees, which were increased with passage of Act 159 of 2004. For motorboats up to 16 feet in length, the annual registration fee is \$26.00. For those between 16 and 20 feet, the fee is \$39.00 per year. The annual fee for motorboats over 20 feet is \$52.00. There is also a voluntary registration fee of \$9.00 per year for all boats not equipped with motors. Other fees, such as duplicate registrations (\$3.00 each) and commercial passenger boat registrations (\$25.00 each), remain unchanged.

#### Fines and Penalties

Actual	Estimated
2006-07..... \$ 213	2012-13..... \$ 250
2007-08..... 241	2013-14..... 200
2008-09..... 236	2014-15..... 200
2009-10..... 182	2015-16..... 200
2010-11..... 189	2016-17..... 200
2011-12..... 182	2017-18..... 200

The Boat Fund receives fines and penalties for violations of the Motor Boat Law.



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# FARM PRODUCTS SHOW FUND

The Farm Products Show Fund is a special revenue fund made up 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 General Fund.

The fund is used for salaries and expenses of the Farm Products Show Commission, for maintenance of the Farm Show Building and for prizes and premiums.

# Farm Products Show Fund

## Financial Statement

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Beginning Balance</b> .....	\$ 306	\$ 509	\$ 577
<b>Receipts:</b>			
Revenue Estimate.....	\$ 6,292	\$ 6,378	\$ 6,441
Transfer from General Fund.....	2,450	0	0
Transfer from PA Race Horse Development Fund.....	0	5,000	5,500
Prior Year Lapses.....	226	0	0
Total Receipts.....	<u>\$ 8,968</u>	<u>\$ 11,378</u>	<u>\$ 11,941</u>
<b>Funds Available</b>	<u>\$ 9,274</u>	<u>\$ 11,887</u>	<u>\$ 12,518</u>
<b>Expenditures:</b>			
Appropriated.....	\$ 8,765	\$ 11,310	\$ 12,188
Less Current Year Lapses.....	0	0	0
Estimated Expenditures.....	<u>-8,765</u>	<u>-11,310</u>	<u>-12,188</u>
<b>Ending Balance</b> .....	<u><u>\$ 509</u></u>	<u><u>\$ 577</u></u>	<u><u>\$ 330</u></u>

## Summary by Department

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimate	2013-14 Budget
<b>Treasury Department</b>			
<b>General Government</b>			
Replacement Checks.....	\$ 5	\$ 0	\$ 0
<b>Department of Agriculture</b>			
<b>General Government</b>			
General Operations.....	\$ 6,310	\$ 9,310	\$ 9,688
Payments to PA Fairs.....	0	2,000	2,500
<b>TOTAL STATE FUNDS</b> .....	<u><u>\$ 6,315</u></u>	<u><u>\$ 11,310</u></u>	<u><u>\$ 12,188</u></u>
Augmentations.....	\$ 2,450	\$ 0	\$ 0
<b>FUND TOTAL</b> .....	<u><u>\$ 8,765</u></u>	<u><u>\$ 11,310</u></u>	<u><u>\$ 12,188</u></u>

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Licenses and Fees.....	\$ 388	\$ 391	\$ 394	\$ 395	\$ 400	\$ 400	\$ 400
Transfer from PA Race Horse Development Fund.....	0	5,000	5,500	5,500	5,500	5,500	5,500
Miscellaneous.....	5,904	5,987	6,047	6,100	6,220	6,300	6,300
<b>TOTAL FARM PRODUCTS SHOW FUND REVENUES.....</b>	<b>\$ 6,292</b>	<b>\$ 11,378</b>	<b>\$ 11,941</b>	<b>\$ 11,995</b>	<b>\$ 12,120</b>	<b>\$ 12,200</b>	<b>\$ 12,200</b>
Augmentations.....	\$ 2,450	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL FARM PRODUCTS SHOW FUND RECEIPTS.....</b>	<b>\$ 8,742</b>	<b>\$ 11,378</b>	<b>\$ 11,941</b>	<b>\$ 11,995</b>	<b>\$ 12,120</b>	<b>\$ 12,200</b>	<b>\$ 12,200</b>

### Revenue Sources

#### Licenses and Fees

Actual	Estimated
2006-07..... \$ 279	2012-13..... \$ 391
2007-08..... 271	2013-14..... 394
2008-09..... 314	2014-15..... 395
2009-10..... 350	2015-16..... 400
2010-11..... 371	2016-17..... 400
2011-12..... 388	2017-18..... 400

The commonwealth receives all competitive exhibitor and commercial exhibitor fees and those fees from departments, boards and commissions of the state government having exhibits at the show.

#### Miscellaneous Revenues

Actual	Estimated
2006-07..... \$ 5,597	2012-13..... \$ 5,987
2007-08..... 5,570	2013-14..... 6,047
2008-09..... 5,667	2014-15..... 6,100
2009-10..... 5,499	2015-16..... 6,220
2010-11..... 5,750	2016-17..... 6,300
2011-12..... 5,904	2017-18..... 6,300

Miscellaneous revenue is raised through the leasing of the Pennsylvania Farm Show Complex and Expo Center for exhibitions, conventions or other purposes; collection of service charges, net proceeds and commissions from the sale of exhibits; sale of unserviceable property; collection of interest on securities and deposits; and fees from parking.

## Revenue Detail

The following is a detailed list of all Farm Products Show Fund revenues available for appropriations and executive authorizations.

(Dollar Amounts in Thousands)

	2011-12 <u>Actual</u>	2012-13 <u>Estimate</u>	2013-14 <u>Budget</u>
<b>Licenses and Fees</b>			
Exhibit Fees — Competitive — Farm Show.....	\$ 51	\$ 51	\$ 52
Exhibit — Commercial.....	<u>337</u>	<u>340</u>	<u>342</u>
TOTAL.....	<u>\$ 388</u>	<u>\$ 391</u>	<u>\$ 394</u>
<b>Miscellaneous Revenue</b>			
Concession Revenue.....	\$ 915	\$ 934	\$ 937
Service Charges.....	520	523	528
Branding / Advertisement.....	49	70	120
Rentals.....	2,478	2,540	2,546
Miscellaneous Revenue.....	175	129	124
Interest on Securities, Deposits, Returned Checks.....	4	5	5
Parking Fees.....	<u>1,763</u>	<u>1,786</u>	<u>1,787</u>
TOTAL.....	<u>\$ 5,904</u>	<u>\$ 5,987</u>	<u>\$ 6,047</u>
<b>Transfers from Other Funds</b>			
Transfer from General Fund.....	\$ 2,450	\$ 0	\$ 0
Transfer from PA Race Horse Development Fund.....	<u>0</u>	<u>5,000</u>	<u>5,500</u>
TOTAL.....	<u>\$ 2,450</u>	<u>\$ 5,000</u>	<u>\$ 5,500</u>
TOTAL RECEIPTS.....	<u><u>\$ 8,742</u></u>	<u><u>\$ 11,378</u></u>	<u><u>\$ 11,941</u></u>



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# FISH FUND

The Fish Fund is a special revenue fund composed of monies from fishing license fees, fines, penalties, federal contributions and other miscellaneous sources. It provides for the administration and enforcement of the fish laws and the protection and propagation of aquatic life.

## Financial Statement

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Beginning Balance</b> .....	\$ 34,151	\$ 38,961	\$ 40,601
<b>Receipts:</b>			
Revenue Estimate.....	\$ 38,765	\$ 49,189	\$ 37,451
Prior Year Lapses.....	9,054	7,012	0
Total Receipts.....	<u>\$ 47,819</u>	<u>\$ 56,201</u>	<u>\$ 37,451</u>
<b>Funds Available</b> .....	\$ 81,970	\$ 95,162	\$ 78,052
<b>Expenditures:</b>			
Appropriated.....	\$ 43,009	\$ 54,561	\$ 42,877
Estimated Expenditures.....	-43,009	-54,561	-42,877
<b>Ending Balance</b> .....	<u>\$ 38,961</u>	<u>\$ 40,601</u>	<u>\$ 35,175</u>

## Summary by Department

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimate	2013-14 Budget
<b>Treasury Department</b>			
<b>General Government</b>			
Replacement Checks.....	\$ 5	\$ 0	\$ 0
<b>Fish and Boat Commission</b>			
<b>General Government</b>			
General Operations.....	\$ 33,749	\$ 33,749	\$ 33,753
<b>TOTAL STATE FUNDS</b> .....	<u>\$ 33,754</u>	<u>\$ 33,749</u>	<u>\$ 33,753</u>
Federal Funds.....	\$ 8,977	\$ 9,308	\$ 8,784
Other Funds.....	278	11,504	340
<b>FUND TOTAL</b> .....	<u>\$ 43,009</u>	<u>\$ 54,561</u>	<u>\$ 42,877</u>

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Licenses and Fees.....	\$ 26,530	\$ 26,158	\$ 26,158	\$ 26,158	\$ 26,158	\$ 26,158	\$ 26,158
Fines and Penalties.....	363	450	400	400	400	400	400
Miscellaneous.....	2,617	1,769	1,769	1,769	1,769	1,769	1,769
<b>TOTAL FISH FUND REVENUES.....</b>	<b>\$ 29,510</b>	<b>\$ 28,377</b>	<b>\$ 28,327</b>	<b>\$ 28,327</b>	<b>\$ 28,327</b>	<b>\$ 28,327</b>	<b>\$ 28,327</b>
Augmentations.....	\$ 9,255	\$ 20,812	\$ 9,124	\$ 7,077	\$ 7,077	\$ 7,077	\$ 7,077
<b>TOTAL FISH FUND RECEIPTS.....</b>	<b>\$ 38,765</b>	<b>\$ 49,189</b>	<b>\$ 37,451</b>	<b>\$ 35,404</b>	<b>\$ 35,404</b>	<b>\$ 35,404</b>	<b>\$ 35,404</b>

### Revenue Sources

#### Licenses and Fees

Actual	Estimated
2006-07..... \$ 24,197	2012-13..... \$ 26,158
2007-08..... 26,444	2013-14..... 26,158
2008-09..... 26,481	2014-15..... 26,158
2009-10..... 25,522	2015-16..... 26,158
2010-11..... 23,992	2016-17..... 26,158
2011-12..... 26,530	2017-18..... 26,158

The commonwealth issues resident fishing licenses to persons between the ages of 16 and 64 if the applicant can prove residency within the commonwealth for 60 days. Through the passage of Act 159 of 2004, the annual resident fees were increased to \$21. The commonwealth also issues annual senior resident fishing licenses to persons 65 years of age and older for a fee of \$10. An individual eligible for a senior resident license can purchase a lifetime license for a fee of \$50. Act 159 of 2004 also increased nonresident fees to \$51 and the tourist fishing license for three-days to \$25 and seven-days to \$33. Persons fishing for trout or salmon are required to buy an \$8.00 stamp in addition to their regular fishing licenses. Other sources of revenue include the annual Lake Erie fishing permit or the special combination trout/salmon/Lake Erie permit.

#### Fines and Penalties

Actual	Estimated
2006-07..... \$ 448	2012-13..... \$ 450
2007-08..... 470	2013-14..... 400
2008-09..... 460	2014-15..... 400
2009-10..... 414	2015-16..... 400
2010-11..... 352	2016-17..... 400
2011-12..... 363	2017-18..... 400

The commonwealth receives monies in the form of fines and penalties for violation of the Fish Law and the Frog and Terrapin Act.

**Revenue Sources (continued)**

**Miscellaneous Revenue**

Actual		Estimated	
2006-07.....	\$ 3,684	2012-13.....	\$ 1,769
2007-08.....	3,471	2013-14.....	1,769
2008-09.....	1,132	2014-15.....	1,769
2009-10.....	1,599	2015-16.....	1,769
2010-11.....	6,392	2016-17.....	1,769
2011-12.....	2,617	2017-18.....	1,769

The commonwealth receives contributions for restocking of streams principally from persons or businesses that pollute, dam or interfere with fish propagation and survival. Monies are received from the Fish and Boat Commission publication, *Pennsylvania Angler & Boater*, from the sale of unserviceable and confiscated property, from the collection of interest on securities and from other miscellaneous sources.

**Revenue Detail**

The following is a detailed list of all Fish Fund revenues available for appropriations and executive authorizations.

(Dollar Amounts in Thousands)

	2011-12 <u>Actual</u>	2012-13 <u>Estimate</u>	2013-14 <u>Budget</u>
<b>Licenses and Fees</b>			
Resident Fishing Licenses.....	\$ 16,082	\$ 16,000	\$ 16,000
Resident Senior Fishing Licenses.....	192	190	190
Nonresident Fishing Licenses.....	2,141	2,100	2,100
Tourist Fishing Licenses - 1 Day.....	130	150	150
Tourist Fishing Licenses - 3 Day.....	623	650	650
Tourist Fishing Licenses - 7 Day.....	240	230	230
Lake Erie Licenses.....	3	1	1
Fishing Lake Licenses.....	17	20	20
Miscellaneous Permits and Fees.....	249	175	175
1 Day Fishing Licenses.....	36	65	65
Resident Charter Boat/Fishing Guide Permit.....	40	30	30
Non-Resident Charter Boat/Fishing Guide Permit.....	22	15	15
PA National Guard Fishing License.....	1	1	1
Senior Lifetime Upgrade.....	58	50	50
Scientific Collector's Permits.....	39	30	30
Lifetime Fishing Licenses - Senior Resident.....	880	720	720
PALS Transaction Fee.....	1,067	980	980
H.R. Stackhouse Facilities User Fees.....	0	1	1
Lake Erie Net Permit Fees.....	1	0	0
Trout/Salmon Stamp.....	4,709	4,750	4,750
TOTAL.....	<u>\$ 26,530</u>	<u>\$ 26,158</u>	<u>\$ 26,158</u>
<b>Fines and Penalties</b>			
Fish Law Fines.....	\$ 363	\$ 450	\$ 400
TOTAL.....	<u>\$ 363</u>	<u>\$ 450</u>	<u>\$ 400</u>

## Revenue Detail (continued)

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget
<b>Miscellaneous Revenue</b>			
Sale of Publications.....	\$ 21	\$ 30	\$ 30
Sale of Unserviceable Property.....	17	10	10
Miscellaneous Revenue.....	62	20	20
Interest on Securities and Deposits.....	980	400	400
Rental of Fish and Boat Commission Property.....	70	45	45
Income from Sand and Gravel Dredging.....	780	750	750
Sale of Pennsylvania Angler & Boater.....	161	140	140
Sales Tax & Donations Collected.....	17	10	10
Pollution and Stream Disturbance Settlements.....	500	275	275
Sale of Recreational Fishing Promotional Items.....	3	9	9
Royalty Payments.....	3	10	10
Refunds of Expenditures.....	0	50	50
Sale of Patches.....	3	20	20
TOTAL.....	\$ 2,617	\$ 1,769	\$ 1,769
TOTAL REVENUES.....	\$ 29,510	\$ 28,377	\$ 28,327
<b>Augmentations</b>			
Sale of Automobiles and Other Vehicles.....	\$ 5	\$ 40	\$ 40
Reimbursement for Services - Department of Transportation.....	144	197	175
Reimbursement for Services - Miscellaneous.....	129	487	125
Federal Reimbursement - Endangered Species.....	0	230	185
Federal Reimbursement - Sport Fish Restoration.....	6,978	7,045	6,821
Federal Reimbursement - NOAA.....	123	175	112
Federal Reimbursement - Miscellaneous.....	175	500	0
Federal Reimbursement - Surface Mine Regulation.....	40	56	56
USFWS - Partner for Fish and Wildlife.....	830	552	910
High Hazard Dams.....	0	10,780	0
Wildlife Conservation and Restoration - Non-Game.....	5	0	0
State Wildlife Grant.....	826	750	700
TOTAL.....	\$ 9,255	\$ 20,812	\$ 9,124
TOTAL RECEIPTS.....	\$ 38,765	\$ 49,189	\$ 37,451

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# GAME FUND

The Game Fund is a special revenue fund composed of monies received from hunting license fees, sale of wood products, fines and penalties, interest, rents and federal contributions. It provides monies for the administration of the game laws and for the protection and propagation of game species.

## Financial Statement

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Beginning Balance</b> .....	\$ 29,301	\$ 38,359	\$ 24,388
<b>Receipts:</b>			
Revenue Estimate.....	\$ 66,857 <sup>a</sup>	\$ 63,810	\$ 68,060
Prior Year Lapses.....	9,760	275	0
Total Receipts.....	<u>\$ 76,617</u>	<u>\$ 64,085</u>	<u>\$ 68,060</u>
<b>Funds Available</b>	<u>\$ 105,918</u>	<u>\$ 102,444</u>	<u>\$ 92,448</u>
<b>Expenditures:</b>			
Appropriated.....	\$ 67,559 <sup>a</sup>	\$ 78,056	\$ 79,680
Estimated Expenditures.....	<u>-67,559</u>	<u>-78,056</u>	<u>-79,680</u>
<b>Ending Balance</b> .....	<u><u>\$ 38,359</u></u>	<u><u>\$ 24,388</u></u>	<u><u>\$ 12,768</u></u>

## Summary by Department

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimate	2013-14 Budget
<b>Treasury Department</b>			
<b>General Government</b>			
Replacement Checks.....	\$ 5	\$ 0	\$ 0
<b>Game Commission</b>			
<b>General Government</b>			
General Operations.....	\$ 67,404 <sup>a</sup>	\$ 77,906	\$ 79,530
Land Acquisition and Development.....	150	150	150
DEPARTMENT TOTAL.....	<u>\$ 67,554</u>	<u>\$ 78,056</u>	<u>\$ 79,680</u>
<b>TOTAL STATE FUNDS</b> .....	<u><u>\$ 67,559</u></u>	<u><u>\$ 78,056</u></u>	<u><u>\$ 79,680</u></u>
Federal Funds.....	\$ 16,925	\$ 19,250	\$ 15,757
FUND TOTAL.....	<u><u>\$ 84,484</u></u>	<u><u>\$ 97,306</u></u>	<u><u>\$ 95,437</u></u>

<sup>a</sup> Includes \$631,000 of augmentations.

**REVENUE SUMMARY**

(Dollar Amounts in Thousands)

**Five Year Revenue Projections**

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Licenses and Fees.....	\$ 32,282	\$ 33,080	\$ 33,080	\$ 33,080	\$ 33,080	\$ 33,080	\$ 33,080
Fines and Penalties.....	1,222	1,215	1,215	1,215	1,215	1,215	1,215
Miscellaneous.....	33,353	29,515	33,765	35,087	35,087	35,087	35,087
<b>TOTAL GAME FUND RECEIPTS.....</b>	<b>\$ 66,857</b>	<b>\$ 63,810</b>	<b>\$ 68,060</b>	<b>\$ 69,382</b>	<b>\$ 69,382</b>	<b>\$ 69,382</b>	<b>\$ 69,382</b>

**Revenue Sources**

**Licenses and Fees**

Actual	Estimated
2006-07..... \$ 28,728	2012-13..... \$ 33,080
2007-08..... 29,725	2013-14..... 33,080
2008-09..... 29,901	2014-15..... 33,080
2009-10..... 33,480	2015-16..... 33,080
2010-11..... 33,891	2016-17..... 33,080
2011-12..... 32,282	2017-18..... 33,080

Through the passage of Act 166 of 1998, new fees for licenses became effective July 1999. For resident hunting and resident furtaker licenses, the fees are: ages 17 to 64, \$19.00; over age 65, \$12.00; ages 12 to 16, \$5.00. Resident senior lifetime hunting and furtaker licenses are \$50.00 each; and a resident senior lifetime combination hunting and furtaking license is \$100.00. A junior resident combination hunting and furtaker license is \$8.00. Resident bear hunting and archery licenses are \$15.00; a muzzleloading resident license, \$10.00; and a resident antlerless deer license, \$5.00. For nonresidents of the commonwealth, hunting licenses are: over age 17, \$100.00; ages 12 to 16, \$40.00. A junior nonresident combination hunting and furtaker license is \$50.00. In addition, a license for a nonresident to hunt bear is \$35.00; a license for a nonresident to hunt antlerless deer, \$25.00; and a muzzleloading license for a nonresident, \$20.00. Nonresidents are also able to purchase an adult furtaker license for \$80.00; a junior furtaker license for \$40.00; and a seven-day license to hunt small game for \$30.00.

**Fines and Penalties**

Actual	Estimated
2006-07..... \$ 1,207	2012-13..... \$ 1,215
2007-08..... 1,112	2013-14..... 1,215
2008-09..... 1,174	2014-15..... 1,215
2009-10..... 1,104	2015-16..... 1,215
2010-11..... 1,147	2016-17..... 1,215
2011-12..... 1,222	2017-18..... 1,215

The commonwealth receives revenue in the form of fines and penalties resulting from Game Law violations.

**Revenue Sources (continued)**

**Miscellaneous Revenue**

Actual		Estimated	
2006-07.....	\$ 24,578	2012-13.....	\$ 29,515
2007-08.....	18,870	2013-14.....	33,765
2008-09.....	14,008	2014-15.....	35,087
2009-10.....	10,815	2015-16.....	35,087
2010-11.....	21,857	2016-17.....	35,087
2011-12.....	33,353	2017-18.....	35,087

The commonwealth receives Game Fund revenue from various miscellaneous sources including the sale of wood products; interest on deposits and securities; monies from the sale of publications; funds from the sale of unserviceable property, skins and guns; monies from the rental of state property; gas and oil ground rentals and royalties; and other miscellaneous revenues.

**Revenue Detail**

The following is a detailed list of all Game Fund revenues available for appropriations and executive authorizations.

	(Dollar Amounts in Thousands)		
	2011-12 Actual	2012-13 Estimate	2013-14 Budget
<b>Licenses and Fees</b>			
Resident Hunting Licenses.....	\$ 12,290	\$ 12,595	\$ 12,595
Resident Junior Hunting Licenses.....	172	185	185
Nonresident Hunting Licenses.....	4,768	5,000	5,000
Special Game Permits.....	173	175	175
Antlerless Deer Licenses.....	4,257	4,056	4,056
Archery Licenses.....	4,300	4,100	4,100
Landowner Hunting Licenses.....	3	3	3
Resident Senior Hunting Licenses.....	551	300	300
Muzzleloading Hunting Licenses.....	1,732	1,800	1,800
Right-of-Way Licenses.....	3,082	3,500	3,500
Resident Bear Licenses.....	2,359	2,300	2,300
Nonresident Bear Licenses.....	190	180	180
Hunting License Issuing Agents' Application Fees.....	14	10	10
Nonresident Junior Hunting License.....	65	70	70
Nonresident 7-Day Hunting License.....	71	65	65
Senior Resident - Lifetime Hunting License.....	251	200	200
Adult Resident Furtaker License.....	664	625	625
Junior Resident Furtaker License.....	1	1	1
Senior Resident Furtaker License.....	5	5	5
Nonresident Adult Furtaker License.....	23	20	20
Resident Special Wild Turkey.....	255	225	225
Nonresident Special Wild Turkey.....	19	19	19
PALS Transaction Fee.....	1,810	1,800	1,800
Mentor Youth Permit Licenses.....	34	25	25
Junior Combination License.....	401	400	400
Nonresident Archery License.....	307	285	285
Nonresident Muzzleloading Hunting License.....	123	125	125
Nonresident Migratory Game Bird.....	18	18	18
Nonresident Antlerless Deer License.....	520	518	518
Senior Resident - Lifetime Combination License.....	219	450	450
Nonresident Junior Combination License.....	39	29	29
Elk License & Bobcat Permit Applications.....	254	222	222
DMAP Harvest Permit.....	246	265	265
Resident Military Personnel Hunting.....	2	3	3
Miscellaneous Fees.....	374	306	306
Migratory Game Bird License.....	190	200	200
<b>TOTAL.....</b>	<b>\$ 39,782</b>	<b>\$ 40,080</b>	<b>\$ 40,080</b>
<b>Restricted Revenue</b>			
Transfer to General Habitat Improvement.....	-7,500	-7,000	-7,000
<b>TOTAL.....</b>	<b>\$ -7,500</b>	<b>\$ -7,000</b>	<b>\$ -7,000</b>
<b>Net Licenses and Fees</b>			
<b>TOTAL.....</b>	<b>\$ 32,282</b>	<b>\$ 33,080</b>	<b>\$ 33,080</b>

Revenue Detail (continued)

	(Dollar Amounts in Thousands)		
	2011-12 Actual	2012-13 Estimate	2013-14 Budget
<b>Fines and Penalties</b>			
Game Law Fines.....	\$ 1,222	\$ 1,215	\$ 1,215
TOTAL.....	<u>\$ 1,222</u>	<u>\$ 1,215</u>	<u>\$ 1,215</u>
<b>Miscellaneous Revenue</b>			
Sports Promotional Publications and Materials.....	\$ 2	\$ 3	\$ 3
Wildlife Promotional Publications and Materials.....	158	155	155
Sale of Coal.....	1,233	1,000	1,000
Sale of Stone, Sand, Gravel & Limestone.....	112	150	150
Timber Damage Fees.....	26	10	10
Sale of Wood Products.....	5,719	6,000	6,000
Sale of Skins and Guns.....	21	20	20
Rental of State Property.....	9	10	10
Miscellaneous Revenue.....	2,054	50	50
Interest on Securities.....	1,146	1,140	1,140
Gas and Oil Ground Rentals and Royalties.....	19,566	17,250	19,250
Refund of Expenditures Not Credited to Appropriations.....	0	5	5
Miscellaneous Revenue License Division.....	1	10	10
Sale of Game News.....	701	663	663
Sale of Grain and Hay.....	16	50	50
Sale of Nonusable Property.....	38	10	10
Wildlife Management Promotional Revenue.....	67	50	50
Sale of Wood Products - PR Tracts.....	880	500	500
Howard Nursery.....	177	135	135
Working Together For Wildlife - Non-Game Fund.....	60	59	59
Oil and Gas Recovery Support.....	729	500	500
Waterfowl Management Stamp Sales and Royalties.....	7	7	7
Sale of Vehicles.....	24 <sup>a</sup>	100	100
Pennsylvania Conservation Corps.....	2 <sup>a</sup>	0	0
Donations.....	128 <sup>a</sup>	75	75
Reimbursement of Services.....	447 <sup>a</sup>	1,533	3,783
PennDot Reimbursement - Environmental Assessments.....	30 <sup>a</sup>	30	30
TOTAL.....	<u>\$ 33,353</u>	<u>\$ 29,515</u>	<u>\$ 33,765</u>
TOTAL REVENUE.....	<u>\$ 66,857</u>	<u>\$ 63,810</u>	<u>\$ 68,060</u>

<sup>a</sup> In 2011-12, this revenue source was classified as an augmentation.

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# KEYSTONE RECREATION, PARK AND CONSERVATION FUND

The Keystone Recreation, Park and Conservation Fund is a special revenue 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.

# Keystone Recreation, Park and Conservation Fund

## Financial Statement

	(Dollar Amounts in Thousands)		
	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Beginning Balance</b> .....	\$ 0	\$ 15,242	\$ 0
<b>Receipts:</b>			
Revenue Estimate.....	\$ 53,270	\$ 58,418	\$ 67,276
Total Receipts.....	\$ 53,270	\$ 58,418	\$ 67,276
<b>Funds Available</b> .....	\$ 53,270	\$ 73,660	\$ 67,276
<b>Expenditures:</b>			
Appropriated.....	\$ 38,028	\$ 64,943	\$ 67,276
Estimated Year-End Adjustment.....	0	8,717 <sup>a</sup>	0
Estimated Expenditures.....	-38,028	-73,660	-67,276
<b>Ending Balance</b> .....	\$ 15,242	\$ 0	\$ 0

## Summary by Department

	(Dollar Amounts in Thousands)		
	2011-12 Actual	2012-13 Estimate	2013-14 Budget
<b>Treasury</b>			
Replacement Checks.....	\$ 5	\$ 0	\$ 0
<b>Department of Conservation and Natural Resources</b>			
<b>General Government</b>			
Parks and Forest Facility Rehabilitation.....	\$ 11,407	\$ 19,483	\$ 20,183
<b>Grants and Subsidies</b>			
Grants for Local Recreation.....	\$ 9,506	\$ 16,236	\$ 16,819
Grants to Land Trusts.....	3,802	6,494	6,728
Subtotal.....	\$ 13,308	\$ 22,730	\$ 23,547
DEPARTMENT TOTAL.....	\$ 24,715	\$ 42,213	\$ 43,730
<b>Department of Education</b>			
<b>Grants and Subsidies</b>			
Local Libraries Rehabilitation and Development.....	\$ 1,521	\$ 2,597	\$ 2,690
State System of Higher Education —			
Deferred Maintenance .....	6,844	11,690	12,110
DEPARTMENT TOTAL.....	\$ 8,365	\$ 14,287	\$ 14,800
<b>Historical and Museum Commission</b>			
<b>Grants and Subsidies</b>			
Historic Site Development .....	\$ 4,943	\$ 8,443	\$ 8,746
FUND TOTAL.....	\$ 38,028	\$ 64,943	\$ 67,276

<sup>a</sup> Estimated year-end balance to be distributed to agencies.

# Keystone Recreation, Park and Conservation Fund

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Realty Transfer Tax.....	\$ 51,203	\$ 56,418	\$ 65,276	\$ 77,118	\$ 83,629	\$ 84,353	\$ 85,200
Miscellaneous.....	2,067	2,000	2,000	2,000	2,000	2,000	2,000
<b>TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND RECEIPTS.....</b>	<b>\$ 53,270</b>	<b>\$ 58,418</b>	<b>\$ 67,276</b>	<b>\$ 79,118</b>	<b>\$ 85,629</b>	<b>\$ 86,353</b>	<b>\$ 87,200</b>

### Revenue Sources

#### Realty Transfer Tax

Actual	Estimated
2006-07..... \$ 12,415	2012-13..... \$ 56,418
2007-08..... 77,200	2013-14..... 65,276
2008-09..... 54,029	2014-15..... 77,118
2009-10..... 50,392	2015-16..... 83,629
2010-11..... 50,167	2016-17..... 84,353
2011-12..... 51,203	2017-18..... 85,200

Act 50 of 1993 approved the transfer of 15% of the revenues from the state Realty Transfer Tax to this fund. These monies are distributed to programs according to the formula contained in the act. Act 67 of 2006 decreased the transfer rate from 15% to 2.1% for the 2006-07 fiscal year.

#### Miscellaneous Revenues

Actual	Estimated
2006-07..... \$ 9,757	2012-13..... \$ 2,000
2007-08..... 7,071	2013-14..... 2,000
2008-09..... 2,625	2014-15..... 2,000
2009-10..... 487	2015-16..... 2,000
2010-11..... 1,094	2016-17..... 2,000
2011-12..... 2,067	2017-18..... 2,000

Miscellaneous revenues are earned interest.

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# 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 partial rebate of prescription drug costs.

## Financial Statement

(Dollar Amounts in Thousands)

	2011-12 <u>Actual</u>	2012-13 <u>Available</u>	2013-14 <u>Estimated</u>
<b>Beginning Balance</b> .....	\$ 158,986	\$ 188,316	\$ 187,360
Reserve from Previous Year.....	<u>0</u>	<u>75,000</u>	<u>75,000 *</u>
Total Beginning Balance.....	<u>\$ 158,986</u>	<u>\$ 263,316</u>	<u>\$ 262,360</u>
<b>Receipts:</b>			
Gross Ticket Sales.....	\$ 3,480,891	\$ 3,684,118	\$ 3,961,000
Less Field Paid Prizes and Commissions.....	-1,965,468	-2,057,187	-2,218,000
Transfers and Earnings.....	<u>178,177</u>	<u>169,300</u>	<u>168,900</u>
Net Revenue Estimate.....	\$ 1,693,600	\$ 1,796,231	\$ 1,911,900
Prior Year Lapses.....	<u>12,802</u>	<u>0</u>	<u>0</u>
Total Receipts.....	<u>\$ 1,706,402</u>	<u>\$ 1,796,231</u>	<u>\$ 1,911,900</u>
<b>Funds Available</b> .....	<u>\$ 1,865,388</u>	<u>\$ 2,059,547</u>	<u>\$ 2,174,260</u>
<b>Expenditures:</b>			
Appropriated.....	\$ 1,602,072	\$ 1,797,187	\$ 1,923,457
Current Year Lapses.....	<u>0</u>	<u>0</u>	<u>0</u>
Estimated Expenditures.....	<u>-1,602,072</u>	<u>-1,797,187</u>	<u>-1,923,457</u>
Reserve for Current Year.....	<u>\$ -75,000</u>	<u>\$ -75,000</u>	<u>\$ -50,000 *</u>
<b>Ending Balance</b> .....	<u><u>\$ 188,316</u></u>	<u><u>\$ 187,360</u></u>	<u><u>\$ 200,803</u></u>

\*An additional \$150 million will be held in reserve as part of the agreement with the private manager.

## Summary by Department

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimate	2013-14 Budget
<b>Treasury Department</b>			
<b>General Government</b>			
Replacement Checks.....	\$ 50	\$ 0	\$ 0
<b>Department of Aging</b>			
<b>General Government</b>			
General Government Operations.....	\$ 6,705	\$ 6,705	\$ 7,960
<b>Grants and Subsidies</b>			
PENNCARE.....	\$ 248,764	\$ 248,164	\$ 275,164
Pre-Admission Assessment.....	10,735	10,735	10,735
Caregiver Support.....	12,103	12,103	12,103
Alzheimer's Outreach.....	250	250	250
Pharmaceutical Assistance Fund.....	200,000	190,000	190,000
Grants to Senior Centers.....	0	0	2,000
Subtotal.....	<u>\$ 471,852</u>	<u>\$ 461,252</u>	<u>\$ 490,252</u>
<b>TOTAL STATE FUNDS.....</b>	<b><u>\$ 478,557</u></b>	<b><u>\$ 467,957</u></b>	<b><u>\$ 498,212</u></b>
Federal Funds.....	\$ 137,338	\$ 134,968	\$ 136,325
Augmentations.....	236	196	196
DEPARTMENT TOTAL.....	<u>\$ 616,131</u>	<u>\$ 603,121</u>	<u>\$ 634,733</u>
<b>Department of Public Welfare</b>			
<b>Grants and Subsidies</b>			
Medical Assistance - Long-Term Care.....	\$ 178,438	\$ 309,081	\$ 309,081
Home and Community-Based Services.....	0	0	21,000
DEPARTMENT TOTAL.....	<u>\$ 178,438</u>	<u>\$ 309,081</u>	<u>\$ 330,081</u>
<b>Department of Revenue</b>			
<b>General Government</b>			
General Operations.....	\$ 36,176	\$ 39,897	\$ 24,000
Operating Expenses.....	0	0	29,000
Management Expenses.....	0	0	9,000
Lottery Advertising.....	37,000	37,000	48,000
Property Tax Rent Rebate - General Operations.....	13,272	13,847	13,833
On-line Vendor Commissions.....	35,153	32,923	35,000
Instant Vendor Commissions.....	22,532	23,400	23,000
Payment of Prize Money.....	347,414	414,739	447,000
Subtotal.....	<u>\$ 491,547</u>	<u>\$ 561,806</u>	<u>\$ 628,833</u>
<b>Grants and Subsidies</b>			
Property Tax and Rent Assistance for Older Pennsylvanians.....	\$ 284,870	\$ 286,100	\$ 292,400
<b>TOTAL STATE FUNDS.....</b>	<b><u>\$ 776,417</u></b>	<b><u>\$ 847,906</u></b>	<b><u>\$ 921,233</u></b>
Augmentations.....	163	162	164
DEPARTMENT TOTAL.....	<u>\$ 776,580</u>	<u>\$ 848,068</u>	<u>\$ 921,397</u>

## Summary by Department

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimate	2013-14 Budget
<b>Department of Transportation</b>			
<b>Grants and Subsidies</b>			
Transfer to Public Transportation Trust Fund.....	\$ 89,610	\$ 91,268	\$ 92,956
Older Pennsylvanians Shared Rides.....	79,000	80,975	80,975
DEPARTMENT TOTAL.....	<u>\$ 168,610</u>	<u>\$ 172,243</u>	<u>\$ 173,931</u>
<b>TOTAL STATE FUNDS.....</b>	<b><u>\$ 1,602,072</u></b>	<b><u>\$ 1,797,187</u></b>	<b><u>\$ 1,923,457</u></b>
Federal Funds.....	\$ 137,338	\$ 134,968	\$ 136,325
Other Funds.....	399	358	360
FUND TOTAL.....	<u>\$ 1,739,809</u>	<u>\$ 1,932,513</u>	<u>\$ 2,060,142</u>

<sup>a</sup> Appropriated as Family Caregiver.

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Collections.....	\$ 1,515,423	\$ 1,626,931	\$ 1,743,000	\$ 1,832,000	\$ 1,928,000	\$ 2,105,000	\$ 2,274,000
Gaming Fund Transfers.....	164,100	166,800	166,400	167,400	168,400	169,400	170,500
Miscellaneous Revenue.....	14,077	2,500	2,500	2,500	2,803	4,798	7,914
<b>TOTAL LOTTERY FUND REVENUES.....</b>	<b>\$ 1,693,600</b>	<b>\$ 1,796,231</b>	<b>\$ 1,911,900</b>	<b>\$ 2,001,900</b>	<b>\$ 2,099,203</b>	<b>\$ 2,279,198</b>	<b>\$ 2,452,414</b>

### Revenue Sources

#### Net Lottery Collections

	Actual		Estimated
2006-07.....	\$ 1,365,596	2012-13.....	\$ 1,626,931
2007-08.....	1,403,742	2013-14.....	1,743,000
2008-09.....	1,367,700	2014-15.....	1,832,000
2009-10.....	1,332,576	2015-16.....	1,928,000
2010-11.....	1,389,527	2016-17.....	2,105,000
2011-12.....	1,515,423	2017-18.....	2,274,000

Net lottery collections consist of the proceeds from lottery ticket sales less commissions and some prizes. Currently prizes of \$2,500 or less for the on-line games and prizes of \$600 or less for instant games can be paid by the ticket agents. The State Lottery is currently operating nine games. The "Daily Number" game introduced in March 1977, the "Big 4" game introduced in November 1980, the "Cash 5" game introduced in April 1992, Treasure Hunt began in 2007, Quinto was introduced in 2008, and "Match 6" was re-introduced during June 2010. These games utilize computer sales terminals located across the commonwealth. Powerball began in 2002 as the first multi-state game and was followed by Mega Millions in 2010. On December 31, 2005, the Millionaire Raffle was introduced to be run periodically thereafter. Ticket prices are \$1 for "Cash 5" which consists of 1 play to pick 5 of 43 numbers; \$1 dollar for "Treasure Hunt" which is made up of 1 play to pick 5 of 30 numbers as an exclusively "mid-day" game. "Quinto" is \$1 per play and has a mid-day and evening drawing with a five digit base and is similar in play to the "Daily Number" and "Big 4". "Daily Number" and "Big 4" game ticket prices range from \$0.50 to \$5. "Match 6" is a \$2 play to pick six numbers in a range from 1 to 49. The "Instant Game" ticket prices range from \$1 to \$20. Powerball is played for \$2 per play and Powerplay, which doubles winnings, can be added for \$1 per play as well. The Millionaire Raffle features a ticket price of \$20 for an eight digit raffle number with a limited number of ticket sales.

Powerball is a lotto game which is a combined large jackpot game and a cash game. It involves drawing five out of 59 numbers and one out of 35 numbers. Players win by matching one of nine ways. Recent enhancements increased the price to play from \$1 to \$2, but also increased opening jackpot amounts to encourage more player participation.

Mega Millions is another multi-state jackpot game which is played for \$1 per play and has a beginning jackpot of \$12 million dollars. It is accompanied by a \$1 Megaplier option similar to Powerplay.

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.

The 2013-14 Budget marks the initial fiscal year in which a private manager is responsible for the general day-to-day operations of the Pennsylvania Lottery under a Private Management Agreement (PMA). Managing the Lottery through a PMA represents a natural progression of the Lottery's significant existing relationship with the private sector that will not only grow Lottery profit, but also provide for never-before-possible stability and predictability in budgeting.

(Dollar Amounts in Thousands)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Ticket Sales.....	\$ 3,480,891	\$ 3,684,118	\$ 3,961,000	\$ 4,236,000	\$ 4,293,000	\$ 4,670,000	\$ 5,036,000
Commissions.....	-179,631	-185,679	-209,000	-223,000	-225,000	-236,000	-250,000
Field Paid Prizes.....	-1,785,837	-1,871,508	-2,009,000	-2,181,000	-2,140,000	-2,329,000	-2,512,000
<b>NET LOTTERY COLLECTIONS.....</b>	<b>\$ 1,515,423</b>	<b>\$ 1,626,931</b>	<b>\$ 1,743,000</b>	<b>\$ 1,832,000</b>	<b>\$ 1,928,000</b>	<b>\$ 2,105,000</b>	<b>\$ 2,274,000</b>

## Revenue Sources (continued)

### Gaming Fund Repayments

	Actual		Estimated
2006-07.....	\$ 100,000	2012-13.....	\$ 0
2007-08.....	100,000	2013-14.....	0
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

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
2006-07.....	\$ 0	2012-13.....	\$ 166,800
2007-08.....	0	2013-14.....	166,400
2008-09.....	48,500	2014-15.....	167,400
2009-10.....	136,700	2015-16.....	168,400
2010-11.....	156,000	2016-17.....	169,400
2011-12.....	164,100	2017-18.....	170,500

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

### Miscellaneous Revenue

	Actual		Estimated
2006-07.....	\$ 33,056	2012-13.....	\$ 2,500
2007-08.....	14,692	2013-14.....	2,500
2008-09.....	-27,314	2014-15.....	2,500
2009-10.....	1,110	2015-16.....	2,803
2010-11.....	6,000	2016-17.....	4,798
2011-12.....	14,077	2017-18.....	7,914

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

## Annual Profit Commitment (APC)

The private manager committed to 20 years of annual profit commitments (APCs). APC is the profit threshold to be achieved by the manager in each contract year and is net of all operating expenses. The APC is the amount of revenue which can be budgeted for senior programs and is reflected in the table below.

	(Dollar Amounts in Thousands)				
	2013-14	2014-15	2015-16	2016-17	2017-18
NET LOTTERY COLLECTIONS	\$ 1,743,000	<b>\$ 1,832,000</b>	\$ 1,928,000	\$ 2,105,000	\$ 2,274,000
Payment of Prize Money.....	-447,000	-451,000	-444,000	-481,000	-518,000
Vendor Commissions.....	-58,000	-62,000	-61,000	-66,000	-65,000
Advertising Expenses.....	-48,000	-46,000	-45,000	-45,000	-45,000
Operating/Manager Expenses.....	-62,000	-56,000	-71,000	-86,000	-93,000
ANNUAL PROFIT COMMITMENT	<b>\$ 1,128,000</b>	<b>\$ 1,217,000</b>	<b>\$ 1,307,000</b>	<b>\$ 1,427,000</b>	<b>\$ 1,553,000</b>



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# RACING FUND

The Racing Fund is a special revenue fund composed of monies received from taxes and license fees collected by the State Harness Racing Commission and the State Horse Racing Commission for the regulation of horse and harness racing.

## Financial Statement

(Dollar Amounts in Thousands)

	2011-12 <u>Actual</u>	2012-13 <u>Available</u>	2013-14 <u>Estimated</u>
<b>Beginning Balance</b> .....	\$ 46	\$ 43	\$ 0
<b>Receipts:</b>			
Revenue Estimate.....	\$ 15,893	\$ 15,838	\$ 16,201
Prior Year Lapses.....	682	309	0
Total Receipts.....	<u>\$ 16,575</u>	<u>\$ 16,147</u>	<u>\$ 16,201</u>
<b>Funds Available</b>	<u>\$ 16,621</u>	<u>\$ 16,190</u>	<u>\$ 16,201</u>
<b>Expenditures:</b>			
Appropriated.....	\$ 16,578	\$ 17,905	\$ 16,201
Less: Current Year Lapses.....	0	-1,715	0
Estimated Expenditures.....	<u>-16,578</u>	<u>-16,190</u>	<u>-16,201</u>
<b>Ending Balance</b> .....	<u><u>\$ 43</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

## Summary by Department

(Dollar Amounts in Thousands)

	2011-12 <u>Actual</u>	2012-13 <u>Estimate</u>	2013-14 <u>Budget</u>
<b>Treasury Department</b>			
<b>General Government</b>			
Replacement Checks.....	\$ 10	\$ 0	\$ 0
<b>Department of Agriculture</b>			
<b>General Government</b>			
State Racing Commissions.....	\$ 13,151	\$ 14,054	\$ 12,920
Equine Toxicology and Research Laboratory.....	2,954	3,354	2,724
Pennsylvania Fairs—Administration.....	229	259	320
Subtotal	<u>\$ 16,334</u>	<u>\$ 17,667</u>	<u>\$ 15,964</u>
<b>TOTAL STATE FUNDS</b> .....	<u><u>\$ 16,334</u></u>	<u><u>\$ 17,667</u></u>	<u><u>\$ 15,964</u></u>
Augmentations.....	<u>3</u>	<u>1</u>	<u>1</u>
DEPARTMENT TOTAL.....	<u>\$ 16,337</u>	<u>\$ 17,668</u>	<u>\$ 15,965</u>
<b>Department of Revenue</b>			
<b>General Government</b>			
Collections—Racing.....	\$ 234	\$ 238	\$ 237
<b>TOTAL STATE FUNDS</b> .....	<u><u>\$ 16,578</u></u>	<u><u>\$ 17,905</u></u>	<u><u>\$ 16,201</u></u>

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Tax Revenues.....	\$ 12,946	\$ 12,926	\$ 13,264	\$ 13,264	\$ 13,264	\$ 13,264	\$ 13,264
Licenses and Fees.....	619	629	629	629	629	629	629
Miscellaneous Revenue.....	2,328	2,283	2,308	2,308	2,308	2,308	2,308
<b>TOTAL RACING FUND REVENUES.....</b>	<b>\$ 15,893</b>	<b>\$ 15,838</b>	<b>\$ 16,201</b>	<b>\$ 16,201</b>	<b>\$ 16,201</b>	<b>\$ 16,201</b>	<b>\$ 16,201</b>

### Revenue Sources

#### Tax Revenues

Actual	Estimated
2006-07..... \$ 11,253	2012-13..... \$ 12,926
2007-08..... 10,384	2013-14..... 13,264
2008-09..... 13,939	2014-15..... 13,264
2009-10..... 13,213	2015-16..... 13,264
2010-11..... 10,336	2016-17..... 13,264
2011-12..... 12,946	2017-18..... 13,264

Act 93 of 1983 combined the Harness Racing Fund and the Horse Racing Fund into the Racing Fund. This act amended portions of the Race Horse Industry Reform Act. For licensed racing corporations annually conducting at least 100 days of racing or for two licensed corporations conducting their racing at the same facility with a minimum of 175 combined racing days, the previous sliding wagering tax rate was changed to 1.5 percent effective July 1, 1986, and thereafter. For licensed racing corporations not conducting the minimum number of racing days, the wagering rate was changed to 2.5 percent from July 1, 1984 to June 30, 1986, and 2 percent thereafter. Act 23 of 2000 changed the amount allocated from the State Racing Fund to the Pennsylvania Breeding Fund to 1 percent of the daily amount wagered for thoroughbred horse racing. Act 127 of 1988 permits off-track betting in the commonwealth.

#### Licenses and Fees

Actual	Estimated
2006-07..... \$ 485	2012-13..... \$ 629
2007-08..... 878	2013-14..... 629
2008-09..... 760	2014-15..... 629
2009-10..... 645	2015-16..... 629
2010-11..... 657	2016-17..... 629
2011-12..... 619	2017-18..... 629

Licenses and fees are revenues derived from the licensing of jockeys and such other persons participating in horse racing meets as prescribed by the State Racing Commissions.

## Revenue Sources (continued)

### Miscellaneous Revenue

Actual		Estimated	
2006-07.....	\$ 3,646	2012-13.....	\$ 2,283
2007-08.....	3,581	2013-14.....	2,308
2008-09.....	2,230	2014-15.....	2,308
2009-10.....	2,424	2015-16.....	2,308
2010-11.....	4,913	2016-17.....	2,308
2011-12.....	2,328	2017-18.....	2,308

Penalties and interest on taxes due, interest on securities and uncashed tickets comprise miscellaneous revenue.

## Revenue Detail

The following is a detailed list of all revenues available for Racing Fund appropriations and executive authorizations.

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimate	2013-14 Budget
<b>Tax Revenues</b>			
State Admission Tax.....	\$ 46	\$ 54	\$ 54
Wagering Tax.....	12,496	12,454	12,792
Breakage Tax.....	404	418	418
TOTAL.....	<u>\$ 12,946</u>	<u>\$ 12,926</u>	<u>\$ 13,264</u>
<b>Licenses and Fees</b>			
License Fees.....	<u>\$ 619</u>	<u>\$ 629</u>	<u>\$ 629</u>
<b>Miscellaneous Revenues</b>			
Uncashed Tickets.....	\$ 1,902	\$ 1,875	\$ 1,900
Interest on Securities.....	426	408	408
TOTAL.....	<u>\$ 2,328</u>	<u>\$ 2,283</u>	<u>\$ 2,308</u>
TOTAL REVENUES.....	<u><u>\$ 15,893</u></u>	<u><u>\$ 15,838</u></u>	<u><u>\$ 16,201</u></u>



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# 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. It provides for smoking prevention and smoking cessation programs and other health-related programs including home and community-based care, support for the uninsured and uncompensated care.

# Tobacco Settlement Fund

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 2012-13, Act 87 of 2012 redirected 62.5 percent of the funds allocated to tobacco use prevention and cessation activities, 33.3 percent of the funds allocated to health care insurance for uninsured adults, 30 percent of the funds allocated to health and related research, 18.2 percent of the funds allocated for uncompensated care and 100 percent of the funds allocated for the Endowment Account and the annual strategic contribution payment to offset the cost of long-term care services. This budget proposes to continue these same percentage redirects in 2013-14 except for the 33.3 percent redirection of the funds allocated to health care insurance for uninsured adults. These funds will remain in the Tobacco Settlement Fund to support the increasing cost of the Medical Assistance for Workers with Disabilities program.

This budget allocates a total of \$331.6 million in 2013-14 for the following health care related activities.

	Dollar Amounts in Millions
➤ <b>Health Care Insurance for the Uninsured</b> .....	<b>\$93.2</b>
Subsidizes health care insurance coverage for workers with disabilities with incomes under 250 percent of the federal poverty level.	
➤ <b>Long-Term Living</b> .....	<b>\$128.9</b>
Provides home and community-based services and nursing home care for persons with disabilities and seniors based on their clinical need and personal preference.	
➤ <b>Health Research</b> .....	<b>\$42.2</b>
Funds health-related research proposals from Pennsylvania-based researchers. The proposals must have been peer reviewed and approved using nationally accepted standards and review boards.	
➤ <b>Tobacco Use Prevention and Cessation</b> .....	<b>\$14.0</b>
Funds community-based prevention and cessation programs that are based on best practices for effective intervention from the national Centers for Disease Control.	
➤ <b>Hospital Uncompensated Care</b> .....	<b>\$25.4</b>
Support financially distressed hospitals in the provision of uncompensated care and care to Medical Assistance recipients.	
➤ <b>Pharmaceutical Benefits for the Elderly</b> .....	<b>\$24.9</b>
Support the expansion of the pharmaceutical benefits for the elderly program implemented in 2001.	
➤ <b>Life Sciences Greenhouses</b> .....	<b>\$3.0</b>
Continues support for the three Life Sciences Greenhouses that invest in companies focused on the research, development and commercialization of cutting-edge therapies and medical technologies.	
<b>TOTAL</b> .....	<b>\$331.6</b>

## Financial Statement

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Beginning Balance</b> .....	\$ 132,649	\$ 78,821	\$ 72,687
<b>Receipts:</b>			
Revenue Estimate.....	\$ 337,363	\$ 331,590	\$ 336,429
Transfer from Health Endowment Account for Long-Term Hope.....	0	0	3,601
Prior Year Lapses.....	0 <sup>a</sup>	0 <sup>a</sup>	0
Total Receipts.....	<u>337,363</u>	<u>331,590</u>	<u>340,030</u>
<b>Funds Available</b> .....	<u>\$ 470,012</u>	<u>\$ 410,411</u>	<u>\$ 412,717</u>
<b>Expenditures:</b>			
Appropriated.....	\$ 391,191	\$ 337,724	\$ 331,874
Estimated Expenditures.....	<u>391,191</u>	<u>337,724</u>	<u>331,874</u>
<b>Ending Balance</b> .....	<u><u>\$ 78,821</u></u> <sup>b</sup>	<u><u>\$ 72,687</u></u>	<u><u>\$ 80,843</u></u>

<sup>a</sup> Excludes lapses redistributed within the Home and Community-Based Services and Health Investment Insurance programs as prescribed under Act 77 of 2001.

<sup>b</sup> Excludes \$249.192 million in private equity investments and net reserve for contractual obligations.

## Summary by Department

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimate	2013-14 Budget
<b>Treasury Department</b>			
<b>General Government</b>			
Replacement Checks - Tobacco Settlement Fund (EA).....	\$ 5	\$ 0	\$ 0
DEPARTMENT TOTAL.....	\$ 5	\$ 0	\$ 0
<b>Department of Aging</b>			
<b>Grants and Subsidies</b>			
PACENET Transfer (EA).....	\$ 24,790	\$ 25,282	\$ 24,847
DEPARTMENT TOTAL.....	\$ 24,790	\$ 25,282	\$ 24,847
<b>Department of Community and Economic Development</b>			
<b>Grants and Subsidies</b>			
Tobacco Settlement Investment Board.....	\$ 350	\$ 361	\$ 284
Life Sciences Greenhouses.....	3,000	3,000	3,000
DEPARTMENT TOTAL.....	\$ 3,350	\$ 3,361	\$ 3,284
<b>Department of Health</b>			
<b>Grants and Subsidies</b>			
Tobacco Use Prevention and Cessation (EA).....	\$ 13,945	\$ 14,221	\$ 13,977
Health Research - Health Priorities (EA).....	55,779	39,819	39,134
Health Research - National Cancer Institute (EA).....	3,099	3,159	3,106
DEPARTMENT TOTAL.....	\$ 72,823	\$ 57,199	\$ 56,217
<b>Department of Public Welfare</b>			
<b>Grants and Subsidies</b>			
Medical Care for Workers with Disabilities (EA).....	\$ 62,007	\$ 63,236 <sup>c</sup>	\$ 93,177
Uncompensated Care (EA).....	25,348	25,850	25,407
Home and Community-Based Services (EA).....	40,285 <sup>a</sup>	41,083 <sup>d</sup>	40,377
Medical Assistance - Long-Term Care.....	162,583	121,713	88,565
<b>TOTAL STATE FUNDS.....</b>	<b>\$ 290,223</b>	<b>\$ 251,882</b>	<b>\$ 247,526</b>
Federal Funds.....	\$ 155,473 <sup>b</sup>	\$ 156,601	\$ 182,333
DEPARTMENT TOTAL.....	\$ 445,696	\$ 408,483	\$ 429,859
<b>TOTAL STATE FUNDS.....</b>	<b>\$ 391,191</b>	<b>\$ 337,724</b>	<b>\$ 331,874</b>
Federal Funds.....	\$ 155,473	\$ 156,601	\$ 182,333
FUND TOTAL.....	\$ 546,664	\$ 494,325	\$ 514,207

<sup>a</sup> Authorized as \$41,578,888 including \$32,183,000 appropriated in the Department of Aging, but excludes redistributed lapses to avoid double counting.

<sup>b</sup> Includes \$36,202,000 appropriated as Medical Assistance-Community Services (EA) in the Department of Aging.

<sup>c</sup> Authorized as \$64,694,507 but excludes redistributed lapses to avoid double counting.

<sup>d</sup> Authorized as \$42,400,896 but excludes redistributed lapses to avoid double counting.

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Tobacco Settlement Revenue.....	\$ 337,363	\$ 331,590	\$ 336,429	\$ 333,171	\$ 329,968	\$ 326,518	\$ 338,919
Transfer from Health Endowment Account for Long-Term Hope.....	0	0	3,601	0	0	0	0
Miscellaneous Revenue.....	0	0	0	0	0	0	0
<b>TOTAL TOBACCO FUND REVENUES.....</b>	<b><u>\$ 337,363</u></b>	<b><u>\$ 331,590</u></b>	<b><u>\$ 340,030</u></b>	<b><u>\$ 333,171</u></b>	<b><u>\$ 329,968</u></b>	<b><u>\$ 326,518</u></b>	<b><u>\$ 338,919</u></b>

### Revenue Sources

#### Tobacco Settlement Revenue

Actual	Estimated
2006-07..... \$ 351,928	2012-13..... \$ 331,590
2007-08..... 382,003	2013-14..... 336,429
2008-09..... 419,238	2014-15..... 333,171
2009-10..... 349,843	2015-16..... 329,968
2010-11..... 330,835	2016-17..... 326,518
2011-12..... 337,363	2017-18..... 338,919

Tobacco Settlement revenue includes payments from all tobacco settlements under the Tobacco Master Settlement Agreement except for payments set aside in the Health Endowment Account for Long-Term Hope. Act 87 of 2012 redirects the 2012 strategic contribution payment and the 8 percent of the annual payment from the Health Endowment Account for Long-Term Hope to the Tobacco Settlement Fund to support health-related expenditures. This budget proposes to continue the redirection of the 2013 strategic contribution payment and the 8 percent annual payment from the Health Endowment Account for Long-Term Hope to the Tobacco Settlement Fund to support health care related expenditures.

#### Miscellaneous Revenue

Actual	Estimated
2006-07..... \$ 14,755	2012-13..... \$ 0
2007-08..... 51,250	2013-14..... 0
2008-09..... 65,000	2014-15..... 0
2009-10..... 25,000	2015-16..... 0
2010-11..... 15,000	2016-17..... 0
2011-12..... 0	2017-18..... 0

Miscellaneous Revenue includes investment earnings that would have otherwise been deposited to or retained in the Health Endowment Account for Long-Term Hope, but were specified for retention within the fund itself by Act 41 of 2005, Act 66 of 2006, Act 42 of 2007, Act 53 of 2008, Act 50 of 2009 and Act 46 of 2010.

### Revenue Detail

The following is a detailed list of all Tobacco Settlement Fund revenues.

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimate	2013-14 Budget
Gross Settlements.....	\$ 316,022	\$ 310,591	\$ 315,660 <sup>a</sup>
Strategic Contributions.....	21,341	20,999	20,769 <sup>a</sup>
<b>NET TOBACCO SETTLEMENT REVENUE.....</b>	<b><u>\$ 337,363</u></b>	<b><u>\$ 331,590</u></b>	<b><u>\$ 336,429</u></b>

<sup>a</sup> This budget proposes to continue to redirect 8% of the Gross Settlements and the Strategic Contributions from the Health Endowment Account for Long-Term Hope to the Tobacco Settlement Fund.

## Restricted Revenues

### Health Endowment Account for Long-Term Hope Revenue

(Dollar Amounts in Thousands)

Actual	Estimated
2006-07..... \$ 120,018	2012-13..... \$ 1,905
2007-08..... 42,841	2013-14..... -3,601
2008-09..... -71,799	2014-15..... 0
2009-10..... -161,088	2015-16..... 0
2010-11..... -422,961	2016-17..... 0
2011-12..... 1,696	2017-18..... 0

Except where otherwise directed by legislation, the Health Endowment Account for Long-Term Hope restricted revenue included all interest earned in the Tobacco Settlement Fund, the initial payment of Tobacco Settlement funds, strategic contribution payments (beginning in 2007-08), 8 percent of each annual payment and lapses from the appropriations in the fund except for moneys provided for the Home and Community-Based Care program and the Health Investment Insurance program, which are reallocated to their respective programs. The 2008-09 actual amount includes the transfers to the Tobacco Settlement Fund per Act 53 of 2008 and net investment earnings. The 2009-10 actual amount includes the transfers to the Tobacco Settlement Fund per Act 50 of 2009 including the transfer of \$150 million to the General Fund. The 2010-11 actual amount, per Act 46 of 2010, includes the transfer of \$121 million from the Endowment Account to augment the appropriation for payment of required contributions to the Public School Employees' Retirement System and the transfer of all remaining assets, cash and investments in the Health Endowment Account to the Tobacco Settlement Fund on June 1, 2011. This budget proposes to continue to redirect the strategic contribution payment and the 8 percent annual payment to the Tobacco Settlement Fund and transfer lapses that have been deposited to the Health Endowment Account as prescribed under Act 77 of 2001 to the Tobacco Settlement Fund.

### Tobacco Settlement Investment Board Account

(Dollar Amounts in Thousands)

Actual	Estimated
2006-07..... \$ 659	2012-13..... \$ 0
2007-08..... 813	2013-14..... 0
2008-09..... 903	2014-15..... 0
2009-10..... 961	2015-16..... 0
2010-11..... 714	2016-17..... 0
2011-12..... 0	2017-18..... 0

The Tobacco Settlement Investment Board restricted revenue represented the approved expenses of the overseeing investment board to be paid from the investment earnings in the Health Endowment Account for Long-Term Hope. Beginning in 2011-12, these funds are appropriated from the Tobacco Settlement Fund.

### Community Health Reinvestment Account

(Dollar Amounts in Thousands)

Actual	Estimated
2006-07..... \$ 94,963	2012-13..... \$ 0
2007-08..... 109,041	2013-14..... 0
2008-09..... 126,348	2014-15..... 0
2009-10..... 106,263	2015-16..... 0
2010-11..... 85,021	2016-17..... 0
2011-12..... 30,492	2017-18..... 0

The account was used for the restricted receipt and disbursement of funds received in accordance with the Community Health Reinvestment Agreement entered into February 2, 2005 by the Insurance Department. The Community Health Reinvestment program disbursed funds in the Insurance Department in support of basic health care for adults in accordance with Act 77 of 2001. The Community Health Reinvestment Agreement expired December 31, 2010. An additional agreement funded the Adult Health Insurance program through February 28, 2011. This budget assumes no additional Community Health Reinvestment contributions.

## Restricted Revenues

### Health Venture Investment Account

(Dollar Amounts in Thousands)

Actual		Estimated	
2006-07.....	\$ 0	2012-13.....	\$ 0
2007-08.....	0	2013-14.....	0
2008-09.....	6,000	2014-15.....	0
2009-10.....	0	2015-16.....	0
2010-11.....	0	2016-17.....	0
2011-12.....	0	2017-18.....	0

The Health Venture Investment account revenues were provided by a one-time appropriation of \$60 million from the Tobacco Settlement Fund as a result of Act 77 of 2001 and the transfer of funds from the Machinery and Equipment Loan Fund as a result of Act 53 of 2008. Funds are invested in one or more limited partnerships that make venture capital investments by acquiring debt and equity interests in health care, biotechnology or in other health-related businesses that are expected to grow substantially in the future in accordance with Act 77 of 2001.

### Biotechnology Commercialization Account

(Dollar Amounts in Thousands)

Actual		Estimated	
2006-07.....	\$ 0	2012-13.....	\$ 0
2007-08.....	0	2013-14.....	0
2008-09.....	6,000	2014-15.....	0
2009-10.....	0	2015-16.....	0
2010-11.....	0	2016-17.....	0
2011-12.....	0	2017-18.....	0

The Biotechnology Commercialization account revenues were provided by the transfer of funds from the Machinery and Equipment Loan Fund as a result of Act 53 of 2008. Funds are distributed equally to regional biotechnology research centers to continue support for the three Life Sciences Greenhouses that invest in companies focused on research, development and commercialization of cutting-edge therapies and medical technologies in accordance with Act 77 of 2001.

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Commonwealth of Pennsylvania

Governor's Executive Budget

*TAX*  
*EXPENDITURES*

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# 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.

## 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 2013-14 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

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*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 the \$2 million that is unused for pass-through entities is available to be awarded to other taxpayers.

The estimate for fiscal year 2011-12 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 16.5	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0

*Beneficiaries:* Approximately 380 companies and 85 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 institution 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 2011-12 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1

**Beneficiaries:** Approximately 125 companies and 125 individuals doing business in Pennsylvania benefit from this tax expenditure.

## RESEARCH AND DEVELOPMENT TAX CREDIT

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*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 fifteen 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 2011-12 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 55.0	\$ 55.0	\$ 55.0	\$ 55.0	\$ 55.0	\$ 55.0	\$ 55.0

*Beneficiaries:* Approximately 490 companies performing qualified research and development in Pennsylvania benefit from this tax expenditure.

## KEYSTONE OPPORTUNITY ZONE

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*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 fifteen 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 fifteen acres per zone for a period of ten years. The extension of benefits under Act 16 should start to become 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 29.2	\$ 24.2	\$ 21.8	\$ 19.9	\$ 20.1	\$ 19.5	\$ 18.9

*Beneficiaries:* Qualified businesses and residents of the designated zones within this commonwealth benefit from this tax expenditure.

## EDUCATIONAL IMPROVEMENT TAX CREDIT

*Authorization:* Article XVII-F 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, and insurance companies, 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, or refunded or transfer. 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 \$400,000 for contributions to scholarship and education improvement organizations for fiscal year 2012-13 and \$750,000 for fiscal year 2013-14 and each fiscal year thereafter. The annual limit per taxpayer is \$200,000 for contributions to pre-kindergarten scholarship organizations for fiscal year 2012-13 and each fiscal year thereafter. The tax credit shall not exceed the tax liability of a business for any given taxable year.

The total amount of tax credit that can be awarded in a fiscal year has changed over the years. For fiscal year 2012-13 and forward, the total amount credit that can be awarded is \$100 million, which includes \$60 million for contributions to scholarship organizations, \$30 million for contributions to educational improvement organizations, and \$10 million for contributions to pre-kindergarten organizations. The estimate for fiscal year 2011-12 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 75.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0

*Beneficiaries* Approximately 2,260 companies, 1,720 individuals, and 910 scholarship organizations, educational improvement organizations, and pre-kindergarten scholarship organizations 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 credit 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. The estimate for fiscal year 2011-12 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 13.1	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0

*Beneficiaries:* Approximately 175 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 addition tax credit of 5 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.

The estimate for fiscal year 2011-12 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. Annual administrative costs are expected to total \$0.1 million.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 60.0	\$ 60.0	\$ 60.0	\$ 60.0	\$ 60.0	\$ 60.0	\$ 60.0

*Beneficiaries:* Approximately 80 film projects will benefit from this expenditure.

## ALTERNATIVE ENERGY PRODUCTION TAX CREDIT

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*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 2011-12 reflect actual credits awarded. 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.0	\$ 7.0	\$ 10.0	\$ 10.0	\$ 2.0	\$ --	\$ --

*Beneficiaries:* An unknown number of taxpayers will benefit from this tax expenditure.

## STRATEGIC DEVELOPMENT AREAS

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*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 taxes 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.

<i>Estimates:</i>	(Dollar Amounts in Millions)					
<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
\$ 0.0	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 will first be 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 2011-12 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 5.7	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0

*Beneficiaries:* Approximately 140 businesses and 315 individuals will benefit from this tax expenditure.

## KEYSTONE SPECIAL DEVELOPMENT ZONE TAX CREDIT

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*Authorization:* Act 26 of 2011

*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 ten consecutive tax years during the fifteen 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 ten 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 the 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

*Beneficiaries:* An unknown number of taxpayers will benefit from this tax expenditure.

## EDUCATIONAL OPPORTUNITY SCHOLARSHIP TAX CREDIT

*Authorization:* Article XVII-G.1 of the Tax Reform Code of 1971 (P.L. 6, No. 2), as amended.

*Description:* Act 85 of 2012 established the Educational Opportunity Scholarship Tax Credit for business firms 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 tax credits may be applied to the personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company tax, gross premiums tax, and/or mutual thrift institution tax. Credits may not be carried forward, carried back, and are not refundable or transferable.

For fiscal year 2012-13 the credit may not exceed \$400,000 annually per business firm. For fiscal years 2013-14 and each year thereafter, the credit may not exceed \$750,000 annually per business firm. The total aggregate amount of credits that may be awarded in a fiscal year is capped at \$50 million. The estimate for fiscal year 2012-13 forward 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ --	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0

*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 tax, gross premiums tax, and/or mutual thrift institution 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 year that the credit may apply to is 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ --	\$ --	\$ 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 tax, gross premiums tax, and/or mutual thrift institution tax. Tax credits may not be carried forward, carried back, and are not refundable or transferable.

The total amount 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 year that the credit may apply to is 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ --	\$ --	\$ 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 5 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.

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ --	\$ 0.2	\$ 4.5	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0

*Beneficiaries:* An unknown number of businesses will benefit from this tax 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 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)

<i>Estimates:</i>	<b>Corporate Net Income Tax and Capital Stock/Foreign Franchise Tax:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 2.5	\$ 2.6	\$ 2.7	\$ 2.8	\$ 2.8	\$ 2.9	\$ 3.0
	<b>Selective Business Taxes:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 44.5	\$ 44.3	\$ 44.1	\$ 43.9	\$ 43.7	\$ 43.5	\$ 43.3

**Beneficiaries:** Approximately 2,200 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.

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 202.7	\$ 229.7	\$ 259.7	\$ 265.8	\$ 267.8	\$ 268.6	\$ 269.3

*Beneficiaries:* More than 33,200 corporations are affected by this expenditure. Of those, 12,000 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 2.4	\$ 2.5	\$ 2.5	\$ 2.6	\$ 2.6	\$ 2.7	\$ 2.7

*Beneficiaries:* Approximately 2,000 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.

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. Act 4 of 1999 increased the annual cap on deductions to \$2 million in each of the ten years following the loss, effective January 1, 1999. Various other acts have increased the annual cap on deductions. For tax year 2010 and beyond, Act 48 of 2009 amended the annual cap on deductions to \$3 million or 20 percent of taxable income, whichever is greater, in each of the twenty years following the loss.

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 277.8	\$ 313.0	\$ 338.8	\$ 366.0	\$ 393.5	\$ 421.9	\$ 450.9

*Beneficiaries:* Approximately 20,700 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 705.8	\$ 738.7	\$ 745.0	\$ 746.2	\$ 745.6	\$ 744.9	\$ 744.2

*Beneficiaries:* Approximately 168,500 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 LLC's and types of companies that can organize as LLC's.

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 513.3	\$ 540.2	\$ 553.6	\$ 564.9	\$ 575.8	\$ 586.4	\$ 596.6

*Beneficiaries:* As many as 147,000 companies doing business in Pennsylvania benefit from this tax expenditure.

## POWDERED METALLURGY NEXUS

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*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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

*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 mill 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 48 of 2009, froze the rate in tax years 2009 through 2011 at 2.89 mills. The rate would then reduce by 1 mill per year beginning in tax year 2012 until the tax is eliminated for all tax years beginning after December 31, 2013.

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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 9.6	\$ 6.9	\$ 3.5	\$ 0.7	\$ 0.2	Nominal	Nominal

*Beneficiaries:* Approximately 2,900 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal						

*Beneficiaries:* Approximately 700 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 188.2	\$ 134.3	\$ 68.9	\$ 14.5	\$ 3.0	Nominal	Nominal

*Beneficiaries:* Approximately 6,100 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.

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 193.6	\$ 138.2	\$ 70.9	\$ 15.0	\$ 3.1	Nominal	Nominal

*Beneficiaries:* Approximately 6,700 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.1	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* Approximately 30 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 43.5	\$ 30.6	\$ 15.2	\$ 2.9	\$ 0.5	Nominal	Nominal

*Beneficiaries:* Approximately 255,700 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 126.6	\$ 90.4	\$ 46.4	\$ 9.8	\$ 2.0	Nominal	Nominal

*Beneficiaries:* Approximately 750 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.4	\$ 1.0	\$ 0.5	\$ 0.1	Nominal	Nominal	Nominal

*Beneficiaries:* At least 180 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

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*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 5.8	\$ 4.0	\$ 1.5	\$ 0.1	Nominal	Nominal	Nominal

*Beneficiaries:* Approximately 4,600 companies doing business in Pennsylvania benefit from this tax expenditure.

## EXEMPTION FOR STUDENT LOAN ASSETS

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*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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 state; 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

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*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 12.2	\$ 12.6	\$ 13.0	\$ 13.3	\$ 13.8	\$ 14.2	\$ 14.6

*Beneficiaries:* The 35 municipally-owned utilities operating in the commonwealth benefit from this tax expenditure.

### NUCLEAR GENERATING FACILITY DAMAGE

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*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* 65 electric suppliers could potentially benefit from this tax expenditure.

# General Fund Tax Expenditures

## ELECTRIC COOPERATIVES

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*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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 19.7	\$ 20.3	\$ 20.9	\$ 21.6	\$ 22.2	\$ 23.4	\$ 24.7

*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 remains 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 2.7	\$ 2.8	\$ 2.9	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.4

*Beneficiaries:* The 315 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 2.4	\$ 2.5	\$ 2.5	\$ 2.6	\$ 2.8	\$ 2.9	\$ 3.0

*Beneficiaries:* The 315 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 5.5	\$ 5.7	\$ 5.9	\$ 6.2	\$ 6.4	\$ 6.6	\$ 6.9

*Beneficiaries:* The 78 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 4.8	\$ 5.0	\$ 5.2	\$ 5.4	\$ 5.6	\$ 5.9	\$ 6.1

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.3	\$ 3.5	\$ 3.6	\$ 3.8

*Beneficiaries:* The 500 municipal authorities and the 35 municipal public utilities benefit from this tax expenditure.

## ELECTRIC GENERATION FACILITIES

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*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 22.1	\$ 22.9	\$ 23.8	\$ 24.8	\$ 25.7	\$ 26.8	\$ 27.8

*Beneficiaries:* The 22 electric utilities owning generating assets in Pennsylvania benefit from this tax expenditure.

## TRANSITION CREDIT

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*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal						

*Beneficiaries:* Approximately 70 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 2 percent of gross premiums plus any retaliatory tax. A 3 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 5 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 12.8	\$ 15.6	\$ 15.4	\$ 16.0	\$ 16.8	\$ 17.5	\$ 18.4

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 114.1	\$ 119.6	\$ 128.4	\$ 134.4	\$ 140.7	\$ 149.4	\$ 155.2

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

*Beneficiaries:* The 810 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal						

*Beneficiaries:* The 449 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	\$ 1.1	\$ 2.1	\$ 3.3	\$ 4.4	\$ 5.7

*Beneficiaries:* Approximately 1,000 property and casualty insurers doing business in Pennsylvania 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.

This tax is imposed annually on the value of shares as of January 1. The value of shares is a six-year average calculated by dividing the total number of shares into the average of each of the previous six years' quarterly average value of shares adjusted to exclude the value of United States obligations. The tax rate on the dollar value of each taxable share of stock is 1.25 percent.

## **GOODWILL DEDUCTION**

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*Description:* Act 55 of 2007 allows for goodwill generated by a combination to be subtracted from a bank's book value of total equity capital when calculating its shares history.

*Purpose:* This deduction is intended to avoid the artificial inflation of a bank's tax liability simply because it has combined with another bank.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 69.4	\$ 70.1	\$ 69.8	\$ 68.3	\$ 66.3	\$ 67.2	\$ 68.2

*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

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*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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3

*Beneficiaries:* The 138 mutual thrift companies could benefit from this tax expenditure.

### CREDIT UNIONS

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*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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 18.8	\$ 20.5	\$ 22.3	\$ 24.2	\$ 26.4	\$ 28.7	\$ 31.2

*Beneficiaries:* The 559 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 13.1	\$ 13.3	\$ 13.5	\$ 13.7	\$ 13.9	\$ 14.1	\$ 14.3

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$1,223.6	\$1,257.4	\$1,289.6	\$1,322.9	\$1,356.2	\$1,388.5	\$1,418.9

*Beneficiaries:* Virtually all 5.0 million households benefit from this tax expenditure.

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 89.9	\$ 92.4	\$ 94.8	\$ 97.2	\$ 99.7	\$ 102.0	\$ 104.3

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 46.2	\$ 47.4	\$ 48.7	\$ 50.0	\$ 51.4	\$ 53.0	\$ 54.5

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 23.0	\$ 22.2	\$ 21.6	\$ 21.1	\$ 20.7	\$ 20.4	\$ 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 9.8	\$ 10.0	\$ 10.2	\$ 10.4	\$ 10.5	\$ 10.7	\$ 10.8

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 777.7	\$ 785.2	\$ 790.9	\$ 802.4	\$ 819.5	\$ 838.4	\$ 857.7

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 665.0	\$ 702.2	\$ 754.3	\$ 821.4	\$ 898.0	\$ 978.6	\$1,059.5

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 100.8	\$ 106.5	\$ 114.5	\$ 124.8	\$ 136.6	\$ 149.1	\$ 161.7

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 137.8	\$ 141.4	\$ 144.5	\$ 148.3	\$ 152.8	\$ 157.7	\$ 163.0

*Beneficiaries:* Approximately 5.0 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 8.3	\$ 8.4	\$ 8.6	\$ 8.8	\$ 9.0	\$ 9.2	\$ 9.4

*Beneficiaries:* Approximately 277,000 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 15.4	\$ 15.8	\$ 16.3	\$ 16.9	\$ 17.6	\$ 18.2	\$ 18.9

*Beneficiaries:* As many as 124,000 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 2.0	\$ 2.1	\$ 2.1	\$ 2.2	\$ 2.3	\$ 2.3	\$ 2.4

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 27.3	\$ 27.9	\$ 28.4	\$ 28.9	\$ 29.2	\$ 29.5	\$ 29.8

*Beneficiaries:* As many as 757,800 college students may benefit from this tax expenditure.

# General Fund Tax Expenditures

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 9.1	\$ 9.3	\$ 9.6	\$ 10.0	\$ 10.3	\$ 10.8	\$ 11.3

*Beneficiaries:* Approximately 717,800 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 71.2	\$ 73.0	\$ 74.5	\$ 76.5	\$ 78.7	\$ 81.1	\$ 83.6

*Beneficiaries:* Approximately 4.0 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 119.9	\$ 121.8	\$ 123.7	\$ 126.6	\$ 129.9	\$ 133.0	\$ 135.7

*Beneficiaries:* Approximately 130,000 households and 3,400 businesses benefit from this tax expenditure.

# General Fund Tax Expenditures

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

*Beneficiaries:* Approximately 1.1 million households that use firewood or wood pellets as their primary heat source benefit from this tax expenditure. Also, there are an estimated 860,000 households with usable, wood burning fireplaces that may benefit from this tax expenditure.

## 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)

<i>Estimates:</i>	<b>Electric:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 428.4	\$ 441.3	\$ 454.5	\$ 468.1	\$ 482.2	\$ 496.7	\$ 511.6
	<b>Fuel Oil/Gas:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 382.1	\$ 399.0	\$ 410.9	\$ 409.3	\$ 411.7	\$ 416.8	\$ 416.0
	<b>Telephone:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 98.4	\$ 98.2	\$ 96.8	\$ 96.0	\$ 95.5	\$ 95.0	\$ 94.6

*Beneficiaries:* Approximately 4.9 million households (electricity), 3.8 million households (fuel oil/gas), and 4.1 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 131.5	\$ 133.1	\$ 134.5	\$ 137.1	\$ 140.8	\$ 145.1	\$ 149.5

*Beneficiaries:* Approximately 4.2 million households and about 298,000 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$1,329.5	\$1,359.5	\$1,393.1	\$1,369.1	\$1,386.1	\$1,400.5	\$1,405.2

*Beneficiaries:* Approximately 4.6 million households and owners of more than 1.4 million heavy trucks, buses, etc., benefit from this tax expenditure.

## MOTOR VEHICLES / VESSELS

### 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 122.1	\$ 130.0	\$ 138.4	\$ 147.4	\$ 157.0	\$ 167.2	\$ 178.0

*Beneficiaries:* Approximately 9,990 common carriers could benefit from this tax expenditure.

## COMMERCIAL VESSELS (Construction and Repair)

*Description:* The purchase or use of commercial vessels of fifty 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.4

*Beneficiaries:* As many as 11 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 fifty 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.3	\$ 3.5	\$ 3.6	\$ 3.7

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

## HELICOPTERS

*Description:* An exemption is provided for the sale at retail, rental, or lease of helicopters and similar rotorcraft vehicles. In addition, there is an exemption for the sale at retail of repair and replacement parts for helicopters and similar rotorcraft vehicles.

*Purpose:* This exclusion places Pennsylvania helicopter manufactures at a competitively neutral position relative to manufacturers in those states allowing this exemption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

*Beneficiaries:* Approximately 550 companies may benefit from this expenditure.

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 20.6	\$ 20.8	\$ 21.1	\$ 21.3	\$ 21.5	\$ 21.8	\$ 22.0

*Beneficiaries:* Approximately 900 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 875.8	\$ 912.7	\$ 955.7	\$1,006.6	\$1,054.9	\$1,102.2	\$ 1,144.2

*Beneficiaries:* Approximately 13,900 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 110.9	\$ 112.2	\$ 113.4	\$ 115.1	\$ 116.7	\$ 118.8	\$ 119.2

*Beneficiaries:* Approximately 63,000 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 95.6	\$ 96.7	\$ 98.5	\$ 100.3	\$ 102.3	\$ 104.1	\$ 105.8

*Beneficiaries:* Approximately 8,000 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.9	\$ 1.9	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.3	\$ 2.4

*Beneficiaries:* Approximately 82,200 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 41.4	\$ 44.0	\$ 46.7	\$ 49.5	\$ 52.6	\$ 55.8	\$ 59.2

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7

*Beneficiaries:* Approximately 35 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.9	\$ 1.9	\$ 1.9

*Beneficiaries:* As many as 500 vending machine operators may benefit from this tax expenditure.

# General Fund Tax Expenditures

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

*Beneficiaries:* Approximately 6,200 persons benefit from this tax expenditure.

## COMMISSION

*Description:* A licensed vendor is permitted a 1 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 70.8	\$ 73.1	\$ 75.5	\$ 78.2	\$ 80.8	\$ 83.6	\$ 86.4

*Beneficiaries:* Approximately 193,700 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

# General Fund Tax Expenditures

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 286.1	\$ 298.9	\$ 323.7	\$ 328.7	\$ 332.5	\$ 341.3	\$ 350.3

*Beneficiaries:* Approximately 115 purchasers of aircraft, 11,200 purchasers of computers, 11,100 purchasers of boats, and 547,400 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 102.3	\$ 104.6	\$ 107.9	\$ 111.3	\$ 114.9	\$ 117.5	\$ 120.1

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 3.0	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.1

*Beneficiaries:* Approximately 2,100 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

# General Fund Tax Expenditures

## 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 128.5	\$ 130.4	\$ 132.7	\$ 136.5	\$ 140.3	\$ 143.1	\$ 145.5
	<b>Volunteer Firemen's Organizations:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 58.4	\$ 59.2	\$ 60.0	\$ 61.2	\$ 62.6	\$ 63.7	\$ 64.7
	<b>Nonprofit Educational Institutions:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 176.5	\$ 178.4	\$ 179.6	\$ 181.5	\$ 184.6	\$ 187.6	\$ 190.1
	<b>Religious Organizations:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 79.5	\$ 80.7	\$ 82.1	\$ 84.5	\$ 86.8	\$ 88.6	\$ 90.0
	<b>Health &amp; Social Assistance Organizations:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 452.7	\$ 461.4	\$ 475.9	\$ 496.2	\$ 516.6	\$ 535.5	\$ 551.5

**Beneficiaries:** Approximately 44,900 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 381.6	\$ 381.9	\$ 389.8	\$ 401.4	\$ 414.8	\$ 429.0	\$ 443.4

**Beneficiaries:** Approximately 3,100 governmental units benefit from this tax expenditure.

# General Fund Tax Expenditures

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 18.6	\$ 19.0	\$ 19.6	\$ 20.4	\$ 21.2	\$ 21.9	\$ 22.5

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 107.0	\$ 110.1	\$ 113.4	\$ 117.3	\$ 121.4	\$ 125.0	\$ 128.3

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

*Beneficiaries:* As many as 850,000 residents who have difficulty ascending and descending stairs may benefit from this tax expenditure.

# General Fund Tax Expenditures

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 2.4	\$ 2.3	\$ 2.3	\$ 2.2	\$ 2.2	\$ 2.2	\$ 2.2

*Beneficiaries:* Any of the 246,000 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.9	\$ 1.9	\$ 2.0	\$ 2.0	\$ 2.1	\$ 2.1	\$ 2.2

*Beneficiaries:* As many as 120,000 entities benefit from this tax expenditure annually.

## CALL CENTER CREDIT

*Description:* A tax credit is available to call centers for the sales and use tax paid on incoming and outgoing interstate telecommunications. The credit is equal to the gross receipts tax paid by a telephone company on the receipts derived from the incoming and outgoing interstate telecommunications. An eligible call center must be located in Pennsylvania, employ 150 or more employees who initiate or answer telephone calls using at least 200 phone lines, and utilize an automated call distribution system. The total amount of credits awarded is limited to \$30 million per year. The tax credit is available for sales and use tax paid for periods on or after January 1, 2004. Act 48 of 2009 reduced the amount of tax credit that could be awarded per program in fiscal years 2009-10 and 2010-11 by 50 percent and 55 percent respectively. The estimate for fiscal year 2011-12 reflects actual credits awarded under the program for that period. The estimates for fiscal years 2012-13 forward reflect the program cap.

*Purpose:* This exemption retains jobs by providing an incentive for call centers to maintain and expand operations in Pennsylvania.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.5	\$ 30.0	\$ 30.0	\$ 30.0	\$ 30.0	\$ 30.0	\$ 30.0

*Beneficiaries:* Approximately 20 call centers located in Pennsylvania will benefit from this tax credit.

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 35.8	\$ 36.3	\$ 36.9	\$ 38.0	\$ 39.0	\$ 39.8	\$ 40.5

*Beneficiaries:* Approximately 200 motion picture and video exhibition companies, 65 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 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.

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 6.9	\$ 8.0	\$ 9.1	\$ 10.5	\$ 12.0	\$ 13.7	\$ 15.7

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 4.5	\$ 4.6	\$ 4.7	\$ 4.8	\$ 4.9	\$ 5.0	\$ 5.1

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

## WRAPPING AND PACKING SUPPLIES

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*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* Approximately 61,100 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
<b>LODGING</b>							
Recreational parks, camps & campgrounds .....	\$ 59.0	\$ 60.5	\$ 61.7	\$ 62.7	\$ 63.7	\$ 64.6	\$ 65.7
<b>PERSONAL SERVICES</b>							
Dry-cleaning & laundry services .....	\$ 38.2	\$ 39.1	\$ 40.2	\$ 41.7	\$ 43.2	\$ 44.7	\$ 46.2
Personal care services .....	123.6	126.8	130.8	135.8	141.1	146.5	151.9
Funeral parlors, crematories & death care services....	49.5	50.7	52.4	54.4	56.5	58.6	60.8
Other: personal services .....	44.9	46.0	47.5	49.3	51.2	53.1	55.0
<b>BUSINESS SERVICES</b>							
Advertising, public relations, & related services.....	\$ 663.0	\$ 677.5	\$ 694.7	\$ 717.5	\$ 740.6	\$ 760.6	\$ 778.7
Services to buildings and dwellings .....	147.5	150.8	154.9	160.3	165.8	170.6	174.9
Consulting (scientific, environmental, & technical).....	301.5	307.9	316.2	327.5	338.7	348.5	357.2
Scientific research & development services .....	217.6	224.7	234.3	246.1	258.1	269.7	281.1
Information services.....	16.7	17.0	17.4	17.9	18.4	19.0	19.5
Administrative services .....	428.7	438.3	450.2	465.8	481.8	495.9	508.8
<b>COMPUTER SERVICES</b>							
Custom programming, design & data processing .....	\$ 302.3	\$ 308.7	\$ 316.7	\$ 327.5	\$ 338.0	\$ 346.8	\$ 354.6
<b>AUTOMOTIVE SERVICES</b>							
Parking lots & garages.....	\$ 76.7	\$ 78.6	\$ 81.1	\$ 84.1	\$ 87.4	\$ 90.6	\$ 93.9
<b>RECREATION SERVICES</b>							
Spectator sports admissions (excludes schools) .....	\$ 100.5	\$ 113.6	\$ 128.5	\$ 145.3	\$ 164.3	\$ 185.8	\$ 210.1
Theater, dance, music & performing arts admissions ..	21.0	22.4	24.0	25.7	27.6	29.5	31.6
Amusement & recreation industries.....	136.5	139.9	144.3	149.8	155.6	161.4	167.3
Museums, historical sites, zoos & parks.....	22.7	23.6	24.5	25.5	26.5	27.6	28.7
<b>HEALTH SERVICES</b>							
Home health care, nursing care, & other ambulatory health care services .....	\$ 418.5	\$ 432.9	\$ 454.4	\$ 482.7	\$ 512.6	\$ 542.2	\$ 570.2
Hospitals.....	788.4	816.0	856.9	910.6	967.6	1,024.1	1,077.7
Physician & dental services.....	966.0	999.7	1,049.9	1,115.7	1,185.6	1,254.7	1,320.4
Social assistance including day care.....	153.8	159.1	167.1	177.6	188.7	199.7	210.2
<b>PROFESSIONAL SERVICES</b>							
Legal.....	\$ 548.4	\$ 561.2	\$ 578.2	\$ 600.2	\$ 622.3	\$ 642.7	\$ 662.1
Architectural, engineering, & related services.....	218.2	222.8	233.8	249.3	262.4	271.5	278.2
Accounting, auditing and bookkeeping services .....	255.0	260.5	267.7	277.2	286.6	294.7	302.0
Specialized design .....	60.8	62.4	64.1	66.4	68.8	70.8	72.7
All other professional and technical services .....	152.6	156.0	160.1	165.5	170.9	175.5	179.8
<b>TRANSPORTATION SERVICES</b>							
Transit & ground transportation.....	\$ 44.8	\$ 46.2	\$ 47.7	\$ 49.6	\$ 51.2	\$ 52.3	\$ 53.2
Air transportation.....	6.6	6.9	7.1	7.4	7.6	7.8	7.9
Truck transportation.....	48.0	49.3	50.9	52.7	54.4	55.8	57.0
Other transportation.....	0.6	0.6	0.6	0.6	0.7	0.7	0.7
<b>MISCELLANEOUS SERVICES</b>							
Basic television .....	\$ 193.9	\$ 194.6	\$ 194.1	\$ 194.9	\$ 196.2	\$ 197.0	\$ 197.8
Tuition (college, vocational training & instruction).....	637.7	654.1	674.6	700.3	727.5	754.9	782.6
Electrical, plumbing, heating & AC service fees.....	NA						
Veterinary fees.....	44.4	45.5	47.0	48.8	50.7	52.6	54.5
Financial institution fees.....	234.2	241.7	251.6	260.6	272.8	285.2	297.2
Waste management and remediation services.....	119.2	121.7	124.9	129.2	133.4	137.3	141.0

**Beneficiaries:** Virtually all 5.0 million households and all 298,000 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 4 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

## COMMISSIONS ON SALES OF STAMPS

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*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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 9.9	\$ 9.9	\$ 9.9	\$ 9.9	\$ 9.9	\$ 9.9	\$ 9.9

*Beneficiaries:* Approximately 100 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 also 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 2.5	\$ 2.5	\$ 2.6	\$ 2.7	\$ 2.8	\$ 2.9	\$ 2.9

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$2,368.3	\$2,465.4	\$2,585.0	\$2,710.5	\$2,842.0	\$2,979.9	\$3,124.5

*Beneficiaries:* As many as 2.6 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$1,013.5	\$1,051.3	\$1,096.1	\$1,146.0	\$1,196.0	\$1,244.3	\$1,291.1

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 27.0	\$ 27.8	\$ 28.7	\$ 29.5	\$ 30.4	\$ 31.3	\$ 32.3

*Beneficiaries:* Approximately 36,000 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 7.1	\$ 7.4	\$ 7.9	\$ 8.6	\$ 9.2	\$ 9.8	\$ 10.4

*Beneficiaries:* Individuals filing approximately 73,000 returns are estimated to benefit from this tax expenditure. This number is expected to rise over time.

# General Fund Tax Expenditures

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$1,074.5	\$1,081.3	\$1,105.6	\$1,156.9	\$1,235.8	\$1,333.8	\$1,436.1

*Beneficiaries:* As many as 5.7 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 83.7	\$ 68.5	\$ 53.0	\$ 55.4	\$ 57.8	\$ 60.1	\$ 62.4

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 117.8	\$ 120.2	\$ 122.5	\$ 124.9	\$ 127.3	\$ 129.8	\$ 132.4

*Beneficiaries:* The death payment beneficiaries of approximately 171,000 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 149.0	\$ 149.1	\$ 143.2	\$ 129.9	\$ 117.2	\$ 110.0	\$ 107.2

*Beneficiaries:* Approximately 772,000 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 90.3	\$ 91.7	\$ 93.0	\$ 94.4	\$ 95.7	\$ 97.1	\$ 98.5

*Beneficiaries:* As many as 85,600 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 12.3	\$ 12.3	\$ 12.3	\$ 12.3	\$ 12.3	\$ 12.3	\$ 12.3

*Beneficiaries:* Approximately 260,000 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 96.7	\$ 98.1	\$ 99.7	\$ 101.7	\$ 103.8	\$ 105.6	\$ 107.3

*Beneficiaries:* The owners of approximately 160,200 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 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 106.3	\$ 109.0	\$ 113.0	\$ 118.1	\$ 124.2	\$ 131.3	\$ 141.3

*Beneficiaries:* Approximately 49,200 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 107.1	\$ 110.9	\$ 115.3	\$ 120.5	\$ 126.0	\$ 131.3	\$ 136.4

*Beneficiaries:* The recipients of approximately 267,000 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

# General Fund Tax Expenditures

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 97.8	\$ 101.7	\$ 105.8	\$ 110.0	\$ 114.4	\$ 119.0	\$ 123.7

*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)

<i>Estimates:</i>	<b><i>Depreciation:</i></b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 174.3	\$ 174.4	\$ 180.0	\$ 189.0	\$ 198.6	\$ 208.2	\$ 219.5
	<b><i>Other:</i></b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$2,048.5	\$2,049.6	\$2,115.7	\$2,220.9	\$2,334.7	\$ 2,446.8	\$2,580.0

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 3.5	\$ 3.8	\$ 4.0	\$ 4.3	\$ 4.6	\$ 5.0	\$ 5.3

*Beneficiaries:* The foster parents of approximately 22,000 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 22.2	\$ 25.0	\$ 28.2	\$ 31.8	\$ 36.0	\$ 40.7	\$ 46.1

*Beneficiaries:* At least 89,000 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0

*Beneficiaries:* As many as 104,400 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 12.4	\$ 12.4	\$ 12.5	\$ 12.5	\$ 12.6	\$ 12.7	\$ 12.8

*Beneficiaries:* Approximately 50,800 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 99.6	\$ 91.7	\$ 97.8	\$ 106.9	\$ 121.2	\$ 125.8	\$ 125.8

*Beneficiaries:* Approximately 290,000 Pennsylvanians benefit from this expenditure.

## 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 2012, 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 301.0	\$ 291.9	\$ 283.2	\$ 274.7	\$ 266.4	\$ 258.4	\$ 250.7

*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) or country may claim the lesser of the actual tax paid to the other state or country, or the tax calculated using Pennsylvania taxable income earned in the other state or country, multiplied by the current Pennsylvania tax rate as a credit against the personal income tax.

*Purpose:* This provision prevents the double taxation of income earned by a Pennsylvania resident in another state or country.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 295.0	\$ 307.3	\$ 319.9	\$ 334.0	\$ 347.8	\$ 360.9	\$ 373.9

*Beneficiaries:* Individuals filing approximately 152,400 returns benefit from this tax expenditure.

## VOLUNTEER RESPONDER RETENTION AND RECRUITMENT TAX CREDIT

*Description:* Act 66 of 2008 created a one-time tax credit awardable for the 2008 taxable year and available to a volunteer for a volunteer ambulance service, volunteer fire company, or volunteer rescue company. Eligibility and credit amount for the credit is determined by a points system and the number of months as an active volunteer. The maximum credit per volunteer is one hundred dollars, which will be awarded in order of applications received until the \$4.5 million credit cap is met. Any unused credits may be carried forward for up to three years; however, they may not be sold, reassigned, carried back, or refunded.

*Purpose:* The purpose of the tax credit is to recruit and retain active volunteer responders.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	\$ --	\$ --	\$ --	\$ --	\$ --

*Beneficiaries:* The 85,000 volunteer responders in Pennsylvania could benefit from the tax credit.

## 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 3.1	\$ 3.6	\$ 4.5	\$ 5.0	\$ 5.3	\$ 5.8	\$ 6.0

*Beneficiaries:* Approximately 43,800 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal						

*Beneficiaries:* Farmers operating approximately 59,000 farms benefit from this tax expenditure.

# General Fund Tax Expenditures

## 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	--	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* Taxpayers filing nearly 25,000 returns will 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 1 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. For July 2003 and thereafter the transfer rate returns 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 rate will return to 15 percent.

*Administrative Costs:* Costs to administer the realty transfer tax expenditures are approximately \$0.3 million annually.

### TRANSFERS TO GOVERNMENTAL UNITS

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*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 2.3	\$ 2.8	\$ 3.2	\$ 3.4	\$ 3.7	\$ 4.2	\$ 4.8

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 44.8	\$ 55.0	\$ 61.0	\$ 65.4	\$ 70.5	\$ 81.7	\$ 94.7

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.0	\$ 1.3	\$ 1.4	\$ 1.5	\$ 1.6	\$ 1.9	\$ 2.3

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 2.3	\$ 2.8	\$ 3.1	\$ 3.3	\$ 3.6	\$ 4.1	\$ 4.7

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

## TRANSFERS BETWEEN RELIGIOUS ORGANIZATIONS

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*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.9	\$ 1.1	\$ 1.2	\$ 1.3	\$ 1.4	\$ 1.6	\$ 1.8

*Beneficiaries:* Approximately 16,300 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

*Beneficiaries:* Approximately 70 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* Approximately 3,980 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* Approximately 3,980 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* Approximately 1,360 companies may benefit from this tax expenditure.

# General Fund Tax Expenditures

## PUBLIC UTILITY EASEMENTS

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*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal						

*Beneficiaries:* The 315 public utilities could benefit from this tax expenditure.

## STANDING TIMBER OR CROPS

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*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

## 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 6 percent.

*Purpose:* This provision reduces the tax burden on the immediate family members of the decedent.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$1,047.2	\$1,094.1	\$1,143.9	\$1,197.0	\$1,252.3	\$ 1,308.4	\$ 1,366.9

*Beneficiaries:* Approximately 35,600 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 0 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$1,513.3	\$1,581.1	\$1,653.0	\$1,729.7	\$1,809.7	\$1,890.9	\$ 1,975.3

*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 0 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 0 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6

*Beneficiaries:* Approximately 90 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 23.7	\$ 24.8	\$ 25.9	\$ 27.1	\$ 28.4	\$ 29.6	\$ 31.0

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 110.2	\$ 115.0	\$ 119.9	\$ 125.1	\$ 130.4	\$ 136.0	\$ 141.9

*Beneficiaries:* Estates of the decedents associated with approximately 77,000 life insurance policies benefit from this expenditure.

# General Fund Tax Expenditures

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.2	\$ 0.2	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.6	\$ 1.7	\$ 1.8	\$ 1.9	\$ 2.0	\$ 2.0	\$ 2.1

*Beneficiaries:* Approximately 7,900 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 5.8	\$ 6.0	\$ 6.2	\$ 6.5	\$ 6.7	\$ 6.9	\$ 7.2

*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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 66.0	\$ 68.9	\$ 72.0	\$ 75.2	\$ 78.5	\$ 82.0	\$ 85.7

*Beneficiaries:* Approximately 48,300 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 62.3	\$ 65.1	\$ 68.0	\$ 71.0	\$ 74.2	\$ 77.5	\$ 81.0

*Beneficiaries:* Approximately 35,500 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

*Beneficiaries:* As many as 59,600 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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 a 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* Approximately 59,600 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

## NOMINAL OWNERSHIP OF PROPERTY

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*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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

## BUSINESS RELATED EXCLUSIONS AND DEDUCTIONS

### PREFERENTIAL VALUATION OF FARMLAND

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*Description:* Farmland which was devoted to agricultural use for the three years preceding the death of the decedent, and is not less than ten 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* The number of taxpayers benefiting from this expenditure is unknown.

### SMALL BUSINESS INTEREST TRANSFER EXTENDED PAYMENT SCHEDULE

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*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 9 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.6	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6

*Beneficiaries:* The owners of 63,200 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ --	\$ 2.4	\$ 5.6	\$ 6.1	\$ 6.4	\$ 6.7	\$ 7.1

*Beneficiaries:* The owners of 63,200 farms 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6

*Beneficiaries:* Approximately 3,900 governmental units could benefit from this tax expenditure.

# General Fund Tax Expenditures

## 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 129.0	\$ 134.7	\$ 140.7	\$ 147.0	\$ 153.5	\$ 160.4	\$ 167.5

*Beneficiaries:* An estimated 32,800 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 2 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.

The Act of April 17, 1997 (P.L. 1531, No. 3) established a permanent trust fund tax of 12.0 cents per gallon imposed on all liquid fuels and fuels used or sold and delivered by distributors in the commonwealth. Prior to Act 3, liquid fuels were taxed under the provisions of the Act of May 21, 1931 (P.L. 149, No. 105), as amended, known as the Liquid Fuels Tax Act, and fuels were taxed under the Act of January 14, 1952 (P.L. 1965 No. 550), as amended, known as the Fuels Use Tax Act. Both of these acts were repealed effective October 1, 1997. Aviation gasoline and jet fuel are also taxed under the liquid fuels and fuels tax. However, separate tax rates are set for these fuels. Effective January 1, 2013, the tax rate for aviation gasoline is 5.9 cents per gallon, and the tax rate for jet fuels is 2.0 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) of 1997 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. The Oil Franchise tax is calculated annually by multiplying total gallons of fuels and liquid fuels by the average wholesale price established by the Department of Revenue. Minimum and maximum average wholesale prices are statutorily set at \$0.90 and \$1.25 per gallon, respectively. The tax rate for calendar year 2013 is 19.2 cents per gallon for liquid fuels and 26.1 cents per gallon for fuels. Receipts from 57 mills of the tax are deposited as unrestricted Motor License Fund revenue.

## 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, hythane, 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6

# 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)

<i>Estimates:</i>	<b>Liquid Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 4.4	\$ 4.4	\$ 4.5	\$ 4.5	\$ 4.5	\$ 4.6	\$ 4.6
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 5.9	\$ 6.0	\$ 6.0	\$ 6.0	\$ 6.1	\$ 6.2	\$ 6.2
	<b>Oil Company Franchise:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 19.9	\$ 20.0	\$ 20.2	\$ 20.3	\$ 20.5	\$ 20.7	\$ 20.9

*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)

<i>Estimates:</i>	<b>Liquid Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 2.8	\$ 2.8	\$ 2.9	\$ 2.9	\$ 2.9	\$ 2.9	\$ 3.0
	<b>Oil Company Franchise:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 6.9	\$ 6.9	\$ 7.0	\$ 7.0	\$ 7.1	\$ 7.2	\$ 7.2

*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)

<i>Estimates:</i>	<b>Liquid Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Oil Company Franchise:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

*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)

<i>Estimates:</i>	<b>Liquid Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Oil Company Franchise:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</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)

<i>Estimates:</i>	<b>Liquid Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Oil Company Franchise:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* There are 13 electric cooperatives 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)

<i>Estimates:</i>	<b>Liquid Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
	<b>Oil Company Franchise:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.9	\$ 1.9

*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>Liquid Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8
	<b>Oil Company Franchise:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.7	\$ 1.7

**Beneficiaries:** Approximately 270 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>Liquid Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Oil Company Franchise:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

**Beneficiaries:** A minimal number of 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. Returns and payments are generally due on or before the 20th day of each month for the preceding month's sales.

*Purpose:* This discount is intended to defray the cost of preparing and remitting the liquid fuels and fuels tax reports and payments.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<b>Liquid Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 4.3	\$ 4.3	\$ 4.4	\$ 4.4	\$ 4.4	\$ 4.5	\$ 4.5
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.6

*Beneficiaries:* Approximately 850 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)

<i>Estimates:</i>	<b>Liquid Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Fuels:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Oil Company Franchise:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</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

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*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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

*Beneficiaries:* Approximately 80 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 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1

### **POLITICAL SUBDIVISIONS**

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*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 16.1	\$ 16.2	\$ 16.4	\$ 16.5	\$ 16.6	\$ 16.8	\$ 17.0

*Beneficiaries:* Approximately 3,130 governmental units benefit from this tax expenditure.

### **FARM VEHICLES**

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*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 4.8	\$ 4.8	\$ 4.8	\$ 4.9	\$ 4.9	\$ 5.0	\$ 5.0

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 8.4	\$ 8.5	\$ 8.5	\$ 8.6	\$ 8.7	\$ 8.8	\$ 8.9

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal						

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 2.0	\$ 2.0

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* As many as 10,500 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA						

*Beneficiaries:* There are 13 cooperatives in the commonwealth that 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 9.3	\$ 9.3	\$ 9.4	\$ 9.5	\$ 9.5	\$ 9.6	\$ 9.7

*Beneficiaries:* Approximately 5,700 schools benefit from this tax expenditure.

# Motor License Fund Tax Expenditures

## RECREATIONAL VEHICLES

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*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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</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)

<i>Estimates:</i>	<b><i>Disabled/Severely Disabled Veterans:</i></b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

*Beneficiaries:* The owners of approximately 4,800 vehicles benefit from this tax expenditure.

***Charitable Organizations:***

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.3

*Beneficiaries:* The owners of approximately 16,800 vehicles benefit from this tax expenditure.

***Former Prisoners of War:***

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal						

*Beneficiaries:* The owners of approximately 500 vehicles benefit from this tax expenditure.

***Farm Trucks:***

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 3.4	\$ 3.5	\$ 3.5	\$ 3.5	\$ 3.6	\$ 3.6	\$ 3.6

*Beneficiaries:* The owners of approximately 10,600 farm trucks benefit from this tax expenditure.

# Motor License Fund Tax Expenditures

## **Emergency Vehicles:**

<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
\$ 6.4	\$ 6.4	\$ 6.5	\$ 6.6	\$ 6.6	\$ 6.7	\$ 6.8

*Beneficiaries:* Organizations owning approximately 15,400 vehicles benefit from this tax expenditure.

## **Political Subdivisions:**

<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
\$ 17.9	\$ 18.0	\$ 18.2	\$ 18.4	\$ 18.6	\$ 18.8	\$ 19.0

*Beneficiaries:* Approximately 3,130 governmental units benefit from this tax expenditure.

## **Older Pennsylvanians:**

<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
\$ 5.0	\$ 5.2	\$ 5.5	\$ 5.8	\$ 6.1	\$ 6.4	\$ 6.7

*Beneficiaries:* Older Pennsylvanians owning approximately 143,500 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal						

*Beneficiaries:* The owners of approximately 100 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

*Beneficiaries:* The owners of approximately 6,500 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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

*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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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

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*Description:* Racing corporations licensed after May 16, 1986 are subject to a reduced wagering tax rate of 1 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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 5 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	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)

<i>Estimates:</i>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$9,916.2	\$10,468.2	\$10,916.0	\$11,461.9	\$12,014.0	\$12,550.8	\$13,111.5

*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 2012 there were 278,627 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 .....	2,991	Financial Activities.....	17,999
Construction .....	28,221	Professional and Business Services .....	50,316
Manufacturing .....	13,597	Education and Health Services .....	49,610
Trade .....	49,043	Leisure and Hospitality .....	26,530
Transportation, Warehousing, Utilities....	7,618	Other Services .....	28,534
Information .....	3,113	Local Government.....	1,052

<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 3 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)

<i>Estimates:</i>	<b>Motor Vehicle Leases:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Motor Vehicle Rentals:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* Approximately 9,900 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 2.3	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.4	\$ 2.4	\$ 2.4
	<b>Motor Vehicle Rentals:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

*Beneficiaries:* Approximately 7,200 schools may benefit from this tax expenditure.

## MOTOR CARRIERS (CLASS 4 AND ABOVE)

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*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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* The owners of approximately 373,000 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)

<i>Estimates:</i>	<b>Motor Vehicle Leases:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Motor Vehicle Rentals:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</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)

<i>Estimates:</i>	<b>Motor Vehicle Leases:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0
	<b>Motor Vehicle Rentals:</b>						
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 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

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*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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
	Nominal						

*Beneficiaries:* Approximately 3,130 political subdivisions may benefit from this tax expenditure.

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Commonwealth of Pennsylvania

Governor's Executive Budget

# *DEPARTMENT PRESENTATIONS*

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# 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 Objectives

**Executive Direction:** *To provide an effective administrative system through which the substantive program goals of the commonwealth can be accomplished.*

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**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Governor's Office.....	\$ 6,309 <sup>a</sup>	\$ 6,429	\$ 6,429

<sup>a</sup> Includes \$328,000 appropriated for Office of Public Liaison.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>EXECUTIVE DIRECTION</b>							
GENERAL FUND.....	\$ 6,309	\$ 6,429	\$ 6,429	\$ 6,429	\$ 6,429	\$ 6,429	\$ 6,429
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 6,309</b>	<b>\$ 6,429</b>	<b>\$ 6,429</b>	<b>\$ 6,429</b>	<b>\$ 6,429</b>	<b>\$ 6,429</b>	<b>\$ 6,429</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 6,309	\$ 6,429	\$ 6,429	\$ 6,429	\$ 6,429	\$ 6,429	\$ 6,429
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
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 6,309</b>	<b>\$ 6,429</b>	<b>\$ 6,429</b>	<b>\$ 6,429</b>	<b>\$ 6,429</b>	<b>\$ 6,429</b>	<b>\$ 6,429</b>

*PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive program goals of the commonwealth can be accomplished.*

**Program: Executive Direction**

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 to provide 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)

**Governor's Office**

The Governor's Office is recommended at the current year funding level.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-2018 Estimated
<b>GENERAL FUND:</b>							
Governor's Office .....	\$ 6,309	\$ 6,429	\$ 6,429	\$ 6,429	\$ 6,429	\$ 6,429	\$ 6,429

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# 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 Objectives**

**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.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>Office of Administration</b> .....	<b>\$ 8,194</b>	<b>\$ 8,106</b>	<b>\$ 8,191</b>
(F)State Homeland Security Strategies (EA).....	230	225	0
(A)Benefit Administration.....	400	400	400
(A)Classification and Pay Services.....	2,889	2,888	2,888
(A)Workplace Support Division (SEAP).....	2,589	2,918	3,109
(A)Temporary Clerical Pool.....	4,207	4,379	4,619
(A)Office of Strategic Services.....	1,500	2,247	2,282
(A)CDL Drug and Alcohol Testing.....	199	280	240
(A)Labor Relations.....	2,120	1,500	1,412
(A)Managing for Government Responsiveness Training.....	119	325	325
(A)Group Life Insurance Program Commissions.....	88	88	88
(A)Leadership Development Institute.....	119	77	77
(A)HR Shared Services Center.....	6,894	6,888	7,179
(A)PHMC Personnel Services.....	100	100	100
Subtotal.....	<b>\$ 29,648</b>	<b>\$ 30,421</b>	<b>\$ 30,910</b>
<b>Unemployment Compensation and Transition Costs</b> .....	<b>1,480</b>	<b>1,200</b>	<b>0</b>
<b>Office of the Receiver - City of Harrisburg</b> .....	<b>1,000</b>	<b>2,000</b>	<b>2,000</b>
<b>Medicare Part B Penalties</b> .....	<b>295</b>	<b>291</b>	<b>291</b>
<b>Commonwealth Technology Services</b> .....	<b>42,120</b>	<b>43,339</b>	<b>51,909</b>
(F)ARRA - Broadband Technology Opportunities.....	26,846	26,694	16,418
(F)ARRA - Broadband Technology Opportunities - Mapping.....	4,500	4,500	5,155
(F)J-NET Infrastructure Support (EA).....	0	165	163
(A)Integrated Enterprise System.....	37,883	43,023	36,601
(A)Project Management Resources.....	4	50	50
(A)Shared Service Delivery.....	198	411	417
Subtotal.....	<b>\$ 111,551</b>	<b>\$ 118,182</b>	<b>\$ 110,713</b>
<b>Technology Innovation Investment Fund</b> .....	<b>0</b>	<b>0</b>	<b>7,700</b>
<b>Office of Inspector General</b> .....	<b>4,058</b>	<b>4,152</b>	<b>4,126</b>
(A)Reimbursements for Special Fund Investigations.....	1,111	1,111	1,111
Subtotal.....	<b>\$ 5,169</b>	<b>\$ 5,263</b>	<b>\$ 5,237</b>
<b>Inspector General - Welfare Fraud</b> .....	<b>12,324</b>	<b>12,705</b>	<b>12,607</b>
(F)TANFBG - Program Accountability.....	920	1,500	1,500
(F)Food Stamps - Program Accountability.....	4,578	7,000	7,000
(F)Medical Assistance - Program Accountability.....	2,096	4,200	4,200
(F)CCDFBG - Subsidized Day Care Fraud.....	436	1,000	1,000
Subtotal.....	<b>\$ 20,354</b>	<b>\$ 26,405</b>	<b>\$ 26,307</b>
<b>Office of the Budget</b> .....	<b>19,161</b>	<b>18,537</b>	<b>18,537</b>
(F)ARRA - Fiscal Stabilization - Administration (EA).....	134	0	0
(A)ARRA - Accountability Office.....	51	0	0
(A)Support for Commonwealth Payroll Operations.....	6,173	6,050	6,153
(A)BOA - Single Audit.....	553	624	699
(A)Comptroller Single Audit.....	3,995	3,059	3,068
(A)Support for PLCB Comptroller's Office.....	5,377	5,519	5,378
(A)Support for Comptroller Services.....	31,244	31,717	32,637
(A)OAS Support Services.....	43	35	35
Subtotal.....	<b>\$ 66,731</b>	<b>\$ 65,541</b>	<b>\$ 66,507</b>
<b>Audit of the Auditor General</b> .....	<b>99</b>	<b>0</b>	<b>0</b>
<b>Office of General Counsel</b> .....	<b>3,357</b>	<b>3,189</b>	<b>3,189</b>
(A)CLE Registration Fees.....	78	78	78
(A)USTIF Settlement.....	0	0	246
Subtotal.....	<b>\$ 3,435</b>	<b>\$ 3,267</b>	<b>\$ 3,513</b>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Human Relations Commission</b> .....	<b>9,491</b>	<b>9,491</b>	<b>9,380</b>
(F)EEOC - Special Project Grant.....	1,483	2,000	1,484
(F)HUD - Special Project Grant.....	557	958	488
(A)Miscellaneous Revenues.....	14	18	18
Subtotal.....	<u>\$ 11,545</u>	<u>\$ 12,467</u>	<u>\$ 11,370</u>
<b>Council on the Arts</b> .....	<b>886</b>	<b>886</b>	<b>919</b>
(F)NEA - Grants to the Arts - Administration.....	329	470 <sup>a</sup>	670
Subtotal.....	<u>\$ 1,215</u>	<u>\$ 1,356</u>	<u>\$ 1,589</u>
<b>Juvenile Court Judges Commission</b> .....	<b>2,454</b>	<b>2,461</b>	<b>2,679</b>
(F)JCMS Support and Deployment (EA).....	370	167	0
Subtotal.....	<u>\$ 2,824</u>	<u>\$ 2,628</u>	<u>\$ 2,679</u>
<b>Public Employee Retirement Commission</b> .....	<b>690</b>	<b>710</b>	<b>710</b>
(A)Actuarial Services.....	10	0	0
Subtotal.....	<u>\$ 700</u>	<u>\$ 710</u>	<u>\$ 710</u>
<b>Commission on Crime and Delinquency</b> .....	<b>3,088</b>	<b>3,318</b>	<b>3,681</b>
(F)Plan for Juvenile Justice.....	218	268	250
(F)Justice Assistance Grants.....	17,603	25,000	20,000
(F)ARRA - Justice Assistance Grants.....	14,905	20,000	6,000
(F)Justice Assistance Grants - Administration.....	1,089	1,700	1,700
(F)ARRA - Justice Assistance Grants - Administration.....	938	2,000	1,200
(F)Juvenile Justice - Title V.....	168	200	150
(F)Statistical Analysis Center.....	100	150	150
(F)Criminal Identification Technology.....	447	1,000	800
(F)Crime Victims Compensation Services.....	6,129	7,500	7,500
(F)Crime Victims Assistance.....	17,151	20,000	20,000
(F)ARRA - Crime Victims Assistance.....	90	100	0
(F)Violence Against Women.....	4,798	5,500	5,500
(F)ARRA - Violence Against Women.....	1,000	500	0
(F)Violence Against Women - Administration.....	300	500	500
(F)ARRA - Violence Against Women - Administration.....	113	250	0
(F)Residential Substance Abuse Treatment Program.....	1,200	1,700	900
(F)DFSC - Special Programs.....	430	0	0
(F)Crime Victims Assistance (VOCA) - Admin/Operations.....	1,155	1,300	1,300
(F)Assault Services Program.....	407	500	500
(F)Incentive Grants Program.....	0	1,000	0
(F)Second Chance Act - Mentoring.....	0	625	0
(F)Second Chance Act - Juvenile Offender Reentry.....	293	975	200
(F)Juvenile Accountability Incentive Program.....	1,784	5,000	3,000
(F)Juvenile Accountability Incentive Program - Administration.....	119	119	100
(F)Combat Underage Drinking Program.....	415	800	800
(F)Juvenile Justice and Delinquency Prevention.....	2,766	4,500	4,500
(F)Project Safe Neighborhoods.....	367	800	600
(F)Forensic Science Program.....	1,564	1,500	800
(F)Statewide Automated Victim Information Notification.....	787	1,000	1,000
(F)Justice and Mental Health Collaboration.....	0	250	0
(F)NICS Act Record Improvement Program.....	0	2,000	500
(F)Juvenile Delinquency Court Improvement Initiative.....	0	500	500
(F)Community Strategic Planning Demonstration Project.....	0	36	36
(F)Pennsylvania Capital Litigation Training Program.....	155	375	375
(F)Youth Promise Act.....	0	1,000	1,000
(F)Prosecutor and Defender Incentives.....	357	400	500
(F)Juvenile Justice Innovation Fund.....	0	500	500
(F)SORNA.....	0	0	100
(A)PCCD - Special Projects.....	0	7	3
(A)Center of Excellence.....	396	605	500
Subtotal.....	<u>\$ 80,332</u>	<u>\$ 113,478</u>	<u>\$ 85,145</u>
<b>Victims of Juvenile Offenders</b> .....	<b>0</b>	<b>1,300</b>	<b>1,300</b>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Violence Prevention Programs</b> .....	<b>1,863</b>	<b>2,113</b>	<b>5,863</b>
(A)Resource Center.....	1,348	1,508	1,428
(A)Luzerne County.....	37	0	0
(A)Models for Change.....	118	29	0
Subtotal.....	<b>\$ 3,366</b>	<b>\$ 3,650</b>	<b>\$ 7,291</b>
<b>Safe Schools Advocate</b> .....	<b>388</b>	<b>380</b>	<b>380</b>
Subtotal - State Funds.....	\$ 110,948	\$ 114,178	\$ 133,462
Subtotal - Federal Funds.....	119,327	158,427	119,039
Subtotal - Augmentations.....	109,857	115,934	111,141
Total - General Government.....	<b>\$ 340,132</b>	<b>\$ 388,539</b>	<b>\$ 363,642</b>
<b>Grants and Subsidies:</b>			
<b>Intermediate Punishment Treatment Programs</b> .....	<b>\$ 17,259</b>	<b>\$ 18,167</b>	<b>\$ 18,167</b>
<b>Juvenile Probation Services</b> .....	<b>17,310</b>	<b>16,445</b>	<b>21,445</b>
<b>Grants to the Arts</b> .....	<b>8,179</b>	<b>8,179</b>	<b>8,179</b>
(F)NEA - Grants to the Arts.....	654	850	400
Subtotal.....	<b>\$ 8,833</b>	<b>\$ 9,029</b>	<b>\$ 8,579</b>
Subtotal - State Funds.....	\$ 42,748	\$ 42,791	\$ 47,791
Subtotal - Federal Funds.....	654	850	400
Total - Grants and Subsidies.....	<b>\$ 43,402</b>	<b>\$ 43,641</b>	<b>\$ 48,191</b>
STATE FUNDS.....	\$ 153,696	\$ 156,969	\$ 181,253
FEDERAL FUNDS.....	119,981	159,277	119,439
AUGMENTATIONS.....	109,857	115,934	111,141
<b>GENERAL FUND TOTAL</b> .....	<b>\$ 383,534</b>	<b>\$ 432,180</b>	<b>\$ 411,833</b>
<b>MOTOR LICENSE FUND:</b>			
<b>General Government:</b>			
Commonwealth Technology Services.....	<b>\$ 2,555</b>	<b>\$ 2,336</b>	<b>\$ 2,256</b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Victim/Witness Services.....	\$ 9,355	\$ 7,313	\$ 6,652
Crime Victims Reimbursements.....	8,017	12,449	12,974
Constables Education and Training Account.....	2,032	2,554	2,230
Luzerne County Youth Settlement.....	0	1,083	1,092
Deputy Sheriffs Education and Training Account.....	3,812	3,906	4,515
Firearms License to Carry Modernization Account.....	390	0	0
GENERAL FUND TOTAL.....	<b>\$ 23,606</b>	<b>\$ 27,305</b>	<b>\$ 27,463</b>
<b>HOMEOWNER ASSISTANCE SETTLEMENT FUND:</b>			
Transfer to Access to Justice Account.....	<b>\$ 0</b>	<b>\$ 900</b>	<b>\$ 600</b>

**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>JUSTICE REINVESTMENT FUND:</b>			
Victim Services.....	\$ 0	\$ 0	\$ 544
<b>SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND:</b>			
Substance Abuse Education & Demand Reduction Programs (EA).....	\$ 6,350	\$ 7,500	\$ 8,000
Substance Abuse Education & Demand Reduction - Admin (EA).....	150	250	250
<b>SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND TOTAL....</b>	<b>\$ 6,500</b>	<b>\$ 7,750</b>	<b>\$ 8,250</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 153,696	\$ 156,969	\$ 181,253
SPECIAL FUNDS.....	2,555	2,336	2,256
FEDERAL FUNDS.....	119,981	159,277	119,439
AUGMENTATIONS.....	109,857	115,934	111,141
OTHER FUNDS.....	30,106	35,955	36,857
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 416,195</b>	<b>\$ 470,471</b>	<b>\$ 450,946</b>

<sup>a</sup> Includes recommended supplemental appropriation of \$70,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>EXECUTIVE DIRECTION</b>							
GENERAL FUND.....	\$ 89,421	\$ 91,040	\$ 106,071	\$ 105,170	\$ 104,821	\$ 104,821	\$ 104,920
SPECIAL FUNDS.....	2,555	2,336	2,256	2,256	2,256	2,256	2,256
FEDERAL FUNDS.....	39,740	45,284	35,436	13,700	13,700	13,700	13,700
OTHER FUNDS.....	107,866	113,689	108,868	108,868	108,868	108,868	108,868
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 239,582</b>	<b>\$ 252,349</b>	<b>\$ 252,631</b>	<b>\$ 229,994</b>	<b>\$ 229,645</b>	<b>\$ 229,645</b>	<b>\$ 229,744</b>
<b>LEGAL SERVICES</b>							
GENERAL FUND.....	\$ 3,357	\$ 3,189	\$ 3,189	\$ 3,189	\$ 3,189	\$ 3,189	\$ 3,189
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	78	78	324	324	324	324	324
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 3,435</b>	<b>\$ 3,267</b>	<b>\$ 3,513</b>	<b>\$ 3,513</b>	<b>\$ 3,513</b>	<b>\$ 3,513</b>	<b>\$ 3,513</b>
<b>PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES</b>							
GENERAL FUND.....	\$ 9,491	\$ 9,491	\$ 9,380	\$ 9,380	\$ 9,380	\$ 9,380	\$ 9,380
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,040	2,958	1,972	1,972	1,972	1,972	1,972
OTHER FUNDS.....	14	18	918	618	618	618	344
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 11,545</b>	<b>\$ 12,467</b>	<b>\$ 12,270</b>	<b>\$ 11,970</b>	<b>\$ 11,970</b>	<b>\$ 11,970</b>	<b>\$ 11,696</b>
<b>DEVELOPMENT OF ARTISTS AND AUDIENCES</b>							
GENERAL FUND.....	\$ 9,065	\$ 9,065	\$ 9,098	\$ 9,098	\$ 9,098	\$ 9,098	\$ 9,098
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	983	1,320	1,070	1,070	1,070	1,070	1,070
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 10,048</b>	<b>\$ 10,385</b>	<b>\$ 10,168</b>	<b>\$ 10,168</b>	<b>\$ 10,168</b>	<b>\$ 10,168</b>	<b>\$ 10,168</b>
<b>CRIMINAL AND JUVENILE JUSTICE PLANNING AND COORDINATION</b>							
GENERAL FUND.....	\$ 22,598	\$ 25,278	\$ 29,391	\$ 28,935	\$ 28,935	\$ 28,935	\$ 28,935
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	76,848	109,548	80,961	73,661	73,661	73,661	73,661
OTHER FUNDS.....	32,005	37,204	38,188	38,644	38,644	38,644	38,644
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 131,451</b>	<b>\$ 172,030</b>	<b>\$ 148,540</b>	<b>\$ 141,240</b>	<b>\$ 141,240</b>	<b>\$ 141,240</b>	<b>\$ 141,240</b>
<b>REINTEGRATION OF JUVENILE DELINQUENTS</b>							
GENERAL FUND.....	\$ 19,764	\$ 18,906	\$ 24,124	\$ 24,124	\$ 24,124	\$ 24,124	\$ 24,124
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	370	167	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 20,134</b>	<b>\$ 19,073</b>	<b>\$ 24,124</b>	<b>\$ 24,124</b>	<b>\$ 24,124</b>	<b>\$ 24,124</b>	<b>\$ 24,124</b>

## Program Funding Summary

	(Dollar Amounts in Thousands)						
	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 153,696	\$ 156,969	\$ 181,253	\$ 179,896	\$ 179,547	\$ 179,547	\$ 179,646
SPECIAL FUNDS.....	2,555	2,336	2,256	2,256	2,256	2,256	2,256
FEDERAL FUNDS.....	119,981	159,277	119,439	90,403	90,403	90,403	90,403
OTHER FUNDS.....	139,963	150,989	148,298	148,454	148,454	148,454	148,180
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 416,195</b>	<b>\$ 469,571</b>	<b>\$ 451,246</b>	<b>\$ 421,009</b>	<b>\$ 420,660</b>	<b>\$ 420,660</b>	<b>\$ 420,485</b>

*PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the commonwealth can be achieved.*

## Program: Executive Direction

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.

Human Resources Management provides policy direction and support for centralized human resource services, ensuring equity by maintaining the classification, pay, benefits, workers compensation systems; negotiating and administering collective bargaining agreements; recruiting for all non-civil service positions; training in management and supervisory skills; and administering the commonwealth's equal employment opportunity program for all agencies under the governor's jurisdiction. OA also manages the HR Service Center, the central point of contact for employees and managers for common human resource, benefits and payroll services and information.

These responsibilities are carried out through the Office of the Deputy Secretary for Human Resources Management which is comprised of eight organizational units:

- 1) *Office of Human Resources*: Provides day-to-day human resource services to employees of the Executive Offices, the Lieutenant Governor's Office, the Milk Marketing Board, the PA Historical and Museum Commission, the State Ethics Commission, the PA Health Care Cost Containment Council and the Pennsylvania Infrastructure Investment Authority.
- 2) *Bureau of Equal Employment Opportunity (EEO)*: Strives to ensure equity in all employment practices administered by agencies under the governor's jurisdiction; formulates policies and procedures, and implements uniform reporting requirements to ensure adherence to the governor's EEO objectives; provides technical assistance on EEO and disability matters to commonwealth agencies; offers training and development opportunities for EEO specialists, disability services coordinators and others.
- 3) *Bureau of Labor Relations*: Negotiates and administers collective bargaining agreements between the commonwealth and the various unions representing state employees; investigates and responds to

employee grievances; represents the commonwealth at arbitration hearings; provides assistance to agencies in the day-to-day administration of collective bargaining agreements; conducts labor relations training for supervisory and management personnel and advises agencies on implementing consolidations, closures and other administration initiatives.

- 4) *Bureau of State Employment*: Establishes policies and procedures for selecting and appointing candidates to non-civil service positions in agencies under the governor's jurisdiction; receives and evaluates resumes; refers qualified applicants to agencies for consideration for vacant positions in accordance with established job standards and equal employment opportunity guidelines and administers the furlough placement process; manages the assignment of temporary clerical employees to state offices in the Capitol Complex and Dauphin County area to address emergency clerical work needs.
- 5) *Bureau of Classification and Compensation*: Develops and administers job classification and pay standards; provides leadership and technical assistance to agencies on position classification, organizational and staffing matters, and employee compensation; manages a classification grievance program for employees covered by collective bargaining agreements; and assures compliance with the Federal regulations of the Fair Labor Standards Act.
- 6) *Bureau of Employee Benefits and Services*: Administers employee benefits, assistance programs and leave/attendance policies, with the goal of maintaining highly competitive benefits for state employees so that the commonwealth can attract and retain excellent employees and provide the best possible service to the citizens.
- 7) *Human Resources Service Center*: Provides common human resources, benefits and payroll services and information to employees and agencies under the governor's jurisdiction; advises the Secretary of Administration on the best use of technology to support current or future human resource needs; supports central system activities, including management of agency salary and wage complements; provides assistance on use of the commonwealth's human resources system; and publishes the governor's annual workforce report.
- 8) *Bureau of Workforce Planning and Development*: Plans and administers training and development programs for executive, management and supervisory personnel.

## Program: Executive Direction (continued)

The Governor's Innovation Office (GIO): Dedicated to improving efficiency and productivity in state government operations through innovation, enhancing multi-agency and enterprise-wide coordination and maximizing use of internal and external resources, in order to deliver significant cost savings to the commonwealth. Maintains a "portfolio" of projects that advances the governor's priorities and identifies ways, consistent with existing initiatives, to enhance revenues, leverage and best utilize internal and external resources and provide a renewed emphasis on government innovation and customer service.

The Office for Continuity of Government (COG): Provides guidelines, tools, subject-matter expertise and technical support to all agencies under the governor's jurisdiction for the development of agency-specific, all hazards continuity of operations plans; plans and conducts multi-agency exercises to test preparedness; coordinates with state agencies as well as external entities such as the U.S. Department of Homeland Security to ensure that CoOP/CoG planning is an integrated aspect of emergency commonwealth's preparedness and response efforts and serves as a liaison between the executive branch and independent agencies, the legislature and the judiciary.

The Office of Enterprise Records Management/Directives Management: Provides comprehensive statements of policy and procedures on matters that affect agencies and employees of the executive branch; administers the directives management system to ensure that communications are reviewed for authority and completeness as well as for their impact on agencies, other systems and existing procedures and elevates the awareness of records management, provides overall guidance on the enterprise strategy, and support agencies.

### **Program Element: Information Technology**

The Office of Administration/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 (IT) resources.

The Deputy Secretary for Information Technology/State Chief Information Officer is responsible for developing and implementing the Commonwealth's overall IT strategy, overseeing enterprise-level IT operations and administering statewide policies and standards governing the management and use of the commonwealth's IT resources. The deputy oversees enterprise-wide initiatives such as enterprise computing, shared services, statewide voice and data networks, application development, and security operations to safeguard critical business systems, resources and data.

The Office of Enterprise Technology Services manages the commonwealth's enterprise data center, 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, GIS, security and technology support functions to commonwealth agencies.

The Office of Enterprise Services and Solutions 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, Comptroller Operations, Department of General Services and the Office of Administration) to refine business processes and system operating efficiencies. The Office of Enterprise Policy, Planning and Performance Management (PPPM) conducts research and maintains the commonwealth's enterprise architecture, issues technology standards and policies, coordinates agency IT strategic plans and maintains enterprise project management activities. The PPPM is also responsible for enterprise IT procurement including issuance and management of IT statewide contracts and assisting agencies with IT contract creation and management. The office also oversees the ehealth Collaborative and the statewide broadband initiative.

The Pennsylvania's 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.

### **Program Element: Fraud Detection and Prevention**

The purpose of the Office of Inspector General is 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. The Office of Inspector General is designed to maintain public confidence, integrity and efficiency in state government. The Office of Inspector General's welfare fraud prevention and prosecution operations are responsible for conducting investigations into suspected welfare fraud and abuse as well as performing collection activities for welfare programs administered by the Department of Public Welfare. 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, the Office of Inspector General recovers the costs of benefits provided

**Program: Executive Direction (continued)**

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 establishment of authorized complement levels for those agencies within the scope of authority

of the governor is the responsibility of the Office of the Budget. The office also prepares fiscal notes and reviews proposed regulations as mandated by Act 149 of 1978.

In addition, 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.

Act 79 of 2011 authorized the creation of an Office of the Receiver to develop and implement solutions that will address the City of Harrisburg's fiscal difficulties.

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>		
	<b>Office of Administration</b>	\$ 7,700	<b>Technology Innovation Investment Fund</b>
\$ 85	—funding transfer from the PA Human Relations Commission to eliminate an interagency billing.		—Initiative—Technology Innovation Investment. To fund enterprise and agency specific innovation initiatives.
	<b>Unemployment Compensation and Transition Costs</b>	\$ -26	<b>Office of Inspector General</b>
\$ -1,200	—program elimination.		—to continue current program.
	<b>Commonwealth Technology Services</b>	\$ -98	<b>Inspector General-Welfare Fraud</b>
\$ 638	—to continue current program.		—to continue current program.
7,932	—Initiative—Information Technology Investments. To fund enterprise investments to improve the commonwealth's information technology infrastructure.		All other appropriations are recommended at the current year funding levels.
\$ 8,570	<i>Appropriation Increase</i>	\$ -80	<b>MOTOR LICENSE FUND</b>
			<b>Commonwealth Technology Services</b>
			—to continue current program.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Office of Administration.....	\$ 8,194	\$ 8,106	\$ 8,191	\$ 8,191	\$ 8,191	\$ 8,191	\$ 8,191
Unemployment Compensation and Transition Costs.....	1,480	1,200	0	0	0	0	0
Office of the Receiver - City of Harrisburg.....	1,000	2,000	2,000	1,000	750	750	750
Medicare Part B Penalties.....	295	291	291	291	291	291	291
Commonwealth Technology Services.....	42,120	43,339	51,909	51,909	51,909	51,909	51,909
Technology Innovation Investment Fund.....	0	0	7,700	7,700	7,700	7,700	7,700
Office of Inspector General.....	4,058	4,152	4,126	4,126	4,126	4,126	4,126
Inspector General - Welfare Fraud.....	12,324	12,705	12,607	12,607	12,607	12,607	12,607
Office of the Budget.....	19,161	18,537	18,537	18,537	18,537	18,537	18,537
Audit of the Auditor General.....	99	0	0	99	0	0	99
Public Employee Retirement Commission	690	710	710	710	710	710	710
<b>TOTAL GENERAL FUND.....</b>	<b>\$ 89,421</b>	<b>\$ 91,040</b>	<b>\$ 106,071</b>	<b>\$ 105,170</b>	<b>\$ 104,821</b>	<b>\$ 104,821</b>	<b>\$ 104,920</b>
<b>MOTOR LICENSE FUND:</b>							
Commonwealth Technology Services.....	\$ 2,555	\$ 2,336	\$ 2,256	\$ 2,256	\$ 2,256	\$ 2,256	\$ 2,256

*PROGRAM OBJECTIVE: To provide legal advice to the Governor and the Cabinet, and to supervise, coordinate and administer legal services for the commonwealth.*

**Program: Legal Services**

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.

The Office of General Counsel 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**

The Office of General Counsel is recommended at the current year funding level.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Office of General Counsel .....	\$ 3,357	\$ 3,189	\$ 3,189	\$ 3,189	\$ 3,189	\$ 3,189	\$ 3,189

*PROGRAM OBJECTIVE: 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.*

**Program: Prevention and Elimination of Discriminatory Practices**

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)

	<b>GENERAL FUND</b>	
	<b>Human Relations Commission</b>	
\$	–85	—funding transfer to Office of Administration to eliminate an interagency billing.
	<u>–26</u>	—to continue current program.
\$	–111	<i>Appropriation Decrease</i>

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Human Relations Commission .....	\$ 9,491	\$ 9,491	\$ 9,380	\$ 9,380	\$ 9,380	\$ 9,380	\$ 9,380

*PROGRAM OBJECTIVE: To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.*

**Program: Development of Artists and Audiences**

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, theatres and festivals.

The council has a nationally recognized funding process. It uses an advisory review process administered in Harrisburg and 13 regions of the state, whereby local citizens review applications and make recommendations for funding to best serve their region. The council functions with input from more than 50 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 13 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**  
 \$ 33 —to continue current program.

The Grants to the Arts appropriation is recommended at the current year funding level.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Council on the Arts .....	\$ 886	\$ 886	\$ 919	\$ 919	\$ 919	\$ 919	\$ 919
Grants to the Arts.....	8,179	8,179	8,179	8,179	8,179	8,179	8,179
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 9,065</b>	<b>\$ 9,065</b>	<b>\$ 9,098</b>	<b>\$ 9,098</b>	<b>\$ 9,098</b>	<b>\$ 9,098</b>	<b>\$ 9,098</b>

*PROGRAM OBJECTIVE: To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.*

## Program: Criminal and Juvenile Justice Planning and Coordination

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. It accomplishes this by facilitating cooperation and planning by local agencies which have direct responsibility for or which serve in ancillary roles in ensuring public safety, providing justice statistical and analytical services to commonwealth and local agencies and the General Assembly, and delivery of training and technical assistance to justice components. 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 its Research, Evaluation, Data Collection and Analysis Advisory Committee and staff in its 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 Public Welfare, 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.

PCCD manages a Resource Center for Evidence-based Prevention and Intervention Programs and Practices. The Resource Center works to coordinate funding and implementation of evidence-based programming across state agencies to ensure those programs are being implemented properly and that they are cost-effective.

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 Public Welfare 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. To date, 66 counties have implemented a CJAB.

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

## Program: Criminal and Juvenile Justice Planning and Coordination (continued)

improving offender outcomes. Many of the offenders who 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. Problem solving courts (drug, DUI, mental health) are also being used as intermediate punishments as they 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 2011-12, PCCD paid \$11.5 million to or on behalf of Pennsylvania crime victims and processed 9179 claims.

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 which is a state grant program with funds made available through a \$25 penalty assessment on convicted/diverted offenders. 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. On average, procedural services are provided to over 224,000 victims and witnesses per year. 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 120,000 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, 35 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 25,000 victims of domestic violence, sexual assault, stalking and dating violence in Pennsylvania.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<b>GENERAL FUND</b>		<b>Violence Prevention Programs</b>	
\$	<b>Commission On Crime and Delinquency</b> —to continue current program. —funding reduction. —Initiative — Justice Reinvestment Initiative. To ensure that victim services programs receive the full allocation of funding planned from the Justice Reinvestment Initiative.	\$	—funding reduction. —Initiative — Juvenile Justice Reinvestment Initiative. To support evidence-based delinquency, violence prevention and intervention programs.
\$	42 -135 456 <hr/> 363	\$	-250 4,000 <hr/> 3,750
	<i>Appropriation Increase</i>		<i>Appropriation Increase</i>

All other appropriations are recommended at the current year funding level.

## Program: Criminal and Juvenile Justice Planning and Coordination (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Commission on Crime and Delinquency ...	\$ 3,088	\$ 3,318	\$ 3,681	\$ 3,225	\$ 3,225	\$ 3,225	\$ 3,225
Victims of Juvenile Offenders .....	0	1,300	1,300	1,300	1,300	1,300	1,300
Violence Prevention Programs .....	1,863	2,113	5,863	5,863	5,863	5,863	5,863
Safe Schools Advocate.....	388	380	380	380	380	380	380
Intermediate Punishment Treatment Programs .....	17,259	18,167	18,167	18,167	18,167	18,167	18,167
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 22,598</b>	<b>\$ 25,278</b>	<b>\$ 29,391</b>	<b>\$ 28,935</b>	<b>\$ 28,935</b>	<b>\$ 28,935</b>	<b>\$ 28,935</b>

*PROGRAM OBJECTIVE: To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.*

## Program: Reintegration of Juvenile Delinquents

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 enhancement of specialized probation services for juveniles have significantly improved the quality of service within the commonwealth's juvenile justice system.

All 67 of the commonwealth's counties participated in the commission's grant-in-aid program in 2012-13 and adopted the commission's required Juvenile Court Standards, participated in sponsored training programs and complied with all statistical reporting requirements. The grant-in-aid program is the only source of state funding for juvenile probation services. It supports the commission's major programs including training, graduate education and specialized projects, such as the provision of liability insurance for community service programs and software to enable counties to participate in the commission's juvenile probation management information system.

The commission annually sponsors 40 to 45 state-of-the-art-training programs for juvenile justice practitioners. In addition to the provision of training, the commission, in conjunction with Shippensburg University, provides support to enable probation officers to receive Master of Science degrees in the Administration of Justice. By the

end of 2012-13, 602 juvenile justice professionals will have earned graduate degrees through this program since its inception in 1982.

The commission continues to support the Juvenile Probation Services program, including school-based probation, community-based probation, and intensive probation and aftercare services. The commission provides support for 376 specialized probation officers pursuant to commission standards. Of these positions, 68 are for school-based probation, 210 are for community-based probation, 32 are for intensive probation, 41 are for aftercare services and 25 are specialized probation services supervisors.

The commission's drug and alcohol initiative continues to be a priority. Fifty-one of the commonwealth's counties receive funds to support urinalysis drug testing techniques on those juvenile offenders who are known or suspected drug users. Juveniles referred by the court are tested for one or more of the following drugs: THC, cocaine, barbiturates, amphetamines, opiates, PCP, benzodiazepines and alcohol.

Juvenile arrests for violent crimes (murder, forcible rape, robbery and aggravated assault) decreased to 4,352 in 2011. The arrest rate per 100,000 juveniles decreased to 335 in 2011.

The JCJC participates in the commonwealth's Justice Network (JNET). The commission's primary role in the project is to assist in the design, development and implementation of the Juvenile Tracking System, which is part of JNET. The system electronically connects criminal justice agencies to facilitate information sharing.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>GENERAL FUND</b>  <b>Juvenile Court Judges' Commission</b>                  \$ 218 —to continue current program.</p>	<p><b>Juvenile Probation Services</b>                  —Initiative—Juvenile Justice Reinvestment Initiative. To identify and target evidence based interventions for high risk offenders, assess juveniles risk to reoffend and facilitate analysis and collection of offender specific case plan data.</p>
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### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Juvenile Court Judges Commission .....	\$ 2,454	\$ 2,461	\$ 2,679	\$ 2,679	\$ 2,679	\$ 2,679	\$ 2,679
Juvenile Probation Services .....	17,310	16,445	21,445	21,445	21,445	21,445	21,445
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 19,764</b>	<b>\$ 18,906</b>	<b>\$ 24,124</b>	<b>\$ 24,124</b>	<b>\$ 24,124</b>	<b>\$ 24,124</b>	<b>\$ 24,124</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Executive Direction</b>							
<b>Office of Administration - Human Resources</b>							
Time required to review and approve agency requests for classification actions on vacant positions (in days)	23	17	17	17	17	17	17
Days required to process requests for clerks from the temporary clerical pool	6.8	11.5	11	10.5	10.5	10.5	10.5
Days required to process requests for typists from the temporary clerical pool	6.4	11.5	11	10.5	10.5	10.5	10.5
Course offerings through the Enterprise Learning Management System at both the enterprise and agency level	1,364	2,388	2,400	2,500	2,500	2,500	2,500
Completion rate for mandatory Enterprise Learning Management System courses	77%	67%	70%	70%	70%	70%	70%
Completion rate for optional Enterprise Learning Management System courses	82%	73%	75%	75%	75%	75%	75%
Hours dedicated by agencies and vendors to safety programs	13,400	13,400	16,300	20,000	21,000	22,000	22,000
Workers' compensation claims filed and accepted	5,637	5,350	5,250	5,150	5,050	4,950	4,850
Number of HR employee service interactions*	128,333	125,000	125,000	125,000	125,000	125,000	125,000
Number of HR agency service interactions*	56,986	55,000	55,000	55,000	55,000	55,000	55,000
Percent of HR agency services that met established response time goals*	96%	95%	95%	95%	95%	95%	95%
HR Service Center customer satisfaction rating (scale of 1 to 4)*	3.5	3.5	3.5	3.5	3.5	3.5	3.5
<b>Office of Administration - Office of Enterprise Records Management</b>							
Percent of Issuances and Resolutions updated	45%	80%	90%	100%	100%	100%	100%
Increased program awareness and compliance through training, workshops, and agency informational meetings	41	15	15	15	15	15	15

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Commonwealth Technology Services</b>							
Percentage of cyber attacks thwarted	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
Percentage of virus events actively blocked	99.8%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
Percentage of SPAM messages blocked	98%	99%	99%	99%	99%	99%	99%
<b>Office of the Budget</b>							
Agency/Purchasing/Corporate credit card rebates earned	\$2,526,110	\$2,803,982	\$3,168,500	\$3,200,500	\$3,300,000	\$3,300,500	\$3,400,000
Percentage of electronic invoices*	14.6%	16%	18%	20%	22%	24%	24%
<b>Office of Inspector General</b>							
General investigations	436	450	450	450	450	450	450
Arrest investigations	1	5	5	5	5	5	5
Pre-employment background investigations	297	300	300	350	350	350	350
<b>Office of Inspector General - Welfare Fund</b>							
Fraud Prevention: investigations	25,362	27,000	27,000	27,000	27,000	27,000	27,000
Fraud Prevention: ineligibility determinations	12,650	13,000	13,000	13,000	13,000	13,000	13,000
Average amount of cost savings per Welfare Fraud Investigator	\$1,179,126	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
Amount of cost savings based on ineligibility determinations	\$75,464,072	\$70,000,000	\$75,000,000	\$75,000,000	\$75,000,000	\$75,000,000	\$75,000,000
Fraud investigations	6,309	6,500	6,500	6,500	6,500	6,500	6,500
Amount of overpaid benefits collected through various means	\$42,024,520	\$33,000,000	\$22,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Amount of cost savings and collections for every dollar spent on investigative activities	\$14.82	\$13	\$11	\$10	\$10	\$10	\$10
Prosecutions: Resulting Cost Savings*	\$1,745,053	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
Administrative Disqualification Hearings: Resulting Cost Savings*	\$442,859	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000
Long Term Care Sanctions: Resulting Cost Savings*	\$2,649,714	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000

\* New Program Measure

Amount of overpaid benefits collected through various means decreases due to the elimination of cash assistance benefits provided through the General Assistance Program in the Department of Public Welfare.

### Program: Prevention and Elimination of Discriminatory Practices

<b>Human Relations Commission</b>							
Percentage of cases under investigation which are two or more years old	20%	15%	15%	15%	15%	15%	15%
Predetermination case settlement rate	31%	42.3%	42.3%	42.3%	42.3%	42.3%	42.3%

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Number of housing discrimination cases dually filed with HUD that are closed within 100 days	68	61	61	61	61	61	61
<b>Program: Development of Artists and Audiences</b>							
<b>Council on the Arts</b>							
Attendance at supported events (in thousands)	21,700	21,950	22,200	22,450	22,700	22,950	23,200
Grant applications received/reviewed	2,700	2,725	2,750	2,800	2,825	2,850	2,875
Grant awards made	1,550	1,560	1,570	1,580	1,590	1,600	1,610
<b>Program: Criminal and Juvenile Justice Planning and Coordination</b>							
<b>Commission on Crime and Delinquency</b>							
<b>Planning and Coordination: Youth</b>							
Percentage of youth participating in research-based programs with a demonstrated improvement related to the program's targeted behavioral outcome	50%	55%	60%	65%	65%	67%	69%
Percentage of youth served in intensive evidence-based programs with improved school attendance	75%	75%	75%	75%	75%	75%	75%
<b>Planning and Coordination: Adult</b>							
Percent of active offenders sentenced to the Intermediate Punishment Treatment Program successfully completing the treatment phase of their sentence (as determined by the court)	77%	80%	82%	85%	88%	88%	90%
Average number of jail days saved per active offender during the fiscal year through participation in Intermediate Punishment Treatment Program	61	65	68	70	72	75	80
Percent of offenders who successfully completed the Restrictive Intermediate Punishment portion of their sentence	77%	80%	82%	85%	88%	88%	90%
Average number of jail days saved per offender who completed the Restrictive Intermediate Punishment portion of their sentence	112	120	122	125	128	130	135
<b>Victim Services</b>							
Percentage of victims who are satisfied with the services provided by the Victims Compensation Assistance Program*	85.7%	85.9%	86.1%	86.3%	86.5%	86.7%	86.9%
Number of victims served by victim service programs throughout Pennsylvania through the utilization of RASA funds.*	189,213	208,134	228,900	251,800	276,900	304,600	335,000
* New Program Measure							

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Reintegration of Juvenile Delinquents</b>							
<b>Juvenile Court Judges' Commission</b>							
Children referred to court	33,089	36,000	36,000	36,000	36,000	36,000	36,000
Commitments as a percentage of referrals	6.2%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%
Children arrested for violent crime	4,352	4,550	4,550	4,550	4,550	4,550	4,550
Juvenile cases closed that received probation or other services	14,826	15,000	15,000	15,000	15,000	15,000	15,000
Percentage employed or engaged in an educational/vocational activity at case closing.	82.6%	82.5%	82.5%	82.5%	83%	83.5%	84%
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.	12,628	12,825	13,050	13,275	13,500	13,500	13,500



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# LIEUTENANT 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 Objectives**

**Executive Direction:** *To provide an effective administrative system through which substantive programs of the agency can be accomplished.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Lieutenant Governor's Office.....	\$ 765	\$ 802	\$ 802
Board of Pardons.....	472	476	515
Total - General Government.....	<u>\$ 1,237</u>	<u>\$ 1,278</u>	<u>\$ 1,317</u>
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 1,237</u></b>	<b><u>\$ 1,278</u></b>	<b><u>\$ 1,317</u></b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>EXECUTIVE DIRECTION</b>							
GENERAL FUND.....	\$ 1,237	\$ 1,278	\$ 1,317	\$ 1,317	\$ 1,317	\$ 1,317	\$ 1,317
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,237</b>	<b>\$ 1,278</b>	<b>\$ 1,317</b>	<b>\$ 1,317</b>	<b>\$ 1,317</b>	<b>\$ 1,317</b>	<b>\$ 1,317</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 1,237	\$ 1,278	\$ 1,317	\$ 1,317	\$ 1,317	\$ 1,317	\$ 1,317
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
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 1,237</b>	<b>\$ 1,278</b>	<b>\$ 1,317</b>	<b>\$ 1,317</b>	<b>\$ 1,317</b>	<b>\$ 1,317</b>	<b>\$ 1,317</b>

*PROGRAM OBJECTIVE: To provide an effective administrative system through which substantive programs of the agency can be accomplished.*

## Program: Executive Direction

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 Governor's Center for Local Government Services and the administration on the needs and concerns of local government entities.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 39 **Board of Pardons**  
—to continue current program.

The Lieutenant Governor's Office is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Lieutenant Governor's Office.....	\$ 765	\$ 802	\$ 802	\$ 802	\$ 802	\$ 802	\$ 802
Board of Pardons.....	472	476	515	515	515	515	515
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,237</b>	<b>\$ 1,278</b>	<b>\$ 1,317</b>	<b>\$ 1,317</b>	<b>\$ 1,317</b>	<b>\$ 1,317</b>	<b>\$ 1,317</b>

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# 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 Objectives**

**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.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 37,311</b>	<b>\$ 35,446</b>	<b>\$ 35,446</b>
(F)Medicaid Fraud.....	3,596	3,734	4,129
(F)MAGLOCLIN.....	12,048	12,536	7,117
(A)Legal Fees Reimbursement.....	6	10	10
(A)Medicaid Fraud Reimbursements.....	8	5	5
(A)Investigative Costs Reimbursements.....	49	0	0
(A)Private Collection Agency Audits.....	66	0	0
(A)Continuing Legal Education.....	0	5	5
(A)Miscellaneous Revenue.....	12	6	6
Subtotal.....	<u>\$ 53,096</u>	<u>\$ 51,742</u>	<u>\$ 46,718</u>
(R)Office of Consumer Advocate.....	5,189	5,173	5,165
(R)Home Improvement Consumer Protection.....	500	1,395	1,636
<b>Drug Law Enforcement.....</b>	<b>24,227</b>	<b>23,500</b>	<b>23,500</b>
(F)High Intensity Drug Trafficking Areas.....	4,311	4,602	4,920
(A)Recovery of Narcotics Investigation Overtime Costs.....	75	50	50
Subtotal.....	<u>\$ 28,613</u>	<u>\$ 28,152</u>	<u>\$ 28,470</u>
<b>Local Drug Task Forces.....</b>	<b>9,901</b>	<b>9,604</b>	<b>9,604</b>
<b>Drug Strike Task Force.....</b>	<b>2,060</b>	<b>1,998</b>	<b>1,998</b>
<b>Joint Local-State Firearm Task Force.....</b>	<b>3,107</b>	<b>3,014</b>	<b>3,014</b>
<b>Witness Relocation.....</b>	<b>1,133</b>	<b>1,099</b>	<b>1,099</b>
<b>Child Predator Interception Unit.....</b>	<b>1,371</b>	<b>1,330</b>	<b>1,330</b>
<b>Capital Appeals Case Unit.....</b>	<b>488</b>	<b>473</b>	<b>473</b>
<b>Charitable Nonprofit Conversions.....</b>	<b>877</b>	<b>851</b>	<b>851</b>
<b>Tobacco Law Enforcement.....</b>	<b>625</b>	<b>606</b>	<b>606</b>
Subtotal - State Funds.....	\$ 81,100	\$ 77,921	\$ 77,921
Subtotal - Federal Funds.....	19,955	20,872	16,166
Subtotal - Augmentations.....	216	76	76
Subtotal - Restricted Revenues.....	5,689	6,568	6,801
Total - General Government.....	<u>\$ 106,960</u>	<u>\$ 105,437</u>	<u>\$ 100,964</u>
<i>Grants and Subsidies:</i>			
<b>County Trial Reimbursement.....</b>	<b>\$ 292</b>	<b>\$ 200</b>	<b>\$ 200</b>
(R)Reimbursement to Counties - Full Time District Attorney (EA).....	6,564	8,706	8,725
Subtotal - State Funds.....	\$ 292	\$ 200	\$ 200
Subtotal - Restricted Revenues.....	6,564	8,706	8,725
Total - Grants and Subsidies.....	<u>\$ 6,856</u>	<u>\$ 8,906</u>	<u>\$ 8,925</u>
STATE FUNDS.....	\$ 81,392	\$ 78,121	\$ 78,121
FEDERAL FUNDS.....	19,955	20,872	16,166
AUGMENTATIONS.....	216	76	76
RESTRICTED REVENUES.....	12,253	15,274	15,526
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 113,816</u></b>	<b><u>\$ 114,343</u></b>	<b><u>\$ 109,889</u></b>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Seized/Forfeited Property - State Court Awarded.....	\$ 5,934	\$ 10,258	\$ 9,526
Seized/Forfeited Property - U.S. Department of Justice.....	1,128	1,458	2,562
Seized/Forfeited Property - U.S. Treasury Department.....	14	155	567
Seized/Forfeited Property - U.S. Homeland Security.....	83	1,110	1,020
OAG Investigative Funds - Outside Sources.....	4,571	5,617	6,062
Public Protection Law Enforcement.....	3,404	10,911	11,790
Community Drug Abuse Prevention Program.....	78	945	430
Coroner's Education Board.....	72	0	75
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 15,284</b>	<b>\$ 30,454</b>	<b>\$ 32,032</b>
<b>STATE GAMING FUND:</b>			
(R)Gaming Enforcement.....	\$ 976	\$ 1,011	\$ 1,071
<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.....	\$ 0	\$ 900	\$ 600
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 81,392	\$ 78,121	\$ 78,121
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	19,955	20,872	16,166
AUGMENTATIONS.....	216	76	76
RESTRICTED.....	12,253	15,274	15,526
OTHER FUNDS.....	16,310	32,415	33,753
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 130,126</b>	<b>\$ 146,758</b>	<b>\$ 143,642</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>PUBLIC PROTECTION AND LAW ENFORCEMENT</b>							
GENERAL FUND.....	\$ 81,392	\$ 78,121	\$ 78,121	\$ 78,121	\$ 78,121	\$ 78,121	\$ 78,121
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	19,955	20,872	16,166	16,166	16,166	16,166	16,166
OTHER FUNDS.....	28,779	47,765	49,355	49,355	49,355	49,081	48,755
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 130,126</b>	<b>\$ 146,758</b>	<b>\$ 143,642</b>	<b>\$ 143,642</b>	<b>\$ 143,642</b>	<b>\$ 143,368</b>	<b>\$ 143,042</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 81,392	\$ 78,121	\$ 78,121	\$ 78,121	\$ 78,121	\$ 78,121	\$ 78,121
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	19,955	20,872	16,166	16,166	16,166	16,166	16,166
OTHER FUNDS.....	28,779	47,765	49,355	49,355	49,355	49,081	48,755
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 130,126</b>	<b>\$ 146,758</b>	<b>\$ 143,642</b>	<b>\$ 143,642</b>	<b>\$ 143,642</b>	<b>\$ 143,368</b>	<b>\$ 143,042</b>

*PROGRAM OBJECTIVE: 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.*

## Program: Public Protection and Law Enforcement

The Attorney General, as the chief law enforcement officer of the commonwealth, is charged with the responsibility for the investigation and prosecution of organized crime and public corruption. The agency investigates and prosecutes criminal activity in accordance with Sections 205 and 206 of the Commonwealth Attorneys Act and uses statewide investigative grand juries as appropriate. The Office of Attorney General works with the State Police to curtail drug abuse in the commonwealth by apprehending illegal drug traffickers. Act 166 of 1994 established a section of Insurance Fraud within the Office of Attorney General to prosecute and investigate insurance fraud. Responsibilities also include 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 activities of this program involve decreasing the incidence of fraud and deceptive business practices and 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 also 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.

This program also provides legal services for governmental agencies of the commonwealth, as required by Section 204 of the Commonwealth Attorneys Act. Specifically, the Office of the Attorney General represents the commonwealth in any action brought by or against the commonwealth or its agencies, particularly tort claims.

Act 57 of 2005 amended the County Code to provide 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 which began in calendar year 2006. Act 30 of 2007 established the Criminal Justice Enhancement Account, which provides funding sources for the commonwealth's share.

The Joint Local-State Firearm Task Force is comprised of the Philadelphia District Attorney's Office, the Philadelphia Police Department and the Office of Attorney General and is established to fight increasing gun violence in the Philadelphia area.

Act 42 of 2008, the Cigarette Fire Safety and Firefighter Protection Act, authorizes the office to file actions in state court when the act's requirements are violated. Act 132 of 2008 established the Home Improvement Consumer Protection Act which requires home improvement contractors to register with the Bureau of Consumer Protection. The agency will investigate alleged violations regarding home improvement contractors. Act 70 of 2012, 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)

<p><b>GENERAL FUND</b> Recommended at the current year funding level.</p> <p>This budget also recommends the following from restricted accounts in the General Fund.</p> <p style="margin-left: 20px;">\$        -8    <b>Office of the Consumer Advocate</b> —to continue current program.</p> <p style="margin-left: 20px;">\$        241    <b>Home Improvement Consumer Protection</b> —to continue current program.</p>	<p style="text-align: right;">\$        19</p> <p style="text-align: right;"><b>Reimbursement to Counties - Full Time District Attorneys (EA)</b> —based on most recent projection of program revenue.</p>
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## Program: Public Protection and Law Enforcement (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 37,311	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446	\$ 35,446
Drug Law Enforcement.....	24,227	23,500	23,500	23,500	23,500	23,500	23,500
Local Drug Task Forces.....	9,901	9,604	9,604	9,604	9,604	9,604	9,604
Drug Strike Task Force.....	2,060	1,998	1,998	1,998	1,998	1,998	1,998
Joint Local-State Firearm Task Force.....	3,107	3,014	3,014	3,014	3,014	3,014	3,014
Witness Relocation.....	1,133	1,099	1,099	1,099	1,099	1,099	1,099
Child Predator Interception Unit .....	1,371	1,330	1,330	1,330	1,330	1,330	1,330
Capital Appeals Case Unit.....	488	473	473	473	473	473	473
Charitable Nonprofit Conversions.....	877	851	851	851	851	851	851
Tobacco Law Enforcement .....	625	606	606	606	606	606	606
County Trial Reimbursement.....	292	200	200	200	200	200	200
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 81,392</b>	<b>\$ 78,121</b>	<b>\$ 78,121</b>	<b>\$ 78,121</b>	<b>\$ 78,121</b>	<b>\$ 78,121</b>	<b>\$ 78,121</b>

Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Public Protection and Law Enforcement</b>							
Cases presented to the Statewide Investigating Grand Jury	65	87	87	87	87	87	87
Local drug task force arrests	6,198	6,000	6,000	6,000	6,000	6,000	6,000
Drug arrests resulting from Grand Jury presentments	197	200	200	200	200	200	200
Review of estates, charities, nonprofits, and health care conversions for compliance with rules and regulations	2,235	2,235	2,235	2,235	2,235	2,235	2,235
Consumer complaints concerning business practices investigated and mediated	37,920	40,000	40,000	40,000	40,000	40,000	40,000
Dollar value of recoupment to consumers regarding business practices (in thousands)	\$3,144	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Consumer complaints concerning business practices - health care industry	1,849	2,450	2,450	2,450	2,450	2,450	2,450



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# 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 Objectives**

**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.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Auditor General's Office.....	\$ 42,923	\$ 40,777	\$ 40,777
(A)Reimbursement Auditing Services.....	11,544	14,320	12,150
Subtotal.....	<u>\$ 54,467</u>	<u>\$ 55,097</u>	<u>\$ 52,927</u>
Board of Claims.....	1,701	1,616	1,616
Subtotal - State Funds.....	\$ 44,624	\$ 42,393	\$ 42,393
Subtotal - Augmentations.....	11,544	14,320	12,150
Total - General Government.....	<u>\$ 56,168</u>	<u>\$ 56,713</u>	<u>\$ 54,543</u>
STATE FUNDS.....	\$ 44,624	\$ 42,393	\$ 42,393
AUGMENTATIONS.....	11,544	14,320	12,150
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 56,168</u></b>	<b><u>\$ 56,713</u></b>	<b><u>\$ 54,543</u></b>
<b>OTHER FUNDS:</b>			
<b>MUNICIPAL PENSION AID FUND:</b>			
Municipal Pension Aid.....	\$ 359,838	\$ 268,080	\$ 271,833
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 44,624	\$ 42,393	\$ 42,393
SPECIAL FUNDS.....	0	0	0
AUGMENTATIONS.....	11,544	14,320	12,150
OTHER FUNDS.....	359,838	268,080	271,833
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 416,006</u></b>	<b><u>\$ 324,793</u></b>	<b><u>\$ 326,376</u></b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>AUDITING</b>							
GENERAL FUND.....	\$ 44,624	\$ 42,393	\$ 42,393	\$ 42,393	\$ 42,393	\$ 42,393	\$ 42,393
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,544	14,320	12,150	12,150	12,150	12,150	12,150
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 56,168</b>	<b>\$ 56,713</b>	<b>\$ 54,543</b>	<b>\$ 54,543</b>	<b>\$ 54,543</b>	<b>\$ 54,543</b>	<b>\$ 54,543</b>
<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.....	359,838	268,080	271,833	275,000	275,000	275,000	275,000
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 359,838</b>	<b>\$ 268,080</b>	<b>\$ 271,833</b>	<b>\$ 275,000</b>	<b>\$ 275,000</b>	<b>\$ 275,000</b>	<b>\$ 275,000</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 44,624	\$ 42,393	\$ 42,393	\$ 42,393	\$ 42,393	\$ 42,393	\$ 42,393
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	371,382	282,400	283,983	287,150	287,150	287,150	287,150
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 416,006</b>	<b>\$ 324,793</b>	<b>\$ 326,376</b>	<b>\$ 329,543</b>	<b>\$ 329,543</b>	<b>\$ 329,543</b>	<b>\$ 329,543</b>

*PROGRAM OBJECTIVE: 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.*

## Program: Auditing

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)

#### Auditor General's Office

The Auditor General's Office is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Auditor General's Office .....	\$ 42,923	\$ 40,777	\$ 40,777	\$ 40,777	\$ 40,777	\$ 40,777	\$ 40,777
Board of Claims .....	1,701	1,616	1,616	1,616	1,616	1,616	1,616
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 44,624</b>	<b>\$ 42,393</b>	<b>\$ 42,393</b>	<b>\$ 42,393</b>	<b>\$ 42,393</b>	<b>\$ 42,393</b>	<b>\$ 42,393</b>

*PROGRAM OBJECTIVE: To assist municipal pension systems through review and audit of their pension funds.*

## Program: Municipal Pension Systems

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**  
 \$ 3,753 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>MUNICIPAL PENSION AID FUND:</b>							
Municipal Pension Aid .....	\$ 359,838	\$ 268,080	\$ 271,833	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000



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# 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 Objectives

**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.*

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# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 33,423	\$ 31,752	\$ 31,752
(A)Expenses - Unemployment Compensation.....	5,247	6,403	4,070
(A)Administrative Services.....	1,055	1,482	1,110
(A)Unclaimed Property Reference Fees.....	503	1,445	770
Subtotal.....	\$ 40,228	\$ 41,082	\$ 37,702
Divestiture Reimbursement.....	0	165	1,698
Board of Finance and Revenue.....	2,047	1,945	2,505
Intergovernmental Organizations.....	1,174	1,139	1,177
Publishing Monthly Statements.....	15	15	15
Information Technology Modernization.....	7,500	7,425	12,000
Replacement Checks (EA).....	2,300	0	0
Subtotal - State Funds.....	\$ 46,459	\$ 42,441	\$ 49,147
Subtotal - Augmentations.....	6,805	9,330	5,950
Total - General Government.....	\$ 53,264	\$ 51,771	\$ 55,097
<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.....	\$ 65	\$ 60	\$ 60
Tax Note Expenses (EA).....	0	0	400
Interest on Tax Anticipation Notes (EA).....	0	0	5,000
General Obligation Debt Service.....	1,041,432	1,094,332	1,065,619
(A)Student Community Building Fees.....	0	10	10
Subtotal - State Funds.....	\$ 1,041,497	\$ 1,094,392	\$ 1,071,079
Subtotal - Augmentations.....	0	10	10
Total - Debt Service.....	\$ 1,041,497	\$ 1,094,402	\$ 1,071,089
STATE FUNDS.....	\$ 1,090,119	\$ 1,138,996	\$ 1,122,389
AUGMENTATIONS.....	6,805	9,340	5,960
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 1,096,924</b>	<b>\$ 1,148,336</b>	<b>\$ 1,128,349</b>
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
Administration Refunding Liquid Fuels Tax.....	\$ 557	\$ 557	\$ 557
Replacement Checks (EA).....	100	0	0
Total - General Government.....	\$ 657	\$ 557	\$ 557
<i>Refunds:</i>			
Refunding Liquid Fuels Taxes - State Share (EA).....	\$ 1,318	\$ 1,000	\$ 1,300
Refunding Liquid Fuels Taxes - Agriculture (EA).....	3,396	3,200	3,200
Refunding Liquid Fuels Taxes - Political Subdivisions (EA).....	3,086	2,500	2,500
Refunding Liquid Fuels Taxes - Volunteer Services (EA).....	400	400	400
Refunding Liquid Fuels Taxes - Snowmobiles & ATV's (EA).....	1,000	1,000	1,000
Refunding Liquid Fuels Taxes - Boat Fund (EA).....	2,300	2,300	2,300
Total - Refunds.....	\$ 11,500	\$ 10,400	\$ 10,700

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Debt Service:</b>			
Capital Debt Transportation Projects.....	\$ 10,510	\$ 4,322	\$ 749
General Obligation Debt Service.....	14,800	14,800	17,001
(R)Capital Bridge Debt Service (EA).....	40,043	47,766	46,066
Loan and Transfer Agent.....	50	50	50
Subtotal - State Funds.....	\$ 25,360	\$ 19,172	\$ 17,800
Subtotal - Restricted Revenues.....	40,043	47,766	46,066
Total - Debt Service.....	<u>\$ 65,403</u>	<u>\$ 66,938</u>	<u>\$ 63,866</u>
STATE FUNDS.....	\$ 37,517	\$ 30,129	\$ 29,057
RESTRICTED REVENUES.....	40,043	47,766	46,066
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b><u>\$ 77,560</u></b>	<b><u>\$ 77,895</u></b>	<b><u>\$ 75,123</u></b>
<b><u>BANKING FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 5	\$ 0	\$ 0
<b><u>BOAT FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 5	\$ 0	\$ 0
<b><u>FARM PRODUCTS SHOW FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 5	\$ 0	\$ 0
<b><u>FISH FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 5	\$ 0	\$ 0
<b><u>GAME FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 5	\$ 0	\$ 0
<b><u>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 5	\$ 0	\$ 0
<b><u>LOTTERY FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 50	\$ 0	\$ 0
<b><u>RACING FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 10	\$ 0	\$ 0
<b><u>TOBACCO SETTLEMENT FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks (EA).....	\$ 5	\$ 0	\$ 0

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>OTHER FUNDS:</b>			
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>			
Debt Service for Growing Greener (EA) .....	\$ 37,988	\$ 37,988	\$ 40,540
<b>TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND:</b>			
Tuition Account Program Bureau.....	\$ 2,940	\$ 3,229	\$ 3,188
(A)Application Fees.....	1,078	1,245	1,040
<b>TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND TOTAL.....</b>	<b>\$ 4,018</b>	<b>\$ 4,474</b>	<b>\$ 4,228</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 1,090,119	\$ 1,138,996	\$ 1,122,389
SPECIAL FUNDS.....	37,612	30,129	29,057
AUGMENTATIONS.....	6,805	9,340	5,960
RESTRICTED.....	40,043	47,766	46,066
OTHER FUNDS.....	42,006	42,462	44,768
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 1,216,585</b>	<b>\$ 1,268,693</b>	<b>\$ 1,248,240</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>DISBURSEMENT</b>							
GENERAL FUND.....	\$ 47,433	\$ 43,450	\$ 50,118	\$ 45,420	\$ 41,420	\$ 36,420	\$ 36,420
SPECIAL FUNDS.....	12,252	10,957	11,257	11,257	11,257	11,257	11,257
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	10,823	13,804	10,178	10,178	10,178	10,178	10,178
SUBCATEGORY TOTAL.....	<u>\$ 70,508</u>	<u>\$ 68,211</u>	<u>\$ 71,553</u>	<u>\$ 66,855</u>	<u>\$ 62,855</u>	<u>\$ 57,855</u>	<u>\$ 57,855</u>
<b>INTERSTATE RELATIONS</b>							
GENERAL FUND.....	\$ 1,174	\$ 1,139	\$ 1,177	\$ 1,177	\$ 1,177	\$ 1,177	\$ 1,177
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>\$ 1,174</u>	<u>\$ 1,139</u>	<u>\$ 1,177</u>	<u>\$ 1,177</u>	<u>\$ 1,177</u>	<u>\$ 1,177</u>	<u>\$ 1,177</u>
<b>DEBT SERVICE</b>							
GENERAL FUND.....	\$ 1,041,512	\$ 1,094,407	\$ 1,071,094	\$ 1,099,861	\$ 1,136,970	\$ 1,167,705	\$ 1,227,035
SPECIAL FUNDS.....	25,360	19,172	17,800	16,986	16,986	16,939	16,939
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	78,031	85,764	86,616	89,245	90,462	90,298	87,573
SUBCATEGORY TOTAL.....	<u>\$ 1,144,903</u>	<u>\$ 1,199,343</u>	<u>\$ 1,175,510</u>	<u>\$ 1,206,092</u>	<u>\$ 1,244,418</u>	<u>\$ 1,274,942</u>	<u>\$ 1,331,547</u>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 1,090,119	\$ 1,138,996	\$ 1,122,389	\$ 1,146,458	\$ 1,179,567	\$ 1,205,302	\$ 1,264,632
SPECIAL FUNDS.....	37,612	30,129	29,057	28,243	28,243	28,196	28,196
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	88,854	99,568	96,794	99,423	100,640	100,476	97,751
DEPARTMENT TOTAL.....	<u>\$ 1,216,585</u>	<u>\$ 1,268,693</u>	<u>\$ 1,248,240</u>	<u>\$ 1,274,124</u>	<u>\$ 1,308,450</u>	<u>\$ 1,333,974</u>	<u>\$ 1,390,579</u>

*PROGRAM OBJECTIVE: 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.*

**Program: Disbursement**

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 all 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 54 financial institutions throughout Pennsylvania, including approximately 13 banks that also function as active depositories from which thousands of checks are issued daily.

The State Treasurer is Chairman of the Board of Finance and Revenue. The treasurer serves on various state boards and commissions, including several public retirement boards.

The Board of Finance and Revenue operates within this program by reviewing and deciding appeals concerning settlements made between the commonwealth and persons, associations and corporations. The board also administers the program for refunding liquid taxes to

groups exempt by legislation from these taxes.

Under the provisions of Act 101 of 1976, as amended by Act 161 of 1994, Act 59 of 2005 and Act 51 of 2009, 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 for 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. A financial statement for each fund is included in the Other Special Funds Appendix.

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 five 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)

	<b>GENERAL FUND</b>		<b>MOTOR LICENSE FUND</b>
	<b>Divestiture Reimbursement</b>		<b>Refunding Liquid Fuels Tax - State Share</b>
\$ 1,533	—to continue current program.	\$ 300	—based on most recent projection of program requirements.
	<b>Board of Finance and Revenue</b>		
\$ 560	—Initiative—Tax Appeals Commission. To provide administrative resources for a new, independent Tax Appeals Commission.		
	<b>Information Technology Modernization</b>		
\$ 4,575	—increase in current project costs.		

All other appropriations are recommended at the current year funding levels.

## Program: Disbursement (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 33,423	\$ 31,752	\$ 31,752	\$ 31,752	\$ 31,752	\$ 31,752	\$ 31,752
Divestiture Reimbursement .....	0	165	1,698	0	0	0	0
Board of Finance and Revenue .....	2,047	1,945	2,505	2,505	2,505	2,505	2,505
Information Technology Modernization .....	7,500	7,425	12,000	9,000	5,000	0	0
Replacement Checks (EA) .....	2,300	0	0	0	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>\$ 47,433</b>	<b>\$ 43,450</b>	<b>\$ 50,118</b>	<b>\$ 45,420</b>	<b>\$ 41,420</b>	<b>\$ 36,420</b>	<b>\$ 36,420</b>
<b>MOTOR LICENSE FUND:</b>							
Administration Refunding Liquid Fuels Tax .....	\$ 557	\$ 557	\$ 557	\$ 557	\$ 557	\$ 557	\$ 557
Replacement Checks (EA) .....	100	0	0	0	0	0	0
Refunding Liquid Fuels Taxes - State Share (EA) .....	1,318	1,000	1,300	1,300	1,300	1,300	1,300
Refunding Liquid Fuels Taxes - Agriculture (EA) .....	3,396	3,200	3,200	3,200	3,200	3,200	3,200
Refunding Liquid Fuels Taxes - Political Subdivisions (EA) .....	3,086	2,500	2,500	2,500	2,500	2,500	2,500
Refunding Liquid Fuels Taxes - Volunteer Services (EA) .....	400	400	400	400	400	400	400
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) .....	2,300	2,300	2,300	2,300	2,300	2,300	2,300
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 12,157</b>	<b>\$ 10,957</b>	<b>\$ 11,257</b>	<b>\$ 11,257</b>	<b>\$ 11,257</b>	<b>\$ 11,257</b>	<b>\$ 11,257</b>
<b>BANKING DEPARTMENT FUND:</b>							
Replacement Checks (EA) .....	\$ 5	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>BOAT FUND:</b>							
Replacement Checks (EA) .....	\$ 5	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>FARM PRODUCTS SHOW FUND:</b>							
Replacement Checks (EA) .....	\$ 5	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>FISH FUND:</b>							
Replacement Checks (EA) .....	\$ 5	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>GAME FUND:</b>							
Replacement Checks (EA) .....	\$ 5	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>							
Replacement Checks (EA) .....	\$ 5	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>LOTTERY FUND:</b>							
Replacement Checks (EA) .....	\$ 50	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>RACING FUND:</b>							
Replacement Checks (EA) .....	\$ 10	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOBACCO SETTLEMENT FUND:</b>							
Replacement Checks (EA) .....	\$ 5	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

*PROGRAM OBJECTIVE: To promote interstate cooperation and progress through participation in various associations and organizations both regionally and nationally.*

## Program: Interstate Relations

Pennsylvania helps promote interstate cooperation and progress through participation in various organizations, associations and commissions with other states and other units of government. As a member of the Council of State Governments, Education Commission of the States, 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, the Congress and the federal Executive Branch.

The Governmental Accounting Standards Board is also included within this program. The board provides guidance and establishes standards to promote uniformity and

comparability in governmental accounting and financial reporting.

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)

**GENERAL FUND**  
**Intergovernmental Organizations**  
 \$ 38 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Intergovernmental Organizations .....	\$ 1,174	\$ 1,139	\$ 1,177	\$ 1,177	\$ 1,177	\$ 1,177	\$ 1,177

*PROGRAM OBJECTIVE: To provide for interest and principal requirements of notes and bonds issued by the commonwealth and other expenses related to debt service.*

## Program: 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 such a heavy financial burden that they cannot be funded through current revenues. These bond issues have provided 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**  
 \$ -23,313 —the net effect on principal and interest requirements and other costs relating to General Fund debt service.

**MOTOR LICENSE FUND**  
 \$ -1,372 —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)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Publishing Monthly Statements .....	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Loan and Transfer Agents .....	65	60	60	60	60	60	60
Tax Note Expenses (EA) .....	0	0	400	400	400	400	400
Interest on Tax Anticipation Notes (EA) .....	0	0	5,000	5,000	5,000	5,000	5,000
General Obligation Debt Service .....	1,041,432	1,094,332	1,065,619	1,094,386	1,131,495	1,162,230	1,221,560
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,041,512</b>	<b>\$ 1,094,407</b>	<b>\$ 1,071,094</b>	<b>\$ 1,099,861</b>	<b>\$ 1,136,970</b>	<b>\$ 1,167,705</b>	<b>\$ 1,227,035</b>
<b>MOTOR LICENSE FUND:</b>							
Capital Debt Transportation Projects .....	\$ 10,510	\$ 4,322	\$ 749	\$ 0	\$ 0	\$ 0	\$ 0
General Obligation Debt Service .....	14,800	14,800	17,001	16,936	16,936	16,889	16,889
Loan and Transfer Agent .....	50	50	50	50	50	50	50
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 25,360</b>	<b>\$ 19,172</b>	<b>\$ 17,800</b>	<b>\$ 16,986</b>	<b>\$ 16,986</b>	<b>\$ 16,939</b>	<b>\$ 16,939</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Disbursement</b>							
Disbursements issued:							
Disbursements - checks	4,942,000	4,892,000	4,843,000	4,795,000	4,747,000	4,700,000	4,653,000
Disbursements - electronic payments	46,195,000	42,813,000	43,241,000	43,674,000	44,110,000	44,551,000	44,997,000

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# 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 Objectives**

**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.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>LOTTERY FUND:</b>			
<b>General Government:</b>			
<b>General Government Operations.....</b>	<b>\$ 6,705</b>	<b>\$ 6,705</b>	<b>\$ 7,960</b>
(F)Programs for the Aging - Title III - Administration.....	1,512	1,781	1,781
(F)Programs for the Aging - Title V - Administration.....	130	145	127
(F)Medical Assistance - Administration.....	1,811	1,936	2,342
(F)Program for the Aging - Title VII - Administration.....	118	118	118
(A)Day Care Licensure.....	11	11	11
Subtotal.....	<u>\$ 10,287</u>	<u>\$ 10,696</u>	<u>\$ 12,339</u>
Subtotal - State Funds.....	\$ 6,705	\$ 6,705	\$ 7,960
Subtotal - Federal Funds.....	3,571	3,980	4,368
Subtotal - Augmentations.....	11	11	11
Total - General Government.....	<u>\$ 10,287</u>	<u>\$ 10,696</u>	<u>\$ 12,339</u>
<b>Grants and Subsidies:</b>			
<b>PENNCARE.....</b>	<b>\$ 248,764</b>	<b>\$ 248,164</b>	<b>\$ 275,164</b>
(F)Programs for the Aging - Title III.....	52,000	52,000	52,000
(F)ARRA - Chronic Disease Self-Management.....	984	0	0
(F)ARRA - Chronic Disease Self-Management (EA).....	0	16	0
(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.....	19,236	20,572	21,557
(F)Medical Assistance - Support.....	13,564	9,000	9,000
(F)Medical Assistance Nursing Home Transition Administration.....	700	700	700
(F)Summer 2011 Storm Disaster - Relief and Recovery Assistance.....	100	0	0
(A)NCOA Snap-Grant.....	40	0	0
(A)Attendant Care Patient Fees.....	185	185	185
Subtotal.....	<u>\$ 358,273</u>	<u>\$ 353,337</u>	<u>\$ 381,306</u>
<b>Pre-Admission Assessment.....</b>	<b>10,735</b>	<b>10,735</b>	<b>10,735</b>
(F)Pre-Admission Assessment.....	14,483	16,000	16,000
Subtotal.....	<u>\$ 25,218</u>	<u>\$ 26,735</u>	<u>\$ 26,735</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>200,000</b>	<b>190,000</b>	<b>190,000</b>
<b>Grants to Senior Centers.....</b>	<b>0</b>	<b>0</b>	<b>2,000</b>
Subtotal - State Funds.....	\$ 471,852	\$ 461,252	\$ 490,252
Subtotal - Federal Funds.....	133,767	130,988	131,957
Subtotal - Augmentations.....	225	185	185
Total - Grants and Subsidies.....	<u>\$ 605,844</u>	<u>\$ 592,425</u>	<u>\$ 622,394</u>
STATE FUNDS.....	\$ 478,557	\$ 467,957	\$ 498,212
FEDERAL FUNDS.....	137,338	134,968	136,325
AUGMENTATIONS.....	236	196	196
<b>LOTTERY FUND TOTAL.....</b>	<b><u>\$ 616,131</u></b>	<b><u>\$ 603,121</u></b>	<b><u>\$ 634,733</u></b>

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b><u>TOBACCO SETTLEMENT FUND:</u></b>			
<i>Grants and Subsidies:</i>			
PACENET Transfer (EA).....	\$ 24,790	\$ 25,282	\$ 24,847
<b><u>OTHER FUNDS:</u></b>			
<b>PHARMACEUTICAL ASSISTANCE FUND:</b>			
PACE Contracted Services (EA).....	\$ 0 <sup>a</sup>	\$ 28,390 <sup>a</sup>	\$ 11,440 <sup>a</sup>
Administration of PACE (EA).....	1,146	1,191	1,319
PHARMACEUTICAL ASSISTANCE FUND TOTAL.....	<u>\$ 1,146</u>	<u>\$ 29,581</u>	<u>\$ 12,759</u>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	503,347	493,239	523,059
FEDERAL FUNDS.....	137,338	134,968	136,325
AUGMENTATIONS.....	236	196	196
OTHER FUNDS.....	1,146	29,581	12,759
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 642,067</u></b>	<b><u>\$ 657,984</u></b>	<b><u>\$ 672,339</u></b>

<sup>a</sup> Transfer to Pharmaceutical Assistance Fund not added to the total to avoid double counting: 2011-12 Actual is \$200,000,000, 2012-13 Available is \$190,000,000 and 2013-14 Budget is \$190,000,000. PACENET Transfer (EA) also not added to the total to avoid double counting: 2011-12 Actual is \$24,790,000, 2012-13 Available is \$25,282,000 and 2013-14 Budget is \$24,847,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	278,557	277,957	308,212	318,212	328,212	338,212	348,212
FEDERAL FUNDS.....	137,338	134,968	136,325	138,666	138,666	138,666	138,666
OTHER FUNDS.....	236	196	196	196	196	196	196
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 416,131</b>	<b>\$ 413,121</b>	<b>\$ 444,733</b>	<b>\$ 457,074</b>	<b>\$ 467,074</b>	<b>\$ 477,074</b>	<b>\$ 487,074</b>
<b>PHARMACEUTICAL ASSISTANCE</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	224,790	215,282	214,847	214,847	214,847	224,847	239,847
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	1,146	29,581	12,759	15,989	20,180	14,935	5,139
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 225,936</b>	<b>\$ 244,863</b>	<b>\$ 227,606</b>	<b>\$ 230,836</b>	<b>\$ 235,027</b>	<b>\$ 239,782</b>	<b>\$ 244,986</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	503,347	493,239	523,059	533,059	543,059	563,059	588,059
FEDERAL FUNDS.....	137,338	134,968	136,325	138,666	138,666	138,666	138,666
OTHER FUNDS.....	1,382	29,777	12,955	16,185	20,376	15,131	5,335
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 642,067</b>	<b>\$ 657,984</b>	<b>\$ 672,339</b>	<b>\$ 687,910</b>	<b>\$ 702,101</b>	<b>\$ 716,856</b>	<b>\$ 732,060</b>

*PROGRAM OBJECTIVE: To enable older Pennsylvanians to maintain active and independent lives in their own homes or alternative community living arrangements.*

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## Program: Community Services for Older Pennsylvanians

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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 650 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 unsubsidized 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 and develops individualized service plans to eliminate or mitigate the risks.

Attendant care services are maintained for adults with disabilities transitioning at age 60 from the Department of Public Welfare'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 of Aging 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 supplies, services and home adaptations and devices. The Family 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.

## Program: Community Services for Older Pennsylvanians (continued)

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>LOTTERY FUND</b>			<b>Grants to Senior Centers</b>
	<b>General Government Operations</b>		\$ 2,000	—Initiative—Expanded Services for Older Pennsylvanians. To provide grants to senior centers for the modernization of facilities and programs.
\$ 124	—to continue current program.			
1,131	—reflects the reorganization of the Office of Long-Term Living, including the transfer of contract staff from the Department of Public Welfare.			
<u>\$ 1,255</u>	<i>Appropriation Increase</i>			
	<b>PENNCARE</b>			
\$ 27,000	—Initiative—Expanded Services for Older Pennsylvanians. To provide home and community-based services to 5,400 individuals on the OPTIONS waiting list, attendant care services to 193 individuals who will transfer from the Department of Public Welfare's Attendant Care Program at age 60 and increased support for Area Agencies on Aging.			

All other appropriations are recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>LOTTERY FUND:</b>							
General Government Operations .....	\$ 6,705	\$ 6,705	\$ 7,960	\$ 7,960	\$ 7,960	\$ 7,960	\$ 7,960
PENNCARE.....	248,764	248,164	275,164	285,164	295,164	305,164	315,164
Pre-Admission Assessment.....	10,735	10,735	10,735	10,735	10,735	10,735	10,735
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.....	<u>0</u>	<u>0</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
<b>TOTAL LOTTERY FUND.....</b>	<b>\$ <u>278,557</u></b>	<b>\$ <u>277,957</u></b>	<b>\$ <u>308,212</u></b>	<b>\$ <u>318,212</u></b>	<b>\$ <u>328,212</u></b>	<b>\$ <u>338,212</u></b>	<b>\$ <u>348,212</u></b>

*PROGRAM OBJECTIVE: To assist eligible older Pennsylvanians who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives.*

## Program: Pharmaceutical Assistance

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, and/or collects drug rebates from pharmaceutical manufacturers for select programs in the departments of Health, Public Welfare 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>TOBACCO SETTLEMENT FUND</b>	
	<b>PACENET Transfer (EA)</b>	
\$	—435	—decrease in Tobacco Settlement funds available for transfer.

The Pharmaceutical Assistance Fund appropriation is recommended at the current year funding level.

**Program: Pharmaceutical Assistance (continued)**

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>LOTTERY FUND:</b>							
Pharmaceutical Assistance Fund .....	\$ <u>200,000</u>	\$ <u>190,000</u>	\$ <u>190,000</u>	\$ <u>190,000</u>	\$ <u>190,000</u>	\$ <u>200,000</u>	\$ <u>215,000</u>
<b>TOBACCO SETTLEMENT FUND:</b>							
PACENET Transfer (EA) .....	\$ <u>24,790</u>	\$ <u>25,282</u>	\$ <u>24,847</u>	\$ <u>24,847</u>	\$ <u>24,847</u>	\$ <u>24,847</u>	\$ <u>24,847</u>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Community Services for Older Pennsylvanians</b>							
Number of Pennsylvanians age 60 and older	2,702,603	2,709,150	2,712,425	2,715,695	2,718,970	2,722,245	2,725,520
Number of Pennsylvanians age 85 and older	305,676	325,410	335,230	345,145	355,010	364,880	368,450
Number of persons served in the community who are clinically nursing home eligible	11,923	11,920	13,020	14,345	14,345	14,345	14,345
<b>Pre-Admission Assessment</b>							
Assessments/recertifications	106,387	107,970	107,970	107,970	107,970	107,970	107,970
Referrals to nursing homes	38,593	40,610	40,610	40,610	40,610	40,610	40,610
Referrals to community services	42,024	50,080	50,080	50,080	50,080	50,080	50,080
<b>Persons Receiving Assistance</b>							
Congregate meals	118,254	124,930	132,280	143,675	147,350	151,025	154,700
Personal assistance services	1,651	1,450	1,620	1,885	1,970	2,055	2,140
Attendant care services	2,072	2,240	2,630	3,235	3,430	3,625	3,820
Home-delivered meals	34,703	36,400	40,285	46,310	48,250	50,195	52,135
Home support services	6,268	6,090	6,810	7,925	8,285	8,645	9,005
Personal care services	12,717	12,650	14,021	16,145	16,830	17,515	18,200
Protective services	13,016	16,150	16,150	16,150	16,150	16,150	16,150
Families receiving caregiver support	7,290	7,280	7,280	7,280	7,280	7,280	7,280
<b>Program: Pharmaceutical Assistance</b>							
<b>Comprehensive PACE Program</b>							
Number of older Pennsylvanians enrolled (average) in PACE	116,140	109,170	102,620	95,440	88,760	82,540	76,770
Total prescriptions per year - PACE	4,172,740	3,918,870	3,686,470	3,430,970	3,193,170	2,971,850	2,765,870
Average PACE cost per prescription	\$20.42	\$20.70	\$20.93	\$21.16	\$21.39	\$21.61	\$21.82
<b>PACE Needs Enhancement Tier (PACENET)</b>							
Number of older Pennsylvanians enrolled (average) in PACENET	181,997	187,460	193,080	198,870	204,840	210,990	217,310
Total prescriptions per year - PACENET	6,115,690	6,414,650	6,622,160	6,834,220	7,053,050	7,278,860	7,511,870
Average PACENET cost per prescription	\$20.78	\$20.70	\$20.90	\$21.10	\$21.30	\$21.50	\$21.70



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# 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 Objectives**

**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.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 25,649</b>	<b>\$ 26,197</b>	<b>\$ 22,746</b>
(F) Plant Pest Detection System.....	1,300	1,300	1,300
(F) Poultry Grading Service.....	79	100	100
(F) Medicated Feed Mill Inspection.....	28	50	50
(F) National School Lunch Administration.....	1,625	1,700	1,700
(F) Emergency Food Assistance.....	4,000	4,000	4,000
(F) Pesticide Control.....	879	1,000	1,000
(F) Agricultural Risk Protection.....	1,000	1,000	1,000
(F) Commodity Supplemental Food.....	2,998	3,000	3,000
(F) Organic Cost Distribution.....	250	250	350
(F) Animal Disease Control.....	2,000	2,000	2,000
(F) Food Establishment Inspections.....	500	800	1,000
(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.....	1,000	1,500	1,500
(F) Emerald Ash Borer Mitigation.....	800	800	800
(F) Market Improvement.....	150	250	250
(F) Mediation Grant.....	200	200	200
(F) Farmland Protection.....	6,000	6,000	6,000
(F) Bioterrorism Preparedness (EA).....	460	274	0
(A) Lime Inspection.....	24	23	23
(A) Feed Inspections and Registrations.....	621	560	585
(A) Milk Plant Inspections.....	25	22	22
(A) Mailing List Production.....	1	1	2
(A) Administrative Services.....	2,571	3,045	3,500
(A) Pesticide Regulation.....	602	800	800
(A) Training Rides and Attractions.....	22	25	25
(A) Food Site Inspection.....	39	40	181
(A) Apiary Registration and Fees.....	16	10	13
(A) Weights and Measures Inspection Services.....	15	15	15
(A) Transfer from Fertilizer Account.....	16	23	23
(A) Consumer Fireworks License.....	295	360	360
(A) Taxidermy Permit Registrations.....	120	90	100
(A) Transfer from Motor License Fund.....	0 <sup>a</sup>	0 <sup>a</sup>	0 <sup>a</sup>
(A) Transfer from Other State Agencies.....	250	304	165
(A) Farm Show Revenue.....	51	46	50
(A) Company Sponsorships.....	4	10	10
(A) Vet Lab Diagnostic Fees.....	594	600	600
(A) Domestic Animal Dealer License.....	53	50	50
(A) Transfer from Environmental Stewardship Fund.....	128	148	148
Subtotal.....	<b>\$ 62,025</b>	<b>\$ 64,253</b>	<b>\$ 61,328</b>
<b>Agricultural Excellence.....</b>	<b>243</b>	<b>270</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>708</b>	<b>787</b>	<b>0</b>
<b>Agricultural Promotion, Education and Exports.....</b>	<b>176</b>	<b>196</b>	<b>0</b>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Hardwoods Research and Promotion</b> .....	<b>243</b>	<b>270</b>	<b>0</b>
Subtotal - State Funds.....	\$ 29,098	\$ 29,799	\$ 24,825
Subtotal - Federal Funds.....	36,629	37,584	37,610
Subtotal - Augmentations.....	5,447	6,172	6,672
Total - General Government.....	\$ 71,174	\$ 73,555	\$ 69,107
<b>Grants and Subsidies:</b>			
Animal Health Commission.....	\$ 4,579	\$ 4,350	\$ 0
Transfer to State Farm Products Show Fund.....	2,450	0	0
Payments to Pennsylvania Fairs.....	874	0	0
Livestock Show.....	160	160	0
Open Dairy Show.....	160	160	0
Youth Shows.....	121	127	127
State Food Purchase.....	17,338	17,338	17,338
Food Marketing and Research.....	445	494	0
Transfer to Nutrient Management Fund.....	2,714	2,714	2,714
Transfer to Conservation District Fund.....	1,029	1,019	0
(F)Crop Insurance.....	2,000	2,000	2,000
Transfer to Agricultural College Land Scrip Fund.....	44,737	44,737	44,737
PA Preferred Program Trademark Licensing.....	0	500	0
University of Pennsylvania - Veterinary Activities.....	26,495	27,889	27,889
University of Pennsylvania - Center for Infectious Disease.....	236	248	248
Subtotal - State Funds.....	\$ 101,338	\$ 99,736	\$ 93,053
Subtotal - Federal Funds.....	2,000	2,000	2,000
Total - Grants and Subsidies.....	\$ 103,338	\$ 101,736	\$ 95,053
STATE FUNDS.....	\$ 130,436	\$ 129,535	\$ 117,878
FEDERAL FUNDS.....	38,629	39,584	39,610
AUGMENTATIONS.....	5,447	6,172	6,672
<b>GENERAL FUND TOTAL</b> .....	<b>\$ 174,512</b>	<b>\$ 175,291</b>	<b>\$ 164,160</b>
<b>FARM PRODUCTS SHOW FUND:</b>			
<b>General Government:</b>			
General Operations (EA).....	\$ 6,310	\$ 9,310	\$ 9,688
(A)Transfer from General Fund.....	0 <sup>b</sup>	0	0
Subtotal - State Funds.....	\$ 6,310	\$ 9,310	\$ 9,688
Total - General Government.....	\$ 6,310	\$ 9,310	\$ 9,688
<b>Grants and Subsidies:</b>			
Payments to Pennsylvania Fairs.....	\$ 0	\$ 2,000	\$ 2,500
STATE FUNDS.....	\$ 6,310	\$ 11,310	\$ 12,188
<b>FARM PRODUCTS SHOW FUND TOTAL</b> .....	<b>\$ 6,310</b>	<b>\$ 11,310</b>	<b>\$ 12,188</b>
<b>MOTOR LICENSE FUND:</b>			
<b>General Government:</b>			
Weights & Measures Administration.....	\$ 4,328	\$ 4,328	\$ 4,328

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b><u>RACING FUND:</u></b>			
<b>General Government:</b>			
State Racing Commissions (EA).....	\$ 13,151	\$ 14,054	\$ 12,920
Equine Toxicology and Research Laboratory (EA).....	2,954	3,354	2,724
(A)Reimbursements - Out of State Testing.....	3	40	40
Pennsylvania Fairs - Administration (EA).....	229	259	320
Subtotal - State Funds.....	\$ 16,334	\$ 17,667	\$ 15,964
Subtotal - Augmentations.....	3	40	40
Total - General Government.....	<u>\$ 16,337</u>	<u>\$ 17,707</u>	<u>\$ 16,004</u>
STATE FUNDS.....	\$ 16,334	\$ 17,667	\$ 15,964
AUGMENTATIONS.....	3	40	40
<b>RACING FUND TOTAL.....</b>	<b><u>\$ 16,337</u></b>	<b><u>\$ 17,707</u></b>	<b><u>\$ 16,004</u></b>
<b><u>OTHER FUNDS:</u></b>			
<b>GENERAL FUND:</b>			
Agriculture Farm Operations.....	\$ 57	\$ 664	\$ 664
Dog Law Administration.....	7,475	7,269	7,269
Pesticide Regulation.....	2,716	4,036	4,130
Plant Pest Management.....	308	410	436
National School Lunch.....	17	60	60
Agronomic Regulatory Account.....	312	274	334
Fruit and Vegetable Inspection and Grading.....	318	464	419
Cervidae Livestock Operations.....	0	20	20
GENERAL FUND TOTAL.....	<u>\$ 11,203</u>	<u>\$ 13,197</u>	<u>\$ 13,332</u>
<b>RACING FUND:</b>			
Sire Stakes Fund.....	\$ 10,586	\$ 11,900	\$ 11,496
Breeders' Fund.....	21,412	19,500	19,200
PA Standardbred Breeders Development Fund.....	8,838	9,282	9,000
RACING FUND TOTAL.....	<u>\$ 40,836</u>	<u>\$ 40,682</u>	<u>\$ 39,696</u>
<b>AGRICULTURAL COLLEGE LAND SCRIP FUND:</b>			
Agricultural Research Programs and Extension Services.....	\$ 0 <sup>c</sup>	\$ 0 <sup>c</sup>	\$ 0 <sup>c</sup>
<b>AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:</b>			
Purchase of County Easements (EA).....	\$ 28,000	\$ 25,000	\$ 35,000
<b>CONSERVATION DISTRICT FUND:</b>			
Conservation District Grants (EA).....	\$ 1,289	\$ 1,019	\$ 1,250
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>			
Transfer to Agricultural Conservation Easement Program (EA).....	\$ 5,110	\$ 6,973	\$ 8,498
<b>NUTRIENT MANAGEMENT FUND:</b>			
Planning, Loans, Grants and Technical Assistance (EA).....	\$ 314	\$ 311	\$ 298
Nutrient Management - Administration (EA).....	462	464	473
NUTRIENT MANAGEMENT FUND TOTAL.....	<u>\$ 776</u>	<u>\$ 775</u>	<u>\$ 771</u>
<b>PA RACE HORSE DEVELOPMENT FUND:</b>			
Animal Health and Diagnostic Commission.....	\$ 0	\$ 0	\$ 5,350
Pennsylvania Veterianary Lab.....	0	0	5,309
Transfer to State Farm Products Show Fund.....	0	5,000	5,500
PA RACE HORSE DEVELOPMENT FUND TOTAL.....	<u>\$ 0</u>	<u>\$ 5,000</u>	<u>\$ 16,159</u>

**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 130,436	\$ 129,535	\$ 117,878
SPECIAL FUNDS.....	26,972	33,305	32,480
FEDERAL FUNDS.....	38,629	39,584	39,610
AUGMENTATIONS.....	5,450	6,212	6,712
OTHER FUNDS.....	87,214	92,646	114,706
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 288,701</b>	<b>\$ 301,282</b>	<b>\$ 311,386</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. 2011-12 Actual is \$2,450,000.

<sup>c</sup> Not added to the total to avoid double counting. 2011-12 Actual is \$44,737,000, 2012-13 Available is \$44,737,000, 2013-14 Budget is \$44,737,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES</b>							
GENERAL FUND.....	\$ 111,019	\$ 110,118	\$ 98,461	\$ 98,461	\$ 98,461	\$ 98,461	\$ 98,461
SPECIAL FUNDS.....	10,638	15,638	16,516	16,516	16,516	16,516	16,516
FEDERAL FUNDS.....	23,071	24,024	24,050	24,050	24,050	24,050	24,050
OTHER FUNDS.....	51,825	58,136	81,682	81,182	81,182	81,182	81,182
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 196,553</b>	<b>\$ 207,916</b>	<b>\$ 220,709</b>	<b>\$ 220,209</b>	<b>\$ 220,209</b>	<b>\$ 220,209</b>	<b>\$ 220,209</b>
<b>HORSE RACING REGULATION</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	16,334	17,667	15,964	15,964	15,964	15,964	15,964
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	40,839	40,722	39,736	39,736	39,736	39,736	39,736
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 57,173</b>	<b>\$ 58,389</b>	<b>\$ 55,700</b>	<b>\$ 55,700</b>	<b>\$ 55,700</b>	<b>\$ 55,700</b>	<b>\$ 55,700</b>
<b>EMERGENCY FOOD ASSISTANCE</b>							
GENERAL FUND.....	\$ 19,417	\$ 19,417	\$ 19,417	\$ 19,417	\$ 19,417	\$ 19,417	\$ 19,417
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	15,558	15,560	15,560	15,560	15,560	15,560	15,560
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 34,975</b>	<b>\$ 34,977</b>	<b>\$ 34,977</b>	<b>\$ 34,977</b>	<b>\$ 34,977</b>	<b>\$ 34,977</b>	<b>\$ 34,977</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 130,436	\$ 129,535	\$ 117,878	\$ 117,878	\$ 117,878	\$ 117,878	\$ 117,878
SPECIAL FUNDS.....	26,972	33,305	32,480	32,480	32,480	32,480	32,480
FEDERAL FUNDS.....	38,629	39,584	39,610	39,610	39,610	39,610	39,610
OTHER FUNDS.....	92,664	98,858	121,418	120,918	120,918	120,918	120,918
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 288,701</b>	<b>\$ 301,282</b>	<b>\$ 311,386</b>	<b>\$ 310,886</b>	<b>\$ 310,886</b>	<b>\$ 310,886</b>	<b>\$ 310,886</b>

*PROGRAM OBJECTIVE: To strengthen the agricultural economy and related enterprises.*

## Program: Protection and Development of Agricultural Industries

### **Program Element: Protection of Agricultural Industries and Resources**

The Bureaus of Animal Health and Diagnostic Services, Food Safety and Laboratory Services, Plant Industry, and Ride and Measurement Standards are responsible, in large part, 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 seven bureaus, through their scores of regulatory and development programs, are engaged in protecting and developing Pennsylvania's agricultural industries and resources, as well as consumers, on a daily basis.

The Bureau of Animal Health and Diagnostic Services (BAHDS), with support from the Pennsylvania Animal Diagnostic Laboratory System (PADLS) and the Animal Health Commission, is responsible for the detection, identification, containment and eradication of livestock and poultry diseases. Disease control programs for diseases such as brucellosis, avian influenza, west nile virus, rabies and chronic wasting disease 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. Bureau staff in headquarters and in the field evaluate certificates of veterinary inspection for both interstate and intrastate movement to assure that animals in Pennsylvania have met necessary health requirements. This process is valuable for preventing movement of unhealthy animals into Pennsylvania and for tracking animals at risk for disease because they were potentially exposed to a diseased animal. The bureau also provides quality assurance programs, including the Avian Influenza Monitored Flock program, Johne'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 PAHERDS, an integrated database that combines an animal tracking application and 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 staff 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 phytosanitary 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. Pesticide enforcement specialists ensure compliance with the Pesticide Control Act by reviewing registration of all pesticide products, test and register all private, commercial and public pesticide applicators to insure minimum competency levels and license pesticide application businesses and dealers. The department also conducts routine and for-cause inspections and investigations of those who manufacture, distribute, transport or use pesticides. Appropriate and effective pesticide use ensures protection of agriculture resources while minimizing adverse effects on human life and the environment.

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. Over 4,300 farms have been preserved. The unprecedented investment the commonwealth has made in farmland preservation has made Pennsylvania's program a national leader in preservation efforts.

**Program: Protection and Development of Agricultural Industries (continued)**

The State Conservation Commission, housed within the Executive Offices, administers a number of programs that relate to the protection of agricultural resources. The Nutrient Management program, which seeks to reduce the amount of nutrients that are washed from agricultural soils, provides support for nutrient plan 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 (REAP) awards state tax credits to eligible farmers for planning and implementation of conservation best management practices on agricultural operations.

**Program Element: Protection of Consumers**

The Department of Agriculture is committed to protecting consumer health and safety and ensuring equity in the marketplace. The Bureau of Food Safety and Laboratory Services protects Pennsylvania consumers through inspections of restaurants, food manufacturers, milk processors, retail food stores, schools, camps and summer feeding sites. The Bureau of Ride and Measurement Standards ensures amusement rides in the commonwealth have been inspected and are safe for riders. They also ensure weighing and measuring devices are accurate. The Bureau of Plant Industry tests agronomic products to ensure they meet labeling and regulatory standards.

Among the most significant of the department's consumer protection activities are its inspections and testing activity for food safety. The Bureau of Food Safety and Laboratory Services has primary responsibility for regulating food-related activities in the commonwealth. Food sanitarians license and inspect more than 22,000 manufacturing firms, warehouses and retail food stores; license and inspect over 28,000 public eating and drinking establishments and frozen dessert operations; inspect 2,735 schools and approximately 600 camps and summer food sites; and permit and inspect approximately 325 seasonal farm labor camps. Pennsylvania has invested significant funding in a web-based reporting system that gives consumers online access to eating and drinking establishment inspection reports. These online reports provide transparency to consumers. Milk sanitarians and program specialists issue milk permits and inspect approximately 400 dairy processing, manufacturing and distribution facilities; issue and audit Approved Dairy Inspectors; approve dairy sampler's licenses and dairy laboratory director's certificates; and evaluate and inspect a wide spectrum of dairy equipment, from bulk tanker trucks to commercial pasteurization units. Agricultural commodity inspectors inspect egg processing plants,

ensure compliance with state and federal egg regulations at warehouses and grocery stores and grade fruits and vegetables for quality. The bureau is a third party monitor for the Pennsylvania Egg Quality Assurance Program (PEQAP), ensuring eggs with the PEQAP logo have been tested for food-borne pathogens and handled in a safe manner.

The Bureau of Ride and Measurement Standards regulates and maintains uniform standards of legal weights and measures of commonwealth products through inspections and audits. Devices inspected include fuel dispensers, small/medium/large capacity scales, vehicle tanks meters, propane meters, timing devices, scanners, UPC systems, grain moisture meters and livestock scales. Recent legislation has vested the bureau with responsibility for ensuring there is 2 percent biodiesel in fuel dispensers throughout the commonwealth. Field inspectors collect samples, which are processed in the department's laboratories. The Amusement Ride Division completes thousands of ride safety quality assurance inspections each year. The bureau is also responsible for the inspection and licensing of consumer fireworks establishments statewide.

The Bureau of Plant Industry protects consumers through sampling and testing of agronomic products such as fertilizer, lime and seeds. Professional laboratory staff ensure soil amendments, such as fertilizers, provide the nutrients they claim on the label. They also ensure the safety of animal feeds through product analysis and feed mill sampling. Seed analysts ensure minimum germination rates and minimum weed seed contaminants in seeds available for purchase.

The Dog Law Enforcement Office conducts inspections of all licensed kennels in the commonwealth, investigates and prosecutes dangerous dog incidents, investigates dog bites, enforces licensing and control of individual dogs, enforces rabies vaccination requirements for dogs and investigates and reimburses claims of livestock or poultry loss caused by dogs and coyotes.

**Program Element: Development and Promotion of Agricultural Industries**

The Bureau of Market Development promotes Pennsylvania agriculture industries in domestic and international marketplaces. Staff focused on commodity promotions direct consumer market development and creating trade and consumer demands for Pennsylvania agriculture and food products through promotional programs and supporting various Pennsylvania commodity boards. These promotional programs are designed to increase and enhance the awareness of consumers within and outside the borders of the commonwealth about the product and agribusiness opportunities offered in Pennsylvania.

## Program: Protection and Development of Agricultural Industries (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>				
	<b>General Government Operations</b>		\$	-160	<b>Livestock Show</b>
\$ -5,309	—Pennsylvania Veterinary Lab program to be funded from the Pennsylvania Race Horse Development Fund.				—program elimination.
	—to continue current program.		\$	-160	<b>Open Dairy Show</b>
1,858					—program elimination.
\$ -3,451	<i>Appropriation Decrease</i>		\$	-494	<b>Food Marketing and Research</b>
					—program elimination.
\$ -270	<b>Agricultural Excellence</b>		\$	-1,019	<b>Transfer to the Conservation District Fund</b>
	—program elimination.				—funding elimination due to the availability of Act 13 Impact Fee revenues.
\$ -787	<b>Agricultural Research</b>		\$	-500	<b>PA Preferred Program Trademark Licensing</b>
	—program elimination.				—program elimination.
\$ -196	<b>Agricultural Promotion, Education and Exports</b>		\$	378	<b>FARM PRODUCTS SHOW FUND</b>
	—program elimination.				<b>General Operations (EA)</b>
\$ -270	<b>Hardwoods Research and Promotion</b>		\$	500	—to continue current program.
	—program elimination.				<b>Payments to Pennsylvania Fairs</b>
\$ -4,350	<b>Animal Health Commission</b>		\$		—to continue current program.
	—program to be funded from the Pennsylvania Race Horse Development Fund.				

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 25,649	\$ 26,197	\$ 22,746	\$ 22,746	\$ 22,746	\$ 22,746	\$ 22,746
Agricultural Excellence .....	243	270	0	0	0	0	0
Agricultural Research .....	708	787	0	0	0	0	0
Agricultural Promotion, Education and Exports.....	176	196	0	0	0	0	0
Hardwoods Research and Promotion.....	243	270	0	0	0	0	0
Animal Health Commission .....	4,579	4,350	0	0	0	0	0
Transfer to State Farm Products Show Fund.....	2,450	0	0	0	0	0	0
Payments to Pennsylvania Fairs .....	874	0	0	0	0	0	0
Livestock Show.....	160	160	0	0	0	0	0
Open Dairy Show .....	160	160	0	0	0	0	0
Youth Shows.....	121	127	127	127	127	127	127
Food Marketing and Research .....	445	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 .....	1,029	1,019	0	0	0	0	0
Transfer to Agricultural College Land Scrip Fund .....	44,737	44,737	44,737	44,737	44,737	44,737	44,737
PA Preferred Program Trademark Licensing.....	0	500	0	0	0	0	0
University of Pennsylvania - Veterinary Activities.....	26,495	27,889	27,889	27,889	27,889	27,889	27,889
University of Pennsylvania - Center for Infectious Disease .....	236	248	248	248	248	248	248
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 111,019</b>	<b>\$ 110,118</b>	<b>\$ 98,461</b>	<b>\$ 98,461</b>	<b>\$ 98,461</b>	<b>\$ 98,461</b>	<b>\$ 98,461</b>

**Program: Protection and Development of Agricultural Industries (continued)**

**Appropriations within this Program: (continued)**

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>FARM PRODUCTS SHOW FUND:</b>							
General Operations (EA) .....	\$ 6,310	\$ 9,310	\$ 9,688	\$ 9,688	\$ 9,688	\$ 9,688	\$ 9,688
Payments to Pennsylvania Fairs .....	0	2,000	2,500	2,500	2,500	2,500	2,500
<b>TOTAL FARM PRODUCTS SHOW FUND.....</b>	<b>\$ 6,310</b>	<b>\$ 11,310</b>	<b>\$ 12,188</b>	<b>\$ 12,188</b>	<b>\$ 12,188</b>	<b>\$ 12,188</b>	<b>\$ 12,188</b>
<b>MOTOR LICENSE FUND:</b>							
Weights & Measures Administration .....	\$ 4,328	\$ 4,328	\$ 4,328	\$ 4,328	\$ 4,328	\$ 4,328	\$ 4,328

*PROGRAM OBJECTIVE: To prevent consumer fraud in the racing industry.*

## Program: Horse Racing Regulation

Activities in this program area include the development and implementation of rules, regulations and procedures to ensure the public and harness and horse owners of 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

Breeder's 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. All remaining monies in the Racing Fund are then transferred to the General Fund in the subsequent fiscal year.

Act 71 of 2004 established the 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 tests for the presence of foreign substances in the blood and urine of race horses following all races to ensure that no foreign substances have been administered prior to a race.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>RACING FUND</b>		<b>Pennsylvania Fairs - Administration (EA)</b>
	<b>State Racing Commissions (EA)</b>	\$ 61	—to continue current program.
\$ -1,134	—to continue current program.		
	<b>Equine Toxicology and Research Laboratory (EA)</b>		
\$ -630	—to continue current program.		

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>RACING FUND:</b>							
State Racing Commissions (EA) .....	\$ 13,151	\$ 14,054	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920
Equine Toxicology and Research Laboratory (EA) .....	2,954	3,354	2,724	2,724	2,724	2,724	2,724
Pennsylvania Fairs - Administration (EA) ..	229	259	320	320	320	320	320
<b>TOTAL RACING FUND .....</b>	<b>\$ 16,334</b>	<b>\$ 17,667</b>	<b>\$ 15,964</b>	<b>\$ 15,964</b>	<b>\$ 15,964</b>	<b>\$ 15,964</b>	<b>\$ 15,964</b>

*PROGRAM OBJECTIVE: 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.*

## Program: Emergency Food Assistance

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 percent 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 unemployed and low income individuals who meet established eligibility

criteria. TEFAP commodities are allocated to each of the commonwealth's 67 lead agencies based on the number of eligible participants. TEFAP administrative monies, provided by the USDA, are allocated based on each county's relative share of unemployment and poverty statistics.

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)

The Farmers' Market Food Coupons and State Food Purchase appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 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.....	17,338	17,338	17,338	17,338	17,338	17,338	17,338
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 19,417</b>	<b>\$ 19,417</b>	<b>\$ 19,417</b>	<b>\$ 19,417</b>	<b>\$ 19,417</b>	<b>\$ 19,417</b>	<b>\$ 19,417</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Protection and Development of Agricultural Industries</b>							
<b>Development of Pennsylvania's Agriculture Industry</b>							
Dollar value of food and agricultural exports excluding hardwoods (in millions)	\$1,593	\$1,593	\$1,595	\$1,595	\$1,595	\$1,595	\$1,595
Dollar value of Pennsylvania hardwood exports (in millions)	\$1,200	\$1,200	\$1,250	\$1,250	\$1,300	\$1,300	\$1,300
Value of the loan portfolio for the PAgrows Program (in thousands)	\$28,140	\$28,702	\$29,276	\$30,000	\$30,000	\$30,000	\$30,000
Value of crop insurance protection policies (in millions)	\$491	\$477	\$524	\$577	\$635	\$698	\$698
Farm acreage preserved	11,601	12,500	12,500	12,500	12,500	12,500	12,500
Occupancy rate at the Pennsylvania Farm Show Complex and Expo Center	76.20%	76.80%	77%	77.50%	77.50%	77.50%	77.50%
Farms participating in dairy on-farm resource teams	340	380	420	460	500	540	540
<b>Consumer Commodity Inspections</b>							
Number of amusement rides inspected	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Number of fuel dispenser meters certified	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Number of food safety inspection reports available online	61,000	94,500	96,000	97,000	98,000	99,000	99,000
<b>Nutrient Management</b>							
Number of farm acres covered by approved Nutrient Management Plans (in thousands)	706	725	750	750	750	750	750
Nutrient management plans approved	300	325	350	350	350	350	350
<b>Animal Health</b>							
Animal health diagnostic tests performed at the Pennsylvania Veterinary Laboratory (in thousands)	280	280	280	280	280	280	280
Animal health inspections	5,750	5,750	5,750	5,750	5,750	5,750	5,750
<b>Program: Horse Racing Regulation</b>							
Participant licenses issued by the Pennsylvania Horse and Harness Racing Commissions	13,242	15,800	15,800	15,800	15,800	15,800	15,800
Investigations to ensure compliance with established rules and regulations: harness and horse racing	28,276	28,600	28,600	28,600	28,600	28,600	28,600
Licenses suspended for noncompliance of rules and regulations: harness and horse racing	342	375	375	375	375	375	375
Samples processed at the Equine Toxicology and Research Lab (in thousands)	55	55	60	60	60	60	60
<b>Program: Emergency Food Assistance</b>							
<b>Improving Participant Access to Pennsylvania fruits and vegetables</b>							
Dollar value of commodities distributed (in thousands)	\$73,000	\$73,000	\$73,000	\$73,000	\$73,000	\$73,000	\$73,000

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Persons receiving donated or surplus foods</b>							
State Food Purchase Program: Individuals Served (in millions)	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Emergency Food Assistance Program: Individuals Served (in millions)	4.22	4.22	4.22	4.22	4.22	4.22	4.22
<b>Percentage of farmers' market coupons redeemed</b>							
Redemption rate for WIC participants in the Farmers Market Nutrition program	60%	60%	60%	60%	60%	60%	60%
Redemption rate for senior participants in the Farmers Market Nutrition Program	90%	90%	90%	90%	90%	90%	90%

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# DEPARTMENT OF BANKING AND SECURITIES

*The mission of the Department of Banking and Securities is to foster strong financial services industries for the commonwealth by ensuring the safety and soundness of state-chartered financial institutions, the compliance with laws that govern financial service entities and the protection of consumers and investors in financial matters.*

This department ensures the safety and soundness of state-chartered depository institutions, as well as protecting consumers and investors 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.

## **Programs and Objectives**

**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.*

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## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 1,000 <sup>a</sup>	\$ 1 <sup>a</sup>	\$ 0
(A)Consumer Protection .....	8,186 <sup>a</sup>	2,147 <sup>a</sup>	0
Subtotal - State Funds.....	\$ 1,000	\$ 1	\$ 0
Subtotal - Augmentations.....	8,186	2,147	0
Total - General Government.....	<u>\$ 9,186</u>	<u>\$ 2,148</u>	<u>\$ 0</u>
STATE FUNDS.....	\$ 1,000	\$ 1	\$ 0
AUGMENTATIONS.....	8,186	2,147	0
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 9,186</u></b>	<b><u>\$ 2,148</u></b>	<b><u>\$ 0</u></b>
<b>BANKING FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	<u>\$ 21,349</u>	<u>\$ 21,349</u>	<u>\$ 22,712</u>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
(R) Securities Operations.....	<u>\$ 0</u>	<u>\$ 6,291</u>	<u>\$ 7,188</u>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 1,000	\$ 1	\$ 0
SPECIAL FUNDS.....	21,349	21,349	22,712
AUGMENTATIONS.....	8,186	2,147	0
OTHER FUNDS.....	0	6,291	7,188
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 30,535</u></b>	<b><u>\$ 29,788</u></b>	<b><u>\$ 29,900</u></b>

<sup>a</sup> Appropriated in the Securities Commission prior to the merger with the Department of Banking effective October 1, 2012.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>FINANCIAL SERVICES INDUSTRY</b>							
GENERAL FUND.....	\$ 1,000	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	21,349	21,349	22,712	22,712	22,712	22,712	22,712
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	8,186	8,438	7,188	7,188	7,188	7,188	7,188
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 30,535</b>	<b>\$ 29,788</b>	<b>\$ 29,900</b>	<b>\$ 29,900</b>	<b>\$ 29,900</b>	<b>\$ 29,900</b>	<b>\$ 29,900</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 1,000	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	21,349	21,349	22,712	22,712	22,712	22,712	22,712
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	8,186	8,438	7,188	7,188	7,188	7,188	7,188
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 30,535</b>	<b>\$ 29,788</b>	<b>\$ 29,900</b>	<b>\$ 29,900</b>	<b>\$ 29,900</b>	<b>\$ 29,900</b>	<b>\$ 29,900</b>

*PROGRAM OBJECTIVE: 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.*

## Program: Financial Services Industry Regulation

This program ensures the safety and soundness of state-chartered depository institutions, protects consumers in the financial marketplace, encourages the formation of business capital and protects investors engaged in the buying and selling of securities. 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 entities overseen by the department include state-chartered banks, bank and trust companies, trust companies, bank holding companies, savings banks, savings associations, 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.

The department supervised 161 banking institutions: including 54 commercial banks, 41 bank and trust companies, 48 savings banks, 17 non-depository trust companies and one private bank, as of June 30, 2012. In addition, the department supervised 61 credit unions and four savings associations.

As of June 30, 2012, the department oversaw 15,314 non-depository licenses in many categories, including: 2,860 installment seller; 1,004 check casher; 456 debt management services; 588 mortgage broker; 244 mortgage discount company; 925 mortgage lender; 7,332 mortgage originator; and 817 sales finance company. The remaining 1,088 license categories include money transmitter, loan correspondent, collector-repossessor, pawnbroker and consumer discount company.

The department registered 178,066 securities agents: 15,356 investment adviser representatives; 2,977 investment advisers and notice filers and 2,274 broker-dealers as of June 30, 2012.

The department also received and responded to more than 5,200 consumer inquiries during 2011-12.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<b>GENERAL FUND</b>		<b>BANKING FUND</b>
<b>General Government Operations</b>		<b>General Government Operations</b>
\$ -1 —savings from merger.		\$ 1,363 —to continue current program.

In addition, \$7,188,000 for Securities Operations is provided for securities regulation. This represents a \$1,251,000 reduction resulting from the October 1, 2012 merger of the Securities Commission and the Department of Banking.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 1,000	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>BANKING FUND:</b>							
General Government Operations .....	\$ 21,349	\$ 21,349	\$ 22,712	\$ 22,712	\$ 22,712	\$ 22,712	\$ 22,712
(R) Securities Operations .....	0	6,291	7,188	7,188	7,188	7,188	7,188
<b>TOTAL BANKING FUND .....</b>	<b>\$ 22,349</b>	<b>\$ 27,641</b>	<b>\$ 29,900</b>	<b>\$ 29,900</b>	<b>\$ 29,900</b>	<b>\$ 29,900</b>	<b>\$ 29,900</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Financial Services Industry Regulation</b>							
Securities filings received	5,100	5,100	5,100	5,100	5,100	5,100	5,100
Average years of regulatory experience for depository examiners	10	10	10	10	10	10	10
Percentage of depository examiners with the highest certification available for their level of experience	95%	90%	90%	90%	90%	90%	90%
Securities filings cleared	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Securities cleared for sale (in billions)	\$260,500	\$260,500	\$260,500	\$260,500	\$260,500	\$260,500	\$260,500
Broker-dealers registered	2,430	2,550	2,675	2,800	2,940	3,075	3,100
Average number of days for turnaround of Department of Banking and Securities independent institution examinations	32	30	30	30	30	30	30
Average number of days for turnaround time of joint examinations	68	40	40	40	40	40	40
Agents registered	183,275	192,430	202,050	212,150	222,750	233,890	245,030
Investment advisers registered	2,860	2,950	3,040	3,130	3,225	3,325	3,425
Average number of days to respond to consumer complaints	15	20	20	20	20	20	20
Investment adviser representatives registered	15,175	16,000	16,800	17,640	18,520	19,450	20,380
Formal investigations conducted	102	104	106	108	110	112	114
Compliance examinations conducted	80	85	90	95	100	105	110
Enforcement/compliance actions	85	90	95	100	105	110	115



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# 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 Objectives**

**Personnel Selection:** *To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 1	\$ 1	\$ 1
(A) Fees From Agencies.....	13,418	12,906	13,198
(A) Special Merit System Services.....	856	824	843
Subtotal - State Funds.....	\$ 1	\$ 1	\$ 1
Subtotal - Augmentations.....	14,274	13,730	14,041
Total - General Government.....	<u>\$ 14,275</u>	<u>\$ 13,731</u>	<u>\$ 14,042</u>
STATE FUNDS.....	\$ 1	\$ 1	\$ 1
AUGMENTATIONS.....	14,274	13,730	14,041
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 14,275</u></b>	<b><u>\$ 13,731</u></b>	<b><u>\$ 14,042</u></b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 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.....	14,274	13,730	14,041	14,041	14,041	14,041	14,041
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 14,275</b>	<b>\$ 13,731</b>	<b>\$ 14,042</b>	<b>\$ 14,042</b>	<b>\$ 14,042</b>	<b>\$ 14,042</b>	<b>\$ 14,042</b>
<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.....	14,274	13,730	14,041	14,041	14,041	14,041	14,041
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 14,275</b>	<b>\$ 13,731</b>	<b>\$ 14,042</b>	<b>\$ 14,042</b>	<b>\$ 14,042</b>	<b>\$ 14,042</b>	<b>\$ 14,042</b>

*PROGRAM OBJECTIVE: To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.*

## Program: Personnel Selection

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 examinations, 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 increased operating efficiency with 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**  
 \$ 311 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Personnel Selection</b>							
Total eligibles on list	152,471	152,000	152,000	152,000	152,000	152,000	152,000
Persons scheduled for exams	151,599	152,000	152,000	152,000	152,000	152,000	152,000
Persons taking computerized exams	101,823	102,000	102,000	102,000	102,000	102,000	102,000
Certifications audited of eligible individuals for civil service positions	11,491	12,000	12,000	12,000	12,000	12,000	12,000
Appeal requests received and processed	410	410	410	410	410	410	410
Annual cost of merit system per covered employee	\$194	\$194	\$194	\$194	\$194	\$194	\$194



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# 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. We strive to improve the quality of life for Pennsylvania citizens while assuring transparency and accountability in the expenditure of public funds.*

## **Programs and Objectives**

- 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 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.*

This budget recommends transferring the functions of the Tax Equalization Board to the Center for Local Government Services within the Department of Community and Economic Development. Additionally, this budget transfers the PennPorts program to the Department of Transportation.

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# Community and Economic Development

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
<b>General Government Operations.....</b>	<b>\$ 14,341 a</b>	<b>\$ 15,915 b</b>	<b>\$ 16,115</b>
(F)ARC - Technical Assistance.....	200	200	225
(F)DOE - Weatherization Administration.....	812	1,258	600
(F)ARRA - DOE Weatherization Administration.....	3,500	1,500	0
(F)SCDBG - Administration.....	1,536	1,536	1,680
(F)SCDBG - Neighborhood Stabilization Administration.....	1,050	1,050	800
(F)CSBG - Administration.....	1,507	1,507	1,507
(F)LIHEABG - Administration.....	535	1,000	1,000
(F)ARRA - Homelessness Prevention Administration.....	670	100	0
(F)ARRA - SCDBG Administration.....	155	50	0
(F)State Small Business Credit Initiative Administration.....	487	487	487
(F)Americorps Training and Technical Assistance.....	128	128	75
(F)EMG Solutions Administration.....	0	250	250
(F)EDA - Emergency Management.....	0	500	300
(F)SCDBG - Disaster Recovery Administration.....	0	1,358	1,000
(F)ARRA - Broadband Technology Opportunity Administration (EA).....	88	81	60
(F)ARRA - Broadband Technology Opportunities (EA).....	1,859	1,121	800
(A)Pennsylvania Industrial Development Authority.....	829	964	995
(A)Pennsylvania Economic Development Financing Authority.....	467	447	456
(A)Environmental Training Partnership.....	664	400	200
(A)Local Area Transportation.....	141	200	100
(A)State Planning Board Expense.....	109	310	140
(A)Community Development Bank.....	66	70	76
(A)Commonwealth Financing Authority.....	2,532	2,533	2,825
(A)Local Match.....	28	40	40
(A)Transfer Between Governments.....	0	39	0
(R)Small Business Advocate - Utilities.....	1,092	1,092	1,092
<b>Office of Open Records.....</b>	<b>1,139</b>	<b>1,374</b>	<b>1,411</b>
<b>World Trade PA.....</b>	<b>5,880</b>	<b>6,143</b>	<b>8,576</b>
(F)SBA State Trade and Export Promotion (STEP).....	1,730	4,035	2,000
(F)Mining Equipment Export Expansion Initiative.....	500	190	100
(F)EDA - Expanding Exports.....	1,500	150	1,000
<b>Marketing to Attract Tourists.....</b>	<b>3,835</b>	<b>5,810</b>	<b>5,810</b>
(A)Reimbursement for Travel Advertisements.....	310	310	310
<b>Marketing to Attract Business.....</b>	<b>960</b>	<b>941</b>	<b>5,941</b>
Subtotal - State Funds.....	\$ 26,155	\$ 30,183	\$ 37,853
Subtotal - Federal Funds.....	16,257	16,501	11,884
Subtotal - Augmentations.....	5,146	5,313	5,142
Subtotal - Restricted Revenues.....	1,092	1,092	1,092
<b>Total - General Government.....</b>	<b>\$ 48,650</b>	<b>\$ 53,089</b>	<b>\$ 55,971</b>
<b>Grants and Subsidies:</b>			
<b>Transfer to Municipalities Financial Recovery Revolving Fund.....</b>	<b>\$ 925</b>	<b>\$ 12,096</b>	<b>\$ 7,096</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>82,019</b>	<b>85,519</b>	<b>92,000</b>
<b>Intergovernmental Cooperation Authority-2nd Class Cities.....</b>	<b>385</b>	<b>228</b>	<b>228</b>
<b>Pennsylvania First.....</b>	<b>25,000</b>	<b>29,500</b>	<b>39,500</b>
<b>PHFA - Homeowners Emergency Mortgage Assistance.....</b>	<b>2,000</b>	<b>0</b>	<b>0</b>
<b>Municipal Assistance Program.....</b>	<b>676</b>	<b>642</b>	<b>642</b>
(F)FEMA Technical Assistance.....	200	350	350
(F)FEMA - Mapping.....	250	250	100
<b>Keystone Communities.....</b>	<b>10,766</b>	<b>10,800</b>	<b>10,800</b>
(F)DOE - Weatherization.....	24,590	20,000	10,000
(F)ARRA - DOE Weatherization.....	17,000	5,000	0
(F)Emergency Shelter for the Homeless.....	75	125	0
(F)LIHEABG - Weatherization Program.....	30,000	31,000	31,000
(F)SCDBG - HUD Disaster Recovery.....	2,000	2,000	2,000
(F)ARRA - Homelessness Prevention - Legal Services.....	0	59	0
(F)SCDBG - Neighborhood Stabilization Program.....	11,000	24,000	17,000

# Community and Economic Development

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
(F)Assets for Independence.....	1,000	1,000	500
(F)ESG Program.....	0	3,200	0
(F)EMG Solutions Program.....	0	10,000	8,000
(F)SCDBG - Disaster Recovery Grant.....	0	27,143	15,000
(F)Community Services Block Grant.....	29,500	29,500	29,500
(F)Centralia Recovery (EA).....	150	150	150
<b>Appalachian Regional Commission.....</b>	<b>989</b>	<b>1,003</b>	<b>0<sup>c</sup></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.....	14,621	13,646	13,646
<b>Discovered in PA, Developed in PA.....</b>	<b>8,910</b>	<b>9,900</b>	<b>9,900</b>
<b>Tourism - Accredited Zoos.....</b>	<b>450</b>	<b>450</b>	<b>0</b>
<b>Infrastructure Technology Assistance Program.....</b>	<b>0</b>	<b>1,500</b>	<b>0</b>
<b>Early Intervention for Distressed Municipalities.....</b>	<b>685</b>	<b>1,785</b>	<b>1,785</b>
<b>Powdered Metals.....</b>	<b>90</b>	<b>100</b>	<b>0</b>
<b>Infrastructure and Facilities Improvement Grants.....</b>	<b>19,409</b>	<b>19,409</b>	<b>19,409</b>
Subtotal - State Funds.....	\$ 178,684	\$ 199,312	\$ 207,740
Subtotal - Federal Funds.....	130,386	167,423	127,246
Total - Grants and Subsidies.....	<u>\$ 309,070</u>	<u>\$ 366,735</u>	<u>\$ 334,986</u>
STATE FUNDS.....	\$ 204,839	\$ 229,495	\$ 245,593
FEDERAL FUNDS.....	146,643	183,924	139,130
AUGMENTATIONS.....	5,146	5,313	5,142
RESTRICTED REVENUES.....	1,092	1,092	1,092
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 357,720</b>	<b>\$ 419,824</b>	<b>\$ 390,957</b>
<b><u>MOTOR LICENSE FUND:</u></b>			
<i>General Government:</i>			
Appalachian Regional Commission.....	\$ 0	\$ 0	\$ 1,073 <sup>c</sup>
<b><u>TOBACCO SETTLEMENT FUND:</u></b>			
<i>General Government:</i>			
Tobacco Settlement Investment Board.....	\$ 350	\$ 361	\$ 284
<i>Grants and Subsidies:</i>			
Life Sciences Greenhouses.....	\$ 3,000	\$ 3,000	\$ 3,000
<b>TOBACCO SETTLEMENT FUND TOTAL.....</b>	<b>\$ 3,350</b>	<b>\$ 3,361</b>	<b>\$ 3,284</b>
<b><u>OTHER FUNDS:</u></b>			
<b>GENERAL FUND:</b>			
Industrial Sites Environmental Assessment Fund.....	\$ 316	\$ 493	\$ 493
Industrialized Housing.....	400	406	406
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 716</b>	<b>\$ 899</b>	<b>\$ 899</b>
<b>BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND:</b>			
Ben Franklin Technology.....	\$ 34,519	\$ 28,000	\$ 19,000
Telecommunications Infrastructure (F).....	2,000	0	0
<b>BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND TOTAL.....</b>	<b>\$ 36,519</b>	<b>\$ 28,000</b>	<b>\$ 19,000</b>
<b>BROADBAND OUTREACH AND AGGREGATION FUND:</b>			
Broadband Outreach Administration (EA).....	\$ 54	\$ 50	\$ 50
Broadband Outreach Grants (EA).....	1,746	1,500	1,450
<b>BROADBAND OUTREACH AND AGGREGATION FUND TOTAL.....</b>	<b>\$ 1,800</b>	<b>\$ 1,550</b>	<b>\$ 1,500</b>
<b>HOME INVESTMENT TRUST FUND:</b>			
HOME Investment Partnership.....	\$ 1,170	\$ 1,170	\$ 1,473

# Community and Economic Development

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>HOMEOWNER ASSISTANCE SETTLEMENT FUND:</b>			
Homeowner's Emergency Mortgage Assistance .....	\$ 0	\$ 22,200	\$ 10,800
<b>HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND:</b>			
Housing Affordability and Rehabilitation Program .....	\$ 0	\$ 7,926	\$ 5,100
<b>INDUSTRIAL SITES CLEANUP FUND:</b>			
Industrial Sites Cleanup - Administration (EA).....	\$ 313	\$ 313	\$ 314
Industrial Sites Cleanup - Projects (EA).....	2,500	5,000	5,000
<b>INDUSTRIAL SITES CLEANUP FUND TOTAL.....</b>	<b>\$ 2,813</b>	<b>\$ 5,313</b>	<b>\$ 5,314</b>
<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).....	\$ 676	\$ 676	\$ 778
Machinery and Equipment Loans (EA).....	28,000	25,000	25,000
<b>MACHINERY AND EQUIPMENT LOAN FUND TOTAL.....</b>	<b>\$ 28,676</b>	<b>\$ 25,676</b>	<b>\$ 25,778</b>
<b>MARCELLUS LEGACY FUND:</b>			
Energy Development Projects.....	\$ 0	\$ 3,624	\$ 3,764
<b>MINORITY BUSINESS DEVELOPMENT FUND:</b>			
General Operations (EA).....	\$ 271	\$ 271	\$ 302
Minority Business Development Loans (EA).....	1,500	1,000	1,000
<b>MINORITY BUSINESS DEVELOPMENT FUND TOTAL.....</b>	<b>\$ 1,771</b>	<b>\$ 1,271</b>	<b>\$ 1,302</b>
<b>MUNICIPALITIES FINANCIAL RECOVERY REVOLVING AID FUND:</b>			
Distressed Community Assistance (EA).....	\$ 3,440	\$ 12,000	\$ 9,000
<b>SMALL BUSINESS FIRST FUND:</b>			
Administration (EA).....	\$ 1,806	\$ 1,806	\$ 1,958
Loans (EA).....	20,000	19,000	19,000
Pollution Prevention Loans (EA).....	1,500	1,500	1,500
EDA - Loans (EA).....	3,000	3,000	0
Community Economic Development Loans (EA).....	3,000	3,000	3,000
<b>SMALL BUSINESS FIRST FUND TOTAL.....</b>	<b>\$ 29,306</b>	<b>\$ 28,306</b>	<b>\$ 25,458</b>
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:</b>			
Underground Storage Tank Administration (EA).....	\$ 24	\$ 24	\$ 15
Upgrade Loans (EA).....	1,000	0	0
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....</b>	<b>\$ 1,024</b>	<b>\$ 24</b>	<b>\$ 15</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.....	\$ 204,839	\$ 229,495	\$ 245,593
SPECIAL FUNDS.....	3,350	3,361	4,357
FEDERAL FUNDS.....	146,643	183,924	139,130
AUGMENTATIONS.....	5,146	5,313	5,142
RESTRICTED.....	1,092	1,092	1,092
OTHER FUNDS.....	108,429	139,153	110,597
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 469,499</b>	<b>\$ 562,338</b>	<b>\$ 505,911</b>

<sup>a</sup> Includes \$1,025,000 appropriated for General Government Operations in the Tax Equalization Board.

<sup>b</sup> Includes funding for the Tax Equalization Board.

<sup>c</sup> Appalachian Regional Commission funding moved from the General Fund to the Motor License Fund.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>PA JOB CREATION, BUSINESS GROWTH AND ATTRACTION</b>							
GENERAL FUND.....	\$ 154,748	\$ 166,038	\$ 186,256	\$ 192,956	\$ 192,956	\$ 192,956	\$ 192,956
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	27,148	25,772	22,430	21,570	21,570	21,570	21,570
OTHER FUNDS.....	70,028	67,372	64,478	64,478	64,478	64,478	64,478
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 251,924</b>	<b>\$ 259,182</b>	<b>\$ 273,164</b>	<b>\$ 279,004</b>	<b>\$ 279,004</b>	<b>\$ 279,004</b>	<b>\$ 279,004</b>
<b>PA INNOVATION ECONOMY</b>							
GENERAL FUND.....	\$ 23,500	\$ 24,500	\$ 24,400	\$ 24,400	\$ 24,400	\$ 24,400	\$ 24,400
SPECIAL FUNDS.....	3,350	3,361	3,284	3,284	3,284	3,284	3,284
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	38,319	33,174	24,264	25,438	20,549	20,549	20,549
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 65,169</b>	<b>\$ 61,035</b>	<b>\$ 51,948</b>	<b>\$ 53,122</b>	<b>\$ 48,233</b>	<b>\$ 48,233</b>	<b>\$ 48,233</b>
<b>PA WORLDWIDE</b>							
GENERAL FUND.....	\$ 5,880	\$ 6,143	\$ 8,576	\$ 8,576	\$ 8,576	\$ 8,576	\$ 8,576
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,730	4,375	3,100	3,100	3,100	3,100	3,100
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 9,610</b>	<b>\$ 10,518</b>	<b>\$ 11,676</b>	<b>\$ 11,676</b>	<b>\$ 11,676</b>	<b>\$ 11,676</b>	<b>\$ 11,676</b>
<b>PA ASSETS</b>							
GENERAL FUND.....	\$ 4,285	\$ 6,260	\$ 5,810	\$ 5,810	\$ 5,810	\$ 5,810	\$ 5,810
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	310	310	310	310	310	310	310
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 4,595</b>	<b>\$ 6,570</b>	<b>\$ 6,120</b>	<b>\$ 6,120</b>	<b>\$ 6,120</b>	<b>\$ 6,120</b>	<b>\$ 6,120</b>
<b>PA COMMUNITIES</b>							
GENERAL FUND.....	\$ 16,426	\$ 26,554	\$ 20,551	\$ 20,551	\$ 20,551	\$ 20,551	\$ 20,551
SPECIAL FUNDS.....	0	0	1,073	1,073	1,073	1,073	1,073
FEDERAL FUNDS.....	115,765	153,777	113,600	113,600	113,600	113,600	113,600
OTHER FUNDS.....	6,010	44,702	27,779	30,679	30,679	25,755	19,879
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 138,201</b>	<b>\$ 225,033</b>	<b>\$ 163,003</b>	<b>\$ 165,903</b>	<b>\$ 165,903</b>	<b>\$ 160,979</b>	<b>\$ 155,103</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 204,839	\$ 229,495	\$ 245,593	\$ 252,293	\$ 252,293	\$ 252,293	\$ 252,293
SPECIAL FUNDS.....	3,350	3,361	4,357	4,357	4,357	4,357	4,357
FEDERAL FUNDS.....	146,643	183,924	139,130	138,270	138,270	138,270	138,270
OTHER FUNDS.....	114,667	145,558	116,831	120,905	116,016	111,092	105,216
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 469,499</b>	<b>\$ 562,338</b>	<b>\$ 505,911</b>	<b>\$ 515,825</b>	<b>\$ 510,936</b>	<b>\$ 506,012</b>	<b>\$ 500,136</b>

*PROGRAM OBJECTIVE: 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. The program aims to integrate and streamline delivery of financial and technical business assistance; focus on statewide, comprehensive infrastructure development; maximize performance of Pennsylvania's economic development service provider network; formulate policies and strategies targeted to small and high-growth businesses; develop a comprehensive strategy to market Pennsylvania as an ideal location for starting and growing a business; leverage Pennsylvania's tax credit programs to grow related industries; and capture up-stream, mid-stream and down-stream shale gas development opportunities.*

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## Program: PA Job Creation, Business Growth and Attraction

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### **Program Element: PA First**

The PA First program is a comprehensive funding tool to facilitate investment and job creation in the commonwealth and to enable Pennsylvania to compete more effectively in the global economy. PA First was developed by consolidating three previously existing programs – Opportunity Grant program, Infrastructure Development program, and Customized Job Training program.

By consolidating and retooling the three long-standing programs into PA First, the department has created an effective program to leverage private dollars, stimulate job creation, encourage development of critical infrastructure and advance workforce development efforts, all in support of the Governor's JOBSFirst PA agenda. PA First 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 purchase; working capital; and environmental assessment and remediation.

The department will monitor 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 (IFIP), 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 IFIP, 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. The Partnerships for Regional Economic Performance Program (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.

PREP provides grants to consortia of economic development service providers that may co-locate, develop formal partnership agreements, or otherwise create a coordinated and performance-based service delivery system that ensures each inquiry or lead from a business or potential entrepreneur is referred to, and acted upon expeditiously by, the appropriate service providers in the region.

Funding will be 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

# Community and Economic Development

## Program: PA Job Creation, Business Growth and Attraction (continued)

to 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 – location, infrastructure, skilled workforce and education network – must be regularly and effectively communicated to the national and global business community. Marketing to Attract Business will fund efforts to increase domestic and foreign investment in Pennsylvania through targeted marketing and advertising. These efforts include public relations, creative and print collateral (including an innovative electronic magazine – Keystone Edge), trade missions and targeted marketing events.

The cornerstone of all marketing efforts is NewPA.com, the department's resource-rich website that highlights Pennsylvania's business success stories; helps businesses and organizations better understand the commonwealth's competitive business climate and available state support; and connects to key websites such as PASiteSearch.com. NewPA.com also offers abundant resources for communities and local governments.

### Program Element: The Job Creation Tax Credit

The Job Creation Tax Credit program (JCTC) was established for the purpose of securing job-creating economic development opportunities through the expansion of existing businesses and the attraction of economic development prospects to the Commonwealth of Pennsylvania.

The JCTC program is available to eligible businesses that, within three years from a negotiated start date, create 25 or more jobs or increase employment by 20 percent. Eligible small businesses must agree to increase employment by 10 percent from a negotiated start date. Every new full-time job, up to a set maximum which meets certain minimum wage standards, will result in a \$1,000 tax credit that the business can use to pay a number of

state business taxes. The tax credit can be increased to \$2,500 per each new job created if the newly created job is filled by an unemployed individual. The business may claim these credits only after the jobs are created. The tax credit award may be issued as a single year or multiple year credit as authorized by the department. A minimum of 25 percent of all tax credits available to be awarded each fiscal year will be allocated to businesses that employ 100 or fewer employees.

### Program Element: The Film Production Tax Credit

The Pennsylvania Film Tax Credit Program is an economic development tool to foster the growth and development of the commonwealth's film industry. The program, authorized under Act 55 of 2007, provides a tax credit equal to 25 percent of a film production's "qualified Pennsylvania production expenses" for film productions where at least 60 percent of the total production budget is spent in Pennsylvania. Eligible projects include the production of a feature film, a television film, a television talk or game show series, a television commercial, a television pilot or each episode of a television series intended as programming for a national audience.

The Film Production Tax Credit was created to induce filmmakers and production companies to film in the commonwealth. The tax credit was implemented in response to the growing demand for states to offer economic incentives to filmmakers to stem the runaway production to film locales such as Canada, Australia and the United Kingdom. The program continues to attract top studios to Pennsylvania, bringing productions that rely on Pennsylvania businesses to provide everything from cutting-edge visual effects, lighting and editing services, rental cars, hotel rooms, and catering. The Film Tax Credit program has enabled Pennsylvania to solidify its reputation as a destination of choice for domestic and foreign film makers.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND			
	<b>General Government Operations</b>		<b>Transfer to Commonwealth Financing Authority</b>
\$ 200	—Initiative—Base Realignment and Closure. To provide resources to support the Commonwealth's efforts to maintain Pennsylvania's military installations.	\$ 6,481	—to provide debt service for economic development bonds.
	<b>Office of Open Records</b>		<b>Infrastructure Technology Assistance Program</b>
\$ 37	—to continue current program.	\$ -1,500	—program elimination.
	<b>Marketing to Attract Business</b>		<b>Pennsylvania First</b>
\$ 5,000	—Initiative—Growing Pennsylvania's Economy. To enhance marketing and communication to attract businesses to locate in Pennsylvania.	\$ 10,000	—Initiative—Increase Economic Impacts. To increase investment and job creation in the Commonwealth.

The Partnerships for Regional Performance and Infrastructure and Facilities Improvement Grants appropriations are recommended at the current year funding levels.

# Community and Economic Development

Program: PA Job Creation, Business Growth and Attraction (continued)

## Appropriations within this Program:

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 14,341	\$ 15,915	\$ 16,115	\$ 16,115	\$ 16,115	\$ 16,115	\$ 16,115
Office of Open Records .....	1,139	1,374	1,411	1,411	1,411	1,411	1,411
Marketing to Attract Business .....	960	941	5,941	5,941	5,941	5,941	5,941
Transfer to Commonwealth Financing Authority .....	82,019	85,519	92,000	98,700	98,700	98,700	98,700
Pennsylvania First .....	25,000	29,500	39,500	39,500	39,500	39,500	39,500
Partnerships for Regional Economic Performance .....	11,880	11,880	11,880	11,880	11,880	11,880	11,880
Infrastructure Technology Assistance Program .....	0	1,500	0	0	0	0	0
Infrastructure and Facilities Improvement Grants .....	19,409	19,409	19,409	19,409	19,409	19,409	19,409
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 154,748</b>	<b>\$ 166,038</b>	<b>\$ 186,256</b>	<b>\$ 192,956</b>	<b>\$ 192,956</b>	<b>\$ 192,956</b>	<b>\$ 192,956</b>

*PROGRAM OBJECTIVE: 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: PA Innovation Economy

### **Program Element: Discovered in PA, Developed in PA**

The Discovered and Developed in PA (D2PA) program was established to build capacity to better support Pennsylvania businesses and to spur creativity and innovation in the provision of economic development services, from business incubating, to mentoring, to marketing and beyond. Pennsylvania benefits from several world-class research universities across several disciplines including life sciences, robotics, nanotechnology, energy, advanced materials and manufacturing and information technologies. Additionally, Pennsylvania benefits from a robust network of economic development partners who focus specifically on the creation of start-up companies and the transfer of new technologies into the marketplace. The D2PA program was created to capitalize on and leverage these assets in an effort not only to encourage entrepreneurship, but also to actively support it.

D2PA funds will be used to accomplish the following:

- Promote entrepreneurship – ongoing or innovative new activities, programs, or events to promote entrepreneurship;
- Encourage technology transfer – ongoing or innovative new activities, programs, or events to encourage and increase technology transfer, commercialization of intellectual property and new product development by Pennsylvania entrepreneurs, businesses, research institutions and colleges and universities;
- Build capacity for regional economic development – ongoing or innovative new activities, programs, or events to improve the capacity of economic development organizations to provide the business community with the highest quality and broadest range of services possible;
- Proactively reach out to businesses – ongoing or innovative new activities, programs, or events that proactively seek to identify the needs of businesses or that educate businesses about resources available to help them prosper.

### **Program Element: The Ben Franklin Technology Development Authority**

The Ben Franklin Technology Development Authority, established by Act 38 of 2001, has ensured 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 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. The initiative has quickly become a national model for state funding of early stage risk capital in life sciences.

# Community and Economic Development

Program: PA Innovation Economy (continued)

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>			<b>TOBACCO SETTLEMENT FUND</b>
	<b>Powdered Metals</b>			<b>Tobacco Settlement Investment Board</b>
\$	-100	—program elimination.	\$	-77
				—to continue current program.

All other appropriations are recommended at the current year funding levels.

## Appropriations within this Program:

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 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.....	8,910	9,900	9,900	9,900	9,900	9,900	9,900
Powdered Metals.....	90	100	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 23,500</b>	<b>\$ 24,500</b>	<b>\$ 24,400</b>	<b>\$ 24,400</b>	<b>\$ 24,400</b>	<b>\$ 24,400</b>	<b>\$ 24,400</b>
<b>TOBACCO SETTLEMENT FUND:</b>							
Tobacco Settlement Investment Board.....	\$ 350	\$ 361	\$ 284	\$ 284	\$ 284	\$ 284	\$ 284
Life Sciences Greenhouses.....	3,000	3,000	3,000	3,000	3,000	3,000	3,000
<b>TOTAL TOBACCO SETTLEMENT FUND .....</b>	<b>\$ 3,350</b>	<b>\$ 3,361</b>	<b>\$ 3,284</b>	<b>\$ 3,284</b>	<b>\$ 3,284</b>	<b>\$ 3,284</b>	<b>\$ 3,284</b>

# Community and Economic Development

*PROGRAM OBJECTIVE: 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: PA Worldwide

### Program Element: World Trade PA

In today's increasingly interdependent global economy, international trade is not simply a trend, but a competitive necessity. The World Trade PA program works to promote Pennsylvania exports in key international markets and to attract foreign investments into Pennsylvania by ensuring that international companies are adequately informed and familiar with Pennsylvania's strengths – leading research institutions; manufacturing, energy and life science industries; competitive business environment; and a skilled workforce.

To build on World Trade PA's success, the department has improved the existing performance-based compensation

system for its international contractors and regional partners; developed sector-specific, fee-based initiatives such as the PA Mining Equipment Export Initiative; and enhanced private sector participation in the World Trade PA program. 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.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		<b>World Trade PA</b>
\$	64	—to continue current program.
	2,369	—Initiative—PA Worldwide. To increase international business development activities and attract foreign investment into Pennsylvania.
\$	2,433	<i>Appropriation Increase</i>

### Appropriations within this Program:

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
World Trade PA.....	\$ 5,880	\$ 6,143	\$ 8,576	\$ 8,576	\$ 8,576	\$ 8,576	\$ 8,576

# Community and Economic Development

*PROGRAM OBJECTIVE: To improve the productivity and efficiency of the commonwealth's ports; 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: PA Assets

### Program Element: Marketing to Attract Tourists

Tourism is a key industry for Pennsylvania, injecting more than \$32.9 billion annually into the commonwealth's economy and generating more than \$3.4 billion in tax revenues each year for the state and local governments. 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 will enable the commonwealth to establish an aggressive domestic

and international tourism marketing program that is competitive with other states. The funding will support 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 new technology, such as Twitter, Facebook, YouTube, Flickr, and Foursquare to provide highly customized, personalized, and targeted information directly to travelers in an authentic and real-time medium to extend the reach of traditional marketing and continue to attract more than 175 million visitors a year and generate millions of dollars in tax revenues for the state and local governments.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**Tourism - Accredited Zoos**  
 \$ -450 —program elimination.

The Marketing to Attract Tourists appropriation is recommended at the current year funding level.

### Appropriations within this Program:

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Marketing to Attract Tourists .....	\$ 3,835	\$ 5,810	\$ 5,810	\$ 5,810	\$ 5,810	\$ 5,810	\$ 5,810
Tourism - Accredited Zoos .....	450	450	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 4,285</b>	<b>\$ 6,260</b>	<b>\$ 5,810</b>	<b>\$ 5,810</b>	<b>\$ 5,810</b>	<b>\$ 5,810</b>	<b>\$ 5,810</b>

*PROGRAM OBJECTIVE: 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.*

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## Program: PA Core Communities

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### **Program Element: Keystone Opportunity Zones**

The Keystone Opportunity Zone (KOZ) program provides state and local tax abatement to businesses and residents locating in one of the 12 designated zones. Businesses, property owners and residents that are located in a Keystone Opportunity Zones are eligible to receive significant state and local tax benefits. Projects in KOZ are given priority consideration for assistance under various community and economic building initiatives.

Pennsylvania businesses relocating to a KOZ must either increase their full-time employment by 20 percent within the first full year of operation or make a 10 percent capital investment in the KOZ property based on their prior year's gross revenues. Eligibility for benefits is based upon annual certification. In order to receive benefits, any entity applying must be compliant with all local and state taxes and building and zoning codes. Zone acreage ranges up to 5,000 acres, and each zone is comprised of parcel-specific sub-zones in various sizes.

Reviving economically distressed urban and rural communities is critical to the ongoing revitalization of Pennsylvania's economy. Keystone Opportunity Zones eliminate specific underdeveloped and underutilized areas to assist communities to experience economic growth and investment. As established by Act 92 of 1998, these zones are defined, limited areas in communities that have greatly reduced or eliminated tax burdens for residents and businesses within them. KOZs reflect a true sense of partnership among state and local taxing bodies, school districts, economic development agencies and community-based organizations.

Act 119 of 2000 extended the life of a KOZ from 12 to 15 years and authorized the department to establish 12 smaller Keystone Opportunity Expansion Zones (KOEZ). The act extended the expiration date of the program to 2013 and increased the eligible tax-exempt activity. Act 217 of 2002 provided for designation of subzones within KOZs and KOEZs to enable acreage that remained undesignated within the original limitation to be designated for state and local tax exemption. In accordance with Act 217, the Keystone Opportunity Improvement Zones (KOIZs) were designated by Executive Order in 2002. Act 79 of 2008 authorized the state and local governments to expand existing KOZs, extend expiration dates and create additional KOEZs. Zone expansions must be contiguous to

existing zones and not exceed 15 acres. Time extensions may be for seven years or ten, dependent on the local governments' preference, and only unoccupied property may be granted a time extension. The act also authorized 15 additional KOEZs; the new zones cannot exceed 350 acres.

Act 26 of 2011 amended the Fiscal Code and created Keystone Special Development Zones (KSDZ). The KSDZ designation is for parcels of real property certified as brownfields pursuant to the Land Recycling and Environmental Remediation Standards Act. The KSDZ designation will be for 15 years. It provides a tax credit of \$2,100 for employers within the KSDZ for each new full time job created beginning in tax year 2012 and for a period of 10 tax years during the 15 year period of the zone. It allows excess credits to be sold or assigned.

Act 16 of 2012 once again amended the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone, and Keystone Opportunity Improvement Zone Act, collectively referred to as KOZ. The act provides an opportunity for political subdivisions to submit applications to DCED for a new KOZ designation, expansion to an existing KOZ or an extension to current KOZ parcels that remain unoccupied. Additionally, the act allows for applications to be submitted for KOZs that were not designated under Act 79 of 2008. Applications are reviewed and approved by the department in consultation with the Department of Revenue. New designations must be no less than 10 acres and no greater than 350 acres in size. Expansions cannot exceed 15 acres and must be contiguous to an existing KOZ. KOZ designations are for a period of 10 years. The opportunity for a 15 year designation is available for a qualified business that commits to investing \$1 billion and creating 400 full-time permanent jobs within the first seven years of the zone.

### **Program Element: Keystone Communities**

The Keystone Communities (KC) program is designed to encourage the creation of partnerships between the public (governmental) and private (non-governmental) sectors in communities to jointly support local initiatives such as the growth and stability of neighborhoods and communities; social and economic diversity, and a strong and secure quality of life. The program incorporates three discontinued appropriations: Housing and Redevelopment Assistance,

## Program: PA Core Communities (continued)

the Pennsylvania Accessible Housing Program and the New Communities Appropriation, which was comprised of three programs – Main Street, Elm Street and Enterprise Zone – under one appropriation; Keystone Communities.

The program's new approach offers four designation types and four grant types that can for the most part be independently awarded. An applicant for a planning or development grant or accessible housing funding does not have to first seek or ultimately be seeking 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 Keystone Communities funding.

The department is increasing the flexibility of benefits and financial resources in order to meet the variety of needs experienced by local communities. Designation does offer 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; however, as noted above, Keystone Communities does not force a community to secure a designation just to access the funding opportunities offered through the KC program. 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.

The department will work directly with the community and will tailor assistance to meet the real needs of that community's revitalization effort, accounting for the community's ability to implement the proposed programs. The department will strive to make applications more competitive, and ensure that the best "asset-based" projects rise to the top, and focus greater resources on those communities most likely to show the greatest return on the investment of state funds.

### **Program Element: Municipal Assistance Program**

The Municipal Assistance Program (MAP) was created to help local governments plan for and efficiently and effectively implement a variety of services, improvements, and soundly-managed development. The program provides funding for three groups of activities:

- Shared service activities – program activities include high impact projects; regionalization, consolidation, or merging of services; boundary change; or shared vehicles/motorized equipment.
- Community planning – program activities include community plans, plan implementation, and Transit Revitalization Investment District planning studies.
- Floodplain management – funds will be used to reimburse municipalities for costs incurred in the preparation, enactment, administration, and enforcement of floodplain management regulations. This is a statutory responsibility of the department under the Pennsylvania Flood Plain Management Act, Act 166 of 1978.

Applicants for MAP may be any municipality – a city, borough, town, township, home-rule municipality, or county. Applicants may also be a public or quasi-public body duly authorized to act on behalf of one or more municipalities.

### **Program Element: The 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 multi-year financial management plans. The plans supply governments with both short-term and long-term direction to address fiscal difficulties before they reach a crisis point – Act 47.

### **Program Element: The Municipalities Financial Recovery Program – Act 47**

When local governments are facing potential financial insolvency, the Municipalities Financial Recovery program – Act 47 – assists 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 department to declare certain municipalities distressed and provides grants and loans to aid in the recovery process.

### **Program Element: The 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 Service also support home weatherization efforts in addition to a heating crisis program that

# Community and Economic Development

## Program: PA Core Communities (continued)

operates during the winter in coordination with the Pennsylvania Department of Public Welfare's Low Income Housing Energy Assistance Program.

In 2009, the department created the Office of Energy Conservation and Weatherization to organize and administer a \$252 million American Recovery and Reinvestment Act-funded statewide energy use reduction program.

### Program Element: The Small Community Development Block Grant

The Federal Small Community Development Block Grant Program, commonly known as the Community Development Block Grant program, provides results-driven 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 (CSBG) program administered by the department provides funds for community-based programs that demonstrate proven expertise in providing health, nutrition, 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 CSBG 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 Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>			<b>MOTOR LICENSE FUND</b>
	<b>Transfer to Municipalities Financial Recovery Revolving Fund</b>			<b>Appalachian Regional Commission</b>
\$ -5,000	—based on current estimates to continue the current program.	\$ 1,003	70	—program transferred from the General Fund. —to continue current program.
		\$ 1,073		<i>Appropriation Increase</i>
\$ -1,003	<b>Appalachian Regional Commission</b>			
	—program transferred to the Motor License Fund.			

All other appropriations are recommended at the current year funding levels.

## Appropriations within this Program:

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Transfer to Municipalities Financial Recovery Revolving Fund.....	\$ 925	\$ 12,096	\$ 7,096	\$ 7,096	\$ 7,096	\$ 7,096	\$ 7,096
Intergovernmental Cooperation Authority-2nd Class Cities.....	385	228	228	228	228	228	228
PHFA - Homeowners Emergency Mortgage Assistance .....	2,000	0	0	0	0	0	0
Municipal Assistance Program .....	676	642	642	642	642	642	642
Keystone Communities.....	10,766	10,800	10,800	10,800	10,800	10,800	10,800
Appalachian Regional Commission.....	989	1,003	0	0	0	0	0
Early Intervention for Distressed Municipalities .....	685	1,785	1,785	1,785	1,785	1,785	1,785
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 16,426</b>	<b>\$ 26,554</b>	<b>\$ 20,551</b>	<b>\$ 20,551</b>	<b>\$ 20,551</b>	<b>\$ 20,551</b>	<b>\$ 20,551</b>
<b>MOTOR LICENSE FUND:</b>							
Appalachian Regional Commission.....	\$ 0	\$ 0	\$ 1,073	\$ 1,073	\$ 1,073	\$ 1,073	\$ 1,073

# Community and Economic Development

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: PA Assets</b>							
<b>Tourism Promotion</b>							
Hotel Rooms Sold (Thousands)	29,270	29,830	30,370	30,950	31,560	32,200	32,840
Travelers' Expenditures (\$ in Millions)	\$29,200	\$29,900	\$30,600	\$31,400	\$32,200	\$32,800	\$33,500
Tax Revenues Generated (\$ in Thousands)	\$1,594,300	\$1,632,500	\$1,670,700	\$1,714,400	\$1,758,000	\$1,790,800	\$1,829,000
<b>Program: PA Job Creation, Business Growth and Attraction</b>							
<b>Business Assistance</b>							
Jobs Pledged To Be Created	43,206	44,070	44,950	45,850	46,770	47,700	48,660
Jobs Pledged To Be Retained	72,357	73,800	75,280	76,790	78,320	79,890	81,490
Businesses Assisted	12,820	13,080	13,340	13,610	13,880	14,160	14,440
Private Funds Leveraged (\$ in Thousands)	\$3,412,818	\$3,481,070	\$3,550,700	\$3,621,710	\$3,694,140	\$3,768,030	\$3,843,390
Public Funds Leveraged (\$ in Thousands)	\$195,587	\$199,500	\$203,490	\$207,560	\$211,710	\$215,940	\$220,260
Persons Receiving Job Training (CJT/WedNet)	39,394	40,182	40,986	41,805	42,641	43,494	44,364
Brownfield Redevelopment Projects Assisted	103	105	107	109	111	113	115
<b>Technology Investment</b>							
Jobs Created	2,493	2,660	2,660	2,660	2,660	2,660	2,660
Jobs Retained	5,831	17,545	5,250	5,250	5,250	5,250	5,250
Businesses Assisted	9,077	2,120	4,000	4,000	4,000	4,000	4,000
Public Funds Leveraged (\$ in Thousands)*	\$757,829	\$67,307	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
New Technology Companies Established	62	114	75	75	75	75	75
* New Program Measure							
<b>Program: PA Worldwide</b>							
<b>International Business Development</b>							
Tax Revenues Generated (\$ in Thousands)	\$62,466	\$68,890	\$70,270	\$71,680	\$73,110	\$74,570	\$74,570
Export Sales Facilitated (\$ in Thousands)	\$831,762	\$542,230	\$553,080	\$564,140	\$575,420	\$586,930	\$586,930
Foreign Direct Investments (FDI): Projects Completed	18	21	22	22	23	24	24
Businesses Assisted	1,907	2,090	2,130	2,180	2,220	2,260	2,260
FDI: Capital Investments Facilitated (\$ in Thousands)	\$54,850	\$175,000	\$178,000	\$181,000	\$184,000	\$187,000	\$187,000
<b>Program: PA Core Communities</b>							
<b>Early Intervention Program</b>							
Act 47: Designated Distressed Communities Assisted	21	23	23	21	20	19	19
<b>Main Street Program</b>							
Main Street Projects	34	34	34	34	34	34	34
<b>Elm Street Program</b>							
Elm Street Projects	26	26	26	26	26	26	26
<b>Early Intervention Program</b>							

# Community and Economic Development

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Early Intervention Program: Local Governments Assisted	10	16	16	16	16	16	16
Homes Weatherized	575	1,579	1,529	1,529	1,529	1,529	1,529
Job Training and Human Services: CSBG: Persons Participating	398,558	250,250	250,250	250,250	250,250	250,250	250,250



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# 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 and geographic resources; and to administer grant and technical assistance programs that will benefit river conservation, trails and greenways, local recreation, regional heritage conservation and environmental programs across Pennsylvania.*

## **Programs and Objectives**

**Parks and Forests Management:** *To maintain and improve state parks; manage state forest lands to assure their long-term health, sustainability and economic use; provide information on ecological and geologic resources; and 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.*

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# Conservation and Natural Resources

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

### GENERAL FUND:

#### General Government:

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>General Government Operations.....</b>	<b>\$ 16,601</b>	<b>\$ 16,258</b>	<b>\$ 16,258</b>
(F)Topographic and Geologic Survey Grants.....	2,055	2,055	500
(F)Bituminous Coal Resources.....	150	150	25
(F)Intermodal Surface Transportation Act.....	5,000	5,000	5,000
(F)Land and Water Conservation Fund.....	12,000	12,000	12,000
(F)Flood Hazard Mapping.....	510	0	0
(F)Highlands Conservation Program.....	500	1,500	1,500
(F)Cooperative Endangered Species.....	28	28	28
(A)Payment for Department Services.....	155	155	155
(A)Water Well Drillers.....	30	38	38
(A)Keystone Recreation, Park and Conservation Fund.....	1,516	1,137	1,827
(A)Internet Record Imaging System.....	275	240	240
(A)Environmental Stewardship Fund Admin.....	208	0	347
(A)Oil and Gas Lease Fund.....	3,015	5,322	5,322
Subtotal.....	<b>\$ 42,043</b>	<b>\$ 43,883</b>	<b>\$ 43,240</b>

<b>State Parks Operations.....</b>	<b>26,708</b>	<b>26,157</b>	<b>26,157</b>
(F)Recreational Trails.....	6,000	6,000	6,000
(F)Lake Erie Lakeside Management (EA).....	29	25	25
(F)PAMAP Geospatial Imaging (EA).....	300	300	0
(F)Presque Isle Road Realignment and Dune Construction (EA).....	967	967	0
(F)Summer 2011 Storm Disaster Relief - Parks (EA).....	300	2,625	2,625
(A)State Parks User Fees.....	19,280	21,000	23,091
(A)Donations.....	0	1	1
(A)Reimbursement for Services.....	735	745	745
(A)Oil and Gas Lease Fund.....	12,013	12,518	12,518
(A)Vehicle Sale.....	37	0	0
Subtotal.....	<b>\$ 66,369</b>	<b>\$ 70,338</b>	<b>\$ 71,162</b>

<b>State Forests Operations.....</b>	<b>7,411 a</b>	<b>7,203 b</b>	<b>7,203</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)Aid to Volunteer Fire Companies.....	750	750	750
(F)Summer 2011 Storm Disaster Relief - Forest (EA).....	300	2,140	2,140
(F)Forest Insect and Disease Control.....	4,000 c	4,000 c	4,000
(F)Wetland Protection Fund.....	300	300	300
(A)Reimbursement for Services.....	180	200	200
(A)Reimbursement - Forest Fires.....	1,361	616	761
(A)Reimbursement - Forest Pest Management.....	0	275 c	0
(A)Sale of Vehicles - Forests.....	103	75	75
(A)Timber Sales.....	28,907	27,360	28,000
(A)Miscellaneous Tickets and Fines.....	2	3	3
(A)Oil and Gas Lease Fund.....	15,235	17,883	11,510
Subtotal.....	<b>\$ 64,524</b>	<b>\$ 66,780</b>	<b>\$ 60,917</b>

Subtotal - State Funds.....	\$ 50,720	\$ 49,618	\$ 49,618
Subtotal - Federal Funds.....	39,164	43,815	40,868
Subtotal - Augmentations.....	83,052	87,568	84,833
Total - General Government.....	<b>\$ 172,936</b>	<b>\$ 181,001</b>	<b>\$ 175,319</b>

# Conservation and Natural Resources

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Grants and Subsidies:</b>			
Annual Fixed Charges - Flood Lands.....	\$ 63	\$ 65	\$ 65
Annual Fixed Charges - Project 70.....	33	40	40
Annual Fixed Charges - Forest Lands.....	2,512	2,600	2,612
Annual Fixed Charges - Park Lands.....	392	400	425
Total - Grants and Subsidies.....	\$ 3,000	\$ 3,105	\$ 3,142
STATE FUNDS.....	\$ 53,720	\$ 52,723	\$ 52,760
FEDERAL FUNDS.....	39,164	43,815	40,868
AUGMENTATIONS.....	83,052	87,568	84,833
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 175,936</b>	<b>\$ 184,106</b>	<b>\$ 178,461</b>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>			
<b>General Government:</b>			
Park & Forest Facility Rehabilitation (EA).....	\$ 11,407	\$ 19,483	\$ 20,183
<b>Grants and Subsidies:</b>			
Grants for Local Recreation (EA).....	\$ 9,506	\$ 16,236	\$ 16,819
Grants to Land Trusts (EA).....	3,802	6,494	6,728
Total - Grants and Subsidies.....	\$ 13,308	\$ 22,730	\$ 23,547
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....</b>	<b>\$ 24,715</b>	<b>\$ 42,213</b>	<b>\$ 43,730</b>
<b>MOTOR LICENSE FUND:</b>			
<b>General Government:</b>			
Dirt and Gravel Roads.....	\$ 1,000	\$ 1,000	\$ 1,000
<b>Grants and Subsidies:</b>			
(R)Forestry Bridges - Excise Tax (EA).....	\$ 3,000	\$ 5,300	\$ 6,323
STATE FUNDS.....	\$ 1,000	\$ 1,000	\$ 1,000
RESTRICTED REVENUES.....	3,000	5,300	6,323
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 4,000</b>	<b>\$ 6,300</b>	<b>\$ 7,323</b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Snowmobile & ATV Regulation.....	\$ 5,351	\$ 9,527	\$ 4,341
Forest Regeneration.....	2,265	7,184	2,470
Forestry Research.....	148	0	0
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 7,764</b>	<b>\$ 16,711</b>	<b>\$ 6,811</b>
<b>ENVIRONMENTAL EDUCATION FUND:</b>			
General Operations (EA).....	\$ 300	\$ 300	\$ 122
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>			
Parks & Forest Facility Rehabilitation (EA).....	\$ 542	\$ 6,997	\$ 8,832
Community Conservation Grants (EA).....	7,522	4,058	4,641
Natural Diversity Conservation Grants (EA).....	258	300	366
<b>ENVIRONMENTAL STEWARDSHIP FUND TOTAL.....</b>	<b>\$ 8,322</b>	<b>\$ 11,355</b>	<b>\$ 13,839</b>

# Conservation and Natural Resources

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>OIL AND GAS LEASE FUND:</b>			
General Operations.....	\$ 14,542	\$ 14,277	\$ 20,650
State Parks Operations.....	15,000	17,511	15,000
Forest Pest Management.....	0	2,000	0
State Forest Operations.....	0	0	12,275
Transfer to Marcellus Legacy Fund (EA).....	0	0	0 <sup>d</sup>
<b>OIL AND GAS LEASE FUND TOTAL.....</b>	<b><u>\$ 29,542</u></b>	<b><u>\$ 33,788</u></b>	<b><u>\$ 47,925</u></b>
<b>STATE GAMING FUND:</b>			
Payments in Lieu of Taxes (EA).....	\$ 5,110	\$ 5,122	\$ 5,146
<b>WILD RESOURCE CONSERVATION FUND:</b>			
General Operations (EA).....	\$ 203	\$ 267	\$ 211
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 53,720	\$ 52,723	\$ 52,760
SPECIAL FUNDS.....	25,715	43,213	44,730
FEDERAL FUNDS.....	39,164	43,815	40,868
AUGMENTATIONS.....	83,052	87,568	84,833
RESTRICTED.....	3,000	5,300	6,323
OTHER FUNDS.....	51,241	67,543	74,054
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 255,892</u></b>	<b><u>\$ 300,162</u></b>	<b><u>\$ 303,568</u></b>

<sup>a</sup> Appropriated as \$5,637,000 for State Forests Operations and \$1,774,000 for Forest Pest Management.

<sup>b</sup> Appropriated as \$5,429,000 for State Forests Operations and \$1,774,000 for Forest Pest Management.

<sup>c</sup> Originally appropriated in Forest Pest Management.

<sup>d</sup> Not added to the total to avoid double counting with the program expenditures from the Environmental Stewardship Fund shown in various agencies: 2011-12 Actual is \$0; 2012-13 Available is \$0; and 2013-14 Budget is \$20,000,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>PARKS AND FORESTS MANAGEMENT</b>							
GENERAL FUND.....	\$ 53,720	\$ 52,723	\$ 52,760	\$ 52,760	\$ 52,760	\$ 52,760	\$ 52,760
SPECIAL FUNDS.....	25,715	43,213	44,730	52,427	56,659	57,129	57,680
FEDERAL FUNDS.....	39,164	43,815	40,868	40,868	40,868	40,868	40,868
OTHER FUNDS.....	137,293	160,411	165,210	168,792	170,107	170,910	172,696
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 255,892</b>	<b>\$ 300,162</b>	<b>\$ 303,568</b>	<b>\$ 314,847</b>	<b>\$ 320,394</b>	<b>\$ 321,667</b>	<b>\$ 324,004</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 53,720	\$ 52,723	\$ 52,760	\$ 52,760	\$ 52,760	\$ 52,760	\$ 52,760
SPECIAL FUNDS.....	25,715	43,213	44,730	52,427	56,659	57,129	57,680
FEDERAL FUNDS.....	39,164	43,815	40,868	40,868	40,868	40,868	40,868
OTHER FUNDS.....	137,293	160,411	165,210	168,792	170,107	170,910	172,696
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 255,892</b>	<b>\$ 300,162</b>	<b>\$ 303,568</b>	<b>\$ 314,847</b>	<b>\$ 320,394</b>	<b>\$ 321,667</b>	<b>\$ 324,004</b>

*PROGRAM OBJECTIVE: To maintain and improve state parks; manage state forest lands to assure their long-term health, sustainability and economic use; provide information on ecological and geologic resources; and 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.*

## Program: Parks and Forests Management

### **Program Element: Sustainably Manage State Parks and Forests**

The department manages nearly 2.5 million acres of state park and forest lands that provide economic, recreational, ecological, geological and aesthetic value to the commonwealth. The commonwealth's 120 state parks offer a variety of outdoor recreation, environmental education and overnight accommodation options to visitors. State parks are heavily integrated into local economies, generating more than \$928 million in local expenditures. Every dollar spent on state parks generates approximately \$12 in return.

As it manages these lands and facilities, the department strives to provide a high-quality visitor experience, demonstrate exemplary natural resource stewardship and provide opportunities for visitors to learn about Pennsylvania's natural heritage. To accomplish those goals, the department is continually making improvements and repairs to its extensive infrastructure system — one of the largest in the state with thousands of miles of roads; hundreds of bridges, dams, treatment plants, pools and marinas; and thousands of buildings.

State forests are managed for sustainable timber harvest including fire suppression, insect and disease control, watershed protection and resource extraction and storage. State forests also offer outdoor recreation, environmental education and primitive camping options. The department educates the public about fire prevention and fights fires on public and private forest lands. The department also monitors forest lands for native and non-native invasive pests, including the gypsy moth, emerald ash borer and hemlock wooly adelgid, which threaten trees.

The commonwealth's 2.2 million forest acres 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. The harvest of quality hardwood timber helps support the state's \$5 billion forest products industry that employs nearly 80,000 people.

The department strives to incorporate sustainable building practices in its construction and renovation of facilities on state park and forest lands. This includes

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. Pennsylvania state parks have the largest number of LEED-rated buildings of any state park system in the country.

Stewardship of Pennsylvania's state park and forest land includes acquiring lands that protect and enhance existing state parks and forests, forested watersheds and riparian corridors; conserve biologically important areas; or create connections with other public lands, open spaces and outdoor recreation and educational opportunities. Such acquisitions are carefully considered to ensure that the department can maintain its stewardship and management objectives.

### **Program Element: Conserve the Commonwealth's Natural Resources**

The long-term sustainability of the commonwealth's natural resources is the responsibility of local communities, counties, state and federal agencies, nonprofit conservation organizations and private landowners. Land conservation is multifaceted, including developing greenway connectors between conserved lands and communities, protecting open space and ecologically and geologically significant lands, supporting Pennsylvania's private forest resource and encouraging more environmentally sensitive growth in developing areas.

The department helps local communities, counties, regional organizations, not-for-profit stakeholders, private landowners and other governmental entities manage growth on private lands and reduce the loss of open space by providing technical assistance, educational information and 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. Conservation of these lands is important to the future health of the forests, protecting water quality and water supplies, providing recreational opportunities and maintaining the state's forest products industry.

## **Program: Parks and Forests Management (continued)**

The department's biodiversity and conservation science programs support the management of state parks and forests. One such program, the Pennsylvania Natural Heritage program, is the commonwealth's major program to inventory significant natural features, provide evaluation, rank species of special concern and compile natural features data. 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.

The department supports regional, county and local planning efforts with ecological and geologic information, technical assistance and funding. The department's conservation science programs and topographic and geologic resources — digital maps, data and Geographic Information Systems — help communities make 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.

### ***Program Element: Sustainable Communities and Working Landscapes***

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 is currently working in seven regional landscapes called Conservation Landscape Initiatives — an advanced, collaborative, interagency approach to recreation, conservation and community enhancement that has shown demonstrable economic and quality of life impacts and achieved proven economic successes. These landscapes include the Pennsylvania Wilds, Laurel Highlands, Schuylkill Highlands, Lower Susquehanna, South Mountain, Lehigh Valley Greenways, and Pocono Forests and Waters.

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 community recreation and recreational trails, snowmobile and ATV trails and parks, land conservation, river conservation and rail-trails. These grants have assisted every Pennsylvania county and reached more than 50 percent of the commonwealth's communities. The PA Urban and Community Forestry Grants program offers grants to communities for education about trees, tree planting and maintenance programs and tree-care programs.

### ***Program Element: Improve Access to Quality Recreational Resources***

While the outdoors is an important part of many

Pennsylvanians' lives, some citizens have no connection to the outdoors. The department works to increase enthusiasm for nature, provide life-long conservation learning and generate stewardship activities with the commonwealth's park and forest lands, greenways, heritage areas and community recreation resources.

Helping to guide the department's outdoor recreation initiatives is the Statewide Comprehensive Outdoor Recreation Plan, a nationally recognized outdoor recreation strategy developed by the department in 2010 to improve the health of citizens and the economic vitality of communities. The plan presents 28 programmatic and five funding recommendations to enhance the delivery of outdoor recreation facilities and services.

Among the recommendations are increasing awareness of outdoor opportunities, while at the same time encouraging responsible park and forest stewardship. The department is coordinating with tourism partners to promote the state's parks, forests, trails, rivers, greenways and heritage areas; enhance its website; advertise through events, promotions and printed materials; improve signage; develop new overnight accommodations; offer environmental education and interpretive programs; and institute guided recreation programming in concert with interpretive programming.

These various efforts are intended not only to improve visitor experiences and encourage repeat visitation but also to communicate stewardship messages to citizens and visitors and provide economic benefit to surrounding communities. The department's outreach also extends to urban and suburban environmental education and recreation programming.

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.

### ***Program Element: Operate More Effectively and Efficiently***

The department has accelerated efforts this year to operate with greater efficiency, looking for ways to find cost savings without sacrificing public services and the quality of our state parks and forests. To this end, it has introduced a number of innovations, including a pilot tele-working program for managers, a joint effort with the Department of Environmental Protection to combine some IT functions, another collaborative effort with PennDOT to use their excess capacity to automate ATV and snowmobile registrations and a recent partnership with Labor and Industry to reclassify cabins on state parks as "recreational" that will save both agencies an estimated \$30,000 total in staff costs for unneeded reviews and waivers. The department will continue to seek innovative solutions to save money and find greater efficiencies, both in partnership with other agencies and from within its own operations.

# Conservation and Natural Resources

## Program: Parks and Forests Management (continued)

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>				<b>KEYSTONE RECREATION, PARKS AND CONSERVATION FUND</b>
	<b>Annual Fixed Charges - Forest Lands</b>				<b>Parks &amp; Forest Facility Rehabilitation (EA)</b>
\$	12	—to continue current program.		\$	700
					—to continue current program.
		<b>Annual Fixed Charges - Park Lands</b>			<b>Grants for Local Recreation (EA)</b>
\$	25	—to continue current program.		\$	583
					—to continue current program.
					<b>Grants for Land Trusts (EA)</b>
				\$	234
					—to continue current program.

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 16,601	\$ 16,258	\$ 16,258	\$ 16,258	\$ 16,258	\$ 16,258	\$ 16,258
State Parks Operations .....	26,708	26,157	26,157	26,157	26,157	26,157	26,157
State Forests Operations.....	7,411	7,203	7,203	7,203	7,203	7,203	7,203
Annual Fixed Charges - Flood Lands.....	63	65	65	65	65	65	65
Annual Fixed Charges - Project 70.....	33	40	40	40	40	40	40
Annual Fixed Charges - Forest Lands.....	2,512	2,600	2,612	2,612	2,612	2,612	2,612
Annual Fixed Charges - Park Lands.....	392	400	425	425	425	425	425
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 53,720</b>	<b>\$ 52,723</b>	<b>\$ 52,760</b>	<b>\$ 52,760</b>	<b>\$ 52,760</b>	<b>\$ 52,760</b>	<b>\$ 52,760</b>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>							
Park & Forest Facility Rehabilitation (EA) .	\$ 11,407	\$ 19,483	\$ 20,183	\$ 23,735	\$ 25,689	\$ 25,906	\$ 26,160
Grants for Local Recreation (EA) .....	9,506	16,236	16,819	19,780	21,407	21,588	21,800
Grants to Land Trusts (EA).....	3,802	6,494	6,728	7,912	8,563	8,635	8,720
<b>TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND .....</b>	<b>\$ 24,715</b>	<b>\$ 42,213</b>	<b>\$ 43,730</b>	<b>\$ 51,427</b>	<b>\$ 55,659</b>	<b>\$ 56,129</b>	<b>\$ 56,680</b>
<b>MOTOR LICENSE FUND:</b>							
Dirt and Gravel Roads.....	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000

# Conservation and Natural Resources

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Parks and Forests Management</b>							
<b>Conserve the Commonwealth's Natural Resources</b>							
Land conservation through acquisition and easement (acres) - includes additions to parks, forests, and grants to communities	6,977	3,500	3,500	3,500	3,500	3,500	3,500
Total carbon sequestered in state forest timber resources (million standard tons, annual accumulation)*	4.10	4.24	4.38	4.53	4.68	4.84	5
Number of firefighters trained by DCNR*	4,837	4,500	4,500	4,500	4,500	4,500	4,500
River conservation plan projects completed*	18	20	22	24	26	26	26
<b>Manage State Parks and Forests Sustainably</b>							
State park attendance	38,800,000	38,850,000	38,900,000	38,950,000	39,000,000	39,050,000	39,100,000
State park campsite nights rented	316,406	320,000	325,000	330,000	335,000	340,000	345,000
State park cabin nights rented	59,207	59,300	59,400	59,500	59,600	59,700	59,800
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*	12,429	14,337	14,337	14,337	14,337	14,337	14,337
<b>Sustainable Communities and Working Landscapes</b>							
Community Conservation Partnerships Program (C2P2) grants awarded	232	190	210	225	225	225	225
Total Community Conservation Partnerships Program funds awarded	\$31,400,000	\$31,500,000	\$33,000,000	\$35,000,000	\$35,000,000	\$35,000,000	\$35,000,000
TreeVitalize – total trees planted (cumulative)*	339,212	359,500	380,000	400,000	420,000	440,000	460,000
Forest stewardship plans completed*	3,158	3,168	3,178	3,188	3,198	3,208	3,218
<b>Improve Access to Quality Recreational Resources</b>							
Miles of state forest roads maintained*	5,122	5,132	5,142	5,152	5,162	5,172	5,182
Miles of new trails developed*	63	65	70	75	75	75	75
Get Outdoors PA recreation programs conducted	2,851	2,910	2,930	2,950	2,970	2,990	3,010
Environmental education and interpretive program attendance	397,388	399,000	401,000	403,000	405,000	407,000	409,000
State Park mobile app downloads*	13,785	25,000	30,000	35,000	40,000	45,000	50,000
<b>Operate More Effectively and Efficiently</b>							
LEED registered park and forest buildings (under review and approved)	11	13	14	15	16	17	18
Number of funded C2P2 grants with "green" or energy efficient elements*	34	36	38	40	42	44	46
Pennsylvania Natural Heritage Program (PNHP) online website database searches	56,177	58,000	60,000	61,000	62,000	63,000	64,000
Social media subscribers (cumulative)*	85,000	115,000	140,000	150,000	160,000	170,000	180,000

\* New Program Measure



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# 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 Objectives**

**Institutionalization of Offenders:** *To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>Institutional:</i>			
<b>General Government Operations.....</b>	<b>\$ 29,389</b>	<b>\$ 29,679</b>	<b>\$ 31,989</b>
(F)JAG - Culinary Program (EA).....	200	150	100
(A)County Training.....	184	260	260
(A)Augmentations from State Agencies.....	5	20	20
Subtotal.....	<u>\$ 29,778</u>	<u>\$ 30,109</u>	<u>\$ 32,369</u>
<b>Medical Care.....</b>	<b>235,810</b>	<b>217,445</b>	<b>226,212</b>
(A)Medical Co-payment.....	387	479	480
(A)Miscellaneous.....	2	3	2
Subtotal.....	<u>\$ 236,199</u>	<u>\$ 217,927</u>	<u>\$ 226,694</u>
<b>Inmate Education and Training.....</b>	<b>38,977</b>	<b>39,925</b>	<b>39,548</b>
(F)Youth Offenders Education.....	1,330	400	100
(F)Correctional Education.....	1,400	725	725
(F)Offender Workforce Training.....	25	14	0
Subtotal.....	<u>\$ 41,732</u>	<u>\$ 41,064</u>	<u>\$ 40,373</u>
<b>State Correctional Institutions.....</b>	<b>1,552,172</b>	<b>1,579,973</b>	<b>1,629,099</b>
(F)SABG - Drug and Alcohol Programs.....	2,100	2,100	2,100
(F)Reimbursement for Alien Inmates.....	3,290	4,640	1,350
(F)Changing Offender Behavior.....	200	390	1,050
(F)Volunteer Support.....	40	40	50
(F)RSAT - State Prisoners (EA).....	950	906	970
(F)Automated Victim Notification (EA).....	12	0	0
(F)ARRA - Inmate Transportation Initiative (EA).....	200	0	0
(F)ARRA - County Jail Reentry Project (EA).....	750	250	100
(F)ARRA - Peer Support (EA).....	115	70	10
(A)Community Service Centers.....	732	643	739
(A)Institutional Reimbursements.....	364	343	383
(A)Social Security.....	260	186	263
Subtotal.....	<u>\$ 1,561,185</u>	<u>\$ 1,589,541</u>	<u>\$ 1,636,114</u>
<b>Transfer to Justice Reinvestment Fund (EA).....</b>	<b>0</b>	<b>0</b>	<b>761</b>
Subtotal - State Funds.....	\$ 1,856,348	\$ 1,867,022	\$ 1,927,609
Subtotal - Federal Funds.....	10,612	9,685	6,555
Subtotal - Augmentations.....	1,934	1,934	2,147
Total - Institutional.....	<u>\$ 1,868,894</u>	<u>\$ 1,878,641</u>	<u>\$ 1,936,311</u>
STATE FUNDS.....	\$ 1,856,348	\$ 1,867,022	\$ 1,927,609
FEDERAL FUNDS.....	10,612	9,685	6,555
AUGMENTATIONS.....	1,934	1,934	2,147
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 1,868,894</b>	<b>\$ 1,878,641</b>	<b>\$ 1,936,311</b>
<b>OTHER FUNDS:</b>			
<b>MANUFACTURING FUND:</b>			
General Operations (EA).....	\$ 76,305	\$ 81,642	\$ 76,041
<b>JUSTICE REINVESTMENT FUND:</b>			
Medium and Short Minimum Offender Diversion.....	\$ 0	\$ 0	\$ 0 a
Coordinated Community Reentry.....	0	0	0 a
<b>JUSTICE REINVESTMENT FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 1,856,348	\$ 1,867,022	\$ 1,927,609
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	10,612	9,685	6,555
AUGMENTATIONS.....	1,934	1,934	2,147
OTHER FUNDS.....	76,305	81,642	76,041
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 1,945,199</b>	<b>\$ 1,960,283</b>	<b>\$ 2,012,352</b>

<sup>a</sup> Distributions provided by the formula in Act 196 of 2012 to the department are projected to begin in 2014-15.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>INSTITUTIONALIZATION OF OFFENDERS</b>							
GENERAL FUND.....	\$ 1,856,348	\$ 1,867,022	\$ 1,927,609	\$ 1,959,430	\$ 1,932,751	\$ 1,929,435	\$ 1,927,254
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	10,612	9,685	6,555	6,445	6,445	6,445	6,445
OTHER FUNDS.....	78,239	83,576	78,188	82,441	80,085	80,356	80,526
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,945,199</b>	<b>\$ 1,960,283</b>	<b>\$ 2,012,352</b>	<b>\$ 2,048,316</b>	<b>\$ 2,019,281</b>	<b>\$ 2,016,236</b>	<b>\$ 2,014,225</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 1,856,348	\$ 1,867,022	\$ 1,927,609	\$ 1,959,430	\$ 1,932,751	\$ 1,929,435	\$ 1,927,254
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	10,612	9,685	6,555	6,445	6,445	6,445	6,445
OTHER FUNDS.....	78,239	83,576	78,188	82,441	80,085	80,356	80,526
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 1,945,199</b>	<b>\$ 1,960,283</b>	<b>\$ 2,012,352</b>	<b>\$ 2,048,316</b>	<b>\$ 2,019,281</b>	<b>\$ 2,016,236</b>	<b>\$ 2,014,225</b>

*PROGRAM OBJECTIVE: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

## Program: Institutionalization of Offenders

The Department of Corrections 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 (PBPP). The department is charged with maintaining safe and humane prisons and 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 26 correctional institutions, 56 state-operated or contracted community corrections centers and a motivational boot camp. There were 51,787 inmates in the state system at the end of June 2012 and a bed capacity of 49,534. Although there were no significant capacity changes in 2012, approximately 1,000 inmates who had been temporarily housed in Virginia were able to be returned to Pennsylvania due to a steady inmate population.

One housing unit is expected to open at SCI-Mahanoy in 2013 along with a unit at SCI-Somerset. SCI-Benner Township, a new 2,000-bed institution, is also scheduled to open in 2013. Two older prisons, SCI-Cresson and SCI-Greensburg, are expected to close during 2013.

### **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. 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 0.15 percent, which is one of the lowest rates in the country for state correctional systems. The department is fully accredited by the American Correctional Association. 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 services. A combination of staff and contractors provides health care services. Renal dialysis, geriatric services, infectious care treatment and other necessary services are offered. Approximately 22 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 19,000 offenders in 2011-12 with 70 percent exiting to parole supervision. Legislative changes and a series of savings initiatives begun in 2012 are expected to produce significant population reductions starting in 2012-13. 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 in Pennsylvania in 2008 to enhance inmate participation in treatment programs to reduce recidivism and reduce the growth of the nonviolent inmate population, as research has shown that inmate participation in appropriately structured interventions can reduce recidivism. In order to increase public safety, the PBPP has implemented certain changes in parole procedures particularly affecting inmates classified as violent. Both the department and the PBPP continue to review changes to procedures for violent offenders. Act 95 of 2010 authorized the use of secure parole violator centers 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 by trained staff and shared with the PBPP, which may provide additional input to develop a meaningful correctional plan. The correctional plan details the recommended treatment

## Program: Institutionalization of Offenders (continued)

and education programs for each individual offender and sets expectations for behavior and work performance throughout incarceration.

Act 112 of 2004 directed the state to create an 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 evaluations of programs in other states show a significant reduction in recidivism and drug relapse for offenders who have completed these programs. As this program is fully utilized, it will be able to serve approximately 1,500 inmates per year.

Treatment services are designed to modify the inmate's social behavior to a more acceptable level for institutional management and reduce criminal behavior when released, thus providing a basis for better community protection. All facilities provide alcohol and other drug treatment programs. Approximately 15,500 inmates are recommended to receive alcohol and other drug treatment upon entry into the state prison system, and approximately 3,600 inmates currently receive treatment services. Therapeutic communities provide more intensive alcohol and other drug programming, which is more effective in changing behavior. Approximately 1,900 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 who do not have a high school diploma or GED are required to attend classes. Approximately 9,200 inmates are in GED or adult basic education classes, and 1,200 inmates received diplomas within the most recently completed fiscal year.

Vocational training is dedicated to the development of marketable job skills so that inmates are more employable upon their 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. 95 percent of the vocational training programs offered in institutions provide inmates completing the program and passing 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 in correctional industries provides inmates with the opportunity to learn responsibility, good work habits and skills that can be used to find employment after release.

Approximately 83 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. Act 122 of 2012 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. Most community corrections center space will house parolees, including those offenders classified as technical parole violators or part of PBPP's "halfway back" program as an alternative to a return to prison. In 2013, there will be approximately 4,700 offenders in the community corrections centers, and approximately 90 to 95 percent will be parolees with the remainder consisting of SIP inmates.

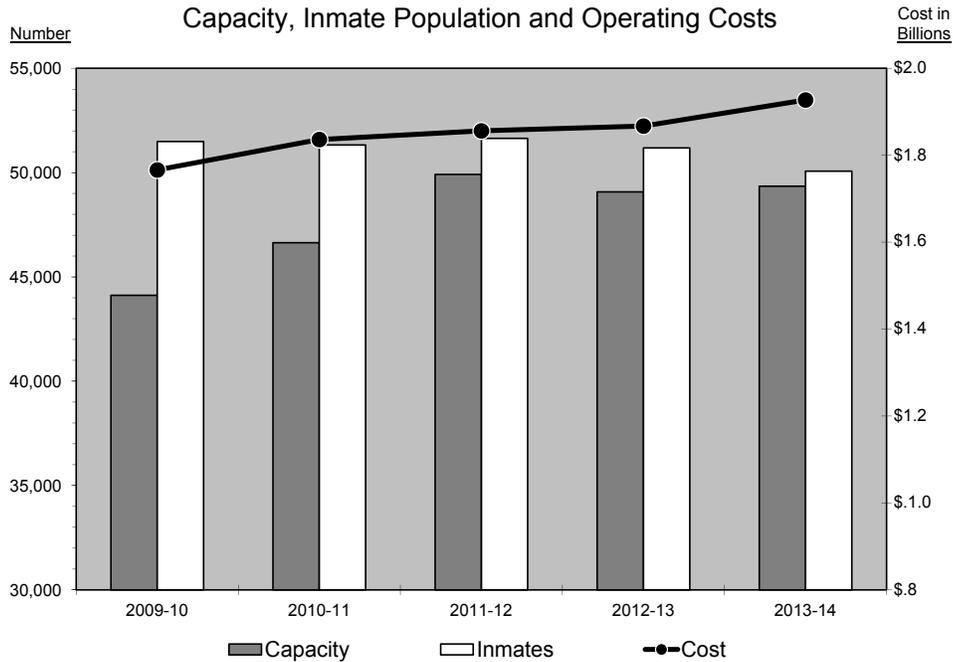
### ***Program Element: Justice Reinvestment***

In 2011, the commonwealth launched the Justice Reinvestment Initiative (JRI), a data-driven approach to reduce corrections spending and generate savings to reinvest in strategies and programs that increase public safety. Based on research and findings from a comprehensive working group that included criminal justice stakeholders and experts, the commonwealth enacted two pieces of legislation in 2012 that itemized savings provisions and mandates for distributing savings.

Act 122 of 2012 codified several provisions to increase the effectiveness of Pennsylvania's criminal justice systems. These included recommendations from the JRI working group and other provisions initiated by the department and the PBPP. Act 196 of 2012 mandated provisions to reinvest JRI savings to support local law enforcement, victim services, state and county probation and parole, and other evidence-based programs and services that work to reduce crime.

The JRI legislative package is expected to reduce the prison population by 1,260 inmates and save the commonwealth approximately \$139 million over the next five years. Over \$48 million of these savings will be reinvested in order to generate further savings over the long term.

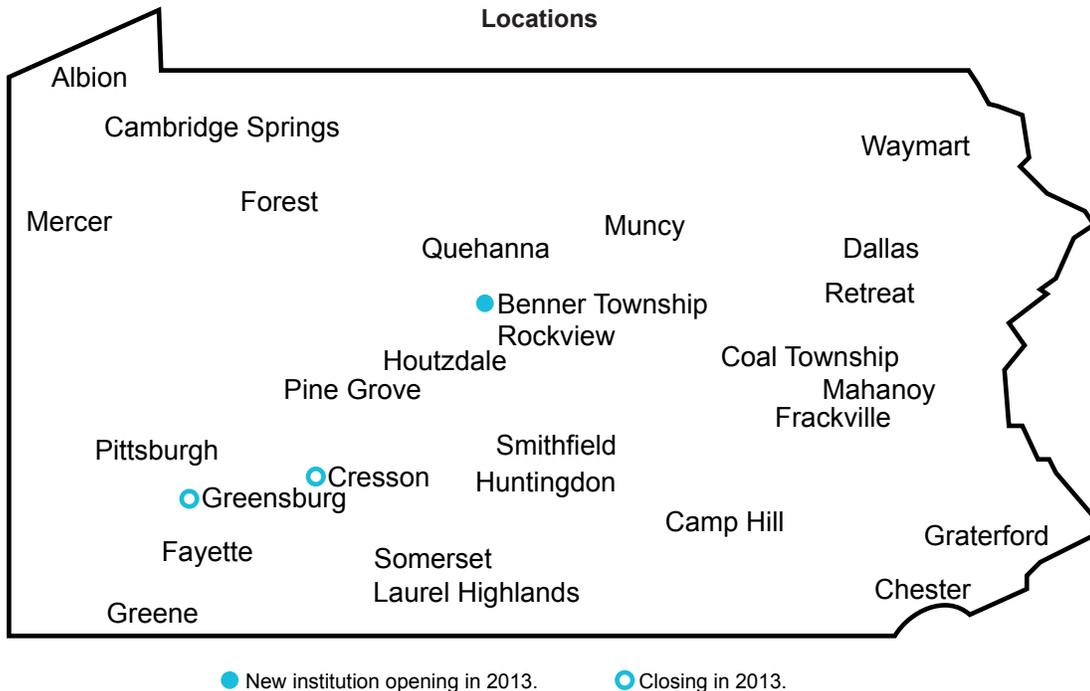
## State Correctional Institutions



The cost of operating the state correctional institution system has increased from nearly \$1.8 billion in 2009-10 to \$1.9 billion in 2013-14. During this timeframe, the inmate population has increased from 51,487 in 2009-10 and peaked in 2011-12 at 51,757 before declining in 2012-13 due to a series of savings initiatives and legislative changes.

## State Correctional Institutions

### Locations



## Program: Institutionalization of Offenders (continued)

<b>Population and Capacity Institutions</b>	<b>Population Dec 2012</b>	<b>Estimated Population Dec 2013</b>	<b>Capacity Dec 2012</b>	<b>Estimated Capacity Dec 2013</b>
Albion.....	2,295	2,186	2,152	2,152
Benner Township.....	0	2,000	0	2,000
Cambridge Springs.....	1,003	1,016	1,018	1,018
Camp Hill.....	3,512	3,283	3,272	3,272
Chester.....	1,230	1,185	1,178	1,178
Coal Township.....	2,266	2,183	2,153	2,153
Cresson.....	1,373	0	1,563	0
Dallas.....	2,088	1,961	1,941	1,941
Fayette.....	2,052	1,827	1,826	1,826
Forest.....	2,217	1,936	1,891	1,891
Frackville.....	1,162	1,145	1,125	1,125
Graterford.....	3,742	3,430	3,361	3,361
Greene.....	1,773	1,508	1,478	1,478
Greensburg.....	985	0	1,143	0
Houtzdale.....	2,569	2,375	2,365	2,365
Huntingdon.....	2,131	1,828	1,804	1,804
Laurel Highlands.....	1,512	1,582	1,571	1,571
Mahanoy.....	2,366	2,402	2,154	2,304
Mercer.....	1,451	1,498	1,494	1,494
Muncy.....	1,379	1,399	1,410	1,410
Pine Grove.....	875	1,143	1,163	1,163
Pittsburgh.....	1,636	1,826	1,803	1,803
Quehanna Boot Camp.....	479	561	565	565
Retreat.....	1,129	1,113	1,104	1,104
Rockview.....	2,442	2,577	2,283	2,283
Smithfield.....	1,355	1,155	1,125	1,125
Somerset.....	2,327	2,342	2,203	2,353
Waymart.....	1,425	1,523	1,522	1,522
Community Centers.....	1,912	2,475	1,912	2,475
Other jurisdictions.....	498	610	498	610
<b>Total.....</b>	<b>51,184</b>	<b>50,069</b>	<b>49,077</b>	<b>49,346</b>

Other jurisdictions capacity includes 9 federal beds in December 2012 and 10 in December 2013 and beds contracted with other counties in Pennsylvania (489 in December 2012 and 600 in December 2013).

## Program: Institutionalization of Offenders (continued)

### Expenditures by Institution: (Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget		2011-12 Actual	2012-13 Available	2013-14 Budget
<b>Albion</b>				<b>Fayette</b>			
State Funds.....	\$ 60,204	\$ 59,360	\$ 63,931	State Funds.....	\$ 73,080	\$ 74,026	\$ 78,663
Federal Funds.....	17	0	0	Federal Funds.....	16	0	0
Augmentations.....	31	29	31	Augmentations.....	26	30	29
TOTAL.....	<u>\$ 60,252</u>	<u>\$ 59,389</u>	<u>\$ 63,962</u>	TOTAL.....	<u>\$ 73,122</u>	<u>\$ 74,056</u>	<u>\$ 78,692</u>
<b>Benner Township</b>				<b>Forest</b>			
State Funds.....	\$ 0	\$ 544	\$ 59,239	State Funds.....	\$ 63,677	\$ 66,783	\$ 68,943
Federal Funds.....	0	0	0	Federal Funds.....	51	17	30
Augmentations.....	0	0	15	Augmentations.....	19	22	27
TOTAL.....	<u>\$ 0</u>	<u>\$ 544</u>	<u>\$ 59,254</u>	TOTAL.....	<u>\$ 63,747</u>	<u>\$ 66,822</u>	<u>\$ 69,000</u>
<b>Cambridge Springs</b>				<b>Frackville</b>			
State Funds.....	\$ 35,300	\$ 34,888	\$ 36,084	State Funds.....	\$ 43,122	\$ 43,712	\$ 47,344
Federal Funds.....	16	0	40	Federal Funds.....	11	0	0
Augmentations.....	28	30	37	Augmentations.....	13	13	16
TOTAL.....	<u>\$ 35,344</u>	<u>\$ 34,918</u>	<u>\$ 36,161</u>	TOTAL.....	<u>\$ 43,146</u>	<u>\$ 43,725</u>	<u>\$ 47,360</u>
<b>Camp Hill</b>				<b>Graterford</b>			
State Funds.....	\$ 104,826	\$ 108,368	\$ 115,535	State Funds.....	\$ 114,892	\$ 119,964	\$ 126,627
Federal Funds.....	21	5	20	Federal Funds.....	16	5	1
Augmentations.....	71	85	83	Augmentations.....	75	70	74
TOTAL.....	<u>\$ 104,918</u>	<u>\$ 108,458</u>	<u>\$ 115,638</u>	TOTAL.....	<u>\$ 114,983</u>	<u>\$ 120,039</u>	<u>\$ 126,702</u>
<b>Chester</b>				<b>Greene</b>			
State Funds.....	\$ 44,811	\$ 44,776	\$ 48,788	State Funds.....	\$ 71,158	\$ 73,978	\$ 76,367
Federal Funds.....	0	0	0	Federal Funds.....	16	5	1
Augmentations.....	25	15	29	Augmentations.....	15	22	18
TOTAL.....	<u>\$ 44,836</u>	<u>\$ 44,791</u>	<u>\$ 48,817</u>	TOTAL.....	<u>\$ 71,189</u>	<u>\$ 74,005</u>	<u>\$ 76,386</u>
<b>Coal Township</b>				<b>Greensburg</b>			
State Funds.....	\$ 58,893	\$ 60,339	\$ 62,571	State Funds.....	\$ 41,688	\$ 42,560	\$ 2,811
Federal Funds.....	150	109	142	Federal Funds.....	126	4	1
Augmentations.....	35	35	40	Augmentations.....	13	13	15
TOTAL.....	<u>\$ 59,078</u>	<u>\$ 60,483</u>	<u>\$ 62,753</u>	TOTAL.....	<u>\$ 41,827</u>	<u>\$ 42,577</u>	<u>\$ 2,827</u>
<b>Cresson</b>				<b>Houtzdale</b>			
State Funds.....	\$ 57,669	\$ 58,749	\$ 3,712	State Funds.....	\$ 63,762	\$ 65,021	\$ 69,186
Federal Funds.....	18	0	0	Federal Funds.....	87	15	15
Augmentations.....	19	25	21	Augmentations.....	37	49	37
TOTAL.....	<u>\$ 57,706</u>	<u>\$ 58,774</u>	<u>\$ 3,733</u>	TOTAL.....	<u>\$ 63,886</u>	<u>\$ 65,085</u>	<u>\$ 69,238</u>
<b>Dallas</b>				<b>Huntingdon</b>			
State Funds.....	\$ 72,511	\$ 73,512	\$ 76,137	State Funds.....	\$ 64,363	\$ 68,248	\$ 71,690
Federal Funds.....	17	0	10	Federal Funds.....	34	5	1
Augmentations.....	43	48	42	Augmentations.....	29	38	31
TOTAL.....	<u>\$ 72,571</u>	<u>\$ 73,560</u>	<u>\$ 76,189</u>	TOTAL.....	<u>\$ 64,426</u>	<u>\$ 68,291</u>	<u>\$ 71,722</u>

## Program: Institutionalization of Offenders (continued)

### Expenditures by Institution: (Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget		2011-12 Actual	2012-13 Available	2013-14 Budget
<b>Laurel Highlands</b>							
State Funds.....	\$ 62,297	\$ 64,359	\$ 72,837	<b>Rockview</b>	\$ 74,517	\$ 80,615	\$ 85,425
Federal Funds.....	8	5	1	State Funds.....	141	120	41
Augmentations.....	24	23	29	Federal Funds.....	41	66	44
TOTAL.....	<u>\$ 62,329</u>	<u>\$ 64,387</u>	<u>\$ 72,867</u>	Augmentations.....			
				TOTAL.....	<u>\$ 74,699</u>	<u>\$ 80,801</u>	<u>\$ 85,510</u>
<b>Mahanoy</b>							
State Funds.....	\$ 62,057	\$ 64,239	\$ 67,333	<b>Smithfield</b>	\$ 51,358	\$ 52,192	\$ 57,394
Federal Funds.....	29	5	1	State Funds.....	25	4	1
Augmentations.....	46	51	43	Federal Funds.....	10	11	18
TOTAL.....	<u>\$ 62,132</u>	<u>\$ 64,295</u>	<u>\$ 67,377</u>	Augmentations.....			
				TOTAL.....	<u>\$ 51,393</u>	<u>\$ 52,207</u>	<u>\$ 57,413</u>
<b>Mercer</b>							
State Funds.....	\$ 46,073	\$ 46,079	\$ 48,457	<b>Somerset</b>	\$ 61,678	\$ 63,171	\$ 66,145
Federal Funds.....	29	5	1	State Funds.....	31	9	9
Augmentations.....	26	38	29	Federal Funds.....	25	26	34
TOTAL.....	<u>\$ 46,128</u>	<u>\$ 46,122</u>	<u>\$ 48,487</u>	Augmentations.....			
				TOTAL.....	<u>\$ 61,734</u>	<u>\$ 63,206</u>	<u>\$ 66,188</u>
<b>Muncy</b>							
State Funds.....	\$ 58,998	\$ 63,690	\$ 61,542	<b>Waymart</b>	\$ 72,758	\$ 72,863	\$ 75,654
Federal Funds.....	82	14	19	State Funds.....	154	134	139
Augmentations.....	29	35	32	Federal Funds.....	24	25	27
TOTAL.....	<u>\$ 59,109</u>	<u>\$ 63,739</u>	<u>\$ 61,593</u>	Augmentations.....			
				TOTAL.....	<u>\$ 72,936</u>	<u>\$ 73,022</u>	<u>\$ 75,820</u>
<b>Pine Grove</b>							
State Funds.....	\$ 40,719	\$ 42,150	\$ 46,383	<b>Community Centers</b>	\$ 109,324	\$ 110,956	\$ 107,688
Federal Funds.....	119	92	107	State Funds.....	1,700	0	0
Augmentations.....	7	9	11	Federal Funds.....	732	643	739
TOTAL.....	<u>\$ 40,845</u>	<u>\$ 42,251</u>	<u>\$ 46,501</u>	Augmentations.....			
				TOTAL.....	<u>\$ 111,756</u>	<u>\$ 111,599</u>	<u>\$ 108,427</u>
<b>Pittsburgh</b>							
State Funds.....	\$ 64,262	\$ 62,829	\$ 71,100	<b>Training Academy</b>	\$ 5,887	\$ 6,007	\$ 6,247
Federal Funds.....	11	0	0	State Funds.....	0	0	100
Augmentations.....	19	22	24	Federal Funds.....	185	279	279
TOTAL.....	<u>\$ 64,292</u>	<u>\$ 62,851</u>	<u>\$ 71,124</u>	Augmentations.....			
				TOTAL.....	<u>\$ 6,072</u>	<u>\$ 6,286</u>	<u>\$ 6,626</u>
<b>Quehanna Boot Camp</b>							
State Funds.....	\$ 19,591	\$ 21,001	\$ 21,542	<b>Central Office</b>	\$ 81,236	\$ 66,115	\$ 73,665
Federal Funds.....	10	5	5	State Funds.....	7,639	9,122	5,865
Augmentations.....	8	11	12	Federal Funds.....	265	151	264
TOTAL.....	<u>\$ 19,609</u>	<u>\$ 21,017</u>	<u>\$ 21,559</u>	Augmentations.....			
				TOTAL.....	<u>\$ 89,140</u>	<u>\$ 75,388</u>	<u>\$ 79,794</u>
<b>Retreat</b>							
State Funds.....	\$ 41,624	\$ 43,013	\$ 44,997	<b>Other jurisdictions</b>	\$ 34,013	\$ 12,915	\$ 12,811
Federal Funds.....	38	5	5	State Funds.....	0	0	0
Augmentations.....	14	20	17	Federal Funds.....	0	0	0
TOTAL.....	<u>\$ 41,676</u>	<u>\$ 43,038</u>	<u>\$ 45,019</u>	Augmentations.....			
				TOTAL.....	<u>\$ 34,013</u>	<u>\$ 12,915</u>	<u>\$ 12,811</u>

## Program: Institutionalization of Offenders (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>General Government Operations</b></p> <p>\$ 2,310 —to continue current program.</p> <p><b>Medical Care</b></p> <p>\$ 10,645 —to continue current program.</p> <p>1,500 —increases in pharmacy contract and other drug costs.</p> <p>5,408 —Initiative—Benner Township. To provide resources for phased-in opening of new 2,000-bed institution in 2013.</p> <p>–8,744 —Initiative—Cost Containment. To close state correctional institutions Cresson and Greensburg in 2013 and offset costs of opening SCI-Benner Township for the entire year.</p> <p>–42 —Initiative—Act 534/632 Reform. Savings as a result of limiting full-salary benefits to three years for employees injured as a result of interactions with inmates.</p> <hr/> <p>\$ 8,767 <i>Appropriation Increase</i></p> <p><b>Inmate Education and Training</b></p> <p>\$ 390 —to continue current program.</p> <p>882 —Initiative—Benner Township. To provide resources for phased-in opening of new 2,000-bed institution in 2013.</p> <p>–1,649 —Initiative—Cost Containment. To close state correctional institutions Cresson and Greensburg in 2013 and offset costs of opening SCI-Benner Township for the entire year.</p> <hr/> <p>\$ –377 <i>Appropriation Decrease</i></p>	<p><b>State Correctional Institutions</b></p> <p>\$ 58,837 —to continue current program.</p> <p>29,508 —Initiative—Benner Township. To provide resources for phased-in opening of new 2,000-bed institution in 2013.</p> <p>8,350 —Initiative—Corrections and Parole Total Offender Repository. To provide resources for system development.</p> <p>–47,173 —Initiative—Cost Containment. To close state correctional institutions Cresson and Greensburg in 2013 and offset costs of opening SCI-Benner Township for the entire year.</p> <p>–396 —Initiative—Act 534/632 Reform. Savings as a result of limiting full-salary benefits to three years for employees injured as a result of interactions with inmates.</p> <hr/> <p>\$ 49,126 <i>Appropriation Increase</i></p> <p><b>Transfer to Justice Reinvestment Fund</b></p> <p>\$ 761 —to distribute prior year savings from the Justice Reinvestment Initiative.</p>
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### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 29,389	\$ 29,679	\$ 31,989	\$ 31,989	\$ 31,989	\$ 31,989	\$ 31,989
Medical Care .....	235,810	217,445	226,212	226,212	226,212	226,212	226,212
Inmate Education and Training.....	38,977	39,925	39,548	39,548	39,548	39,548	39,548
State Correctional Institutions.....	1,552,172	1,579,973	1,629,099	1,643,269	1,626,014	1,621,613	1,618,755
Transfer to Justice Reinvestment Fund (EA)	0	0	761	18,412	8,988	10,073	10,750
<b>GENERAL FUND TOTAL .....</b>	<b>\$ 1,856,348</b>	<b>\$ 1,867,022</b>	<b>\$ 1,927,609</b>	<b>\$ 1,959,430</b>	<b>\$ 1,932,751</b>	<b>\$ 1,929,435</b>	<b>\$ 1,927,254</b>

Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Institutionalization of Offenders</b>							
Total inmate population	51,757	50,530	49,600	48,570	47,670	46,930	46,330
Prison operational bed capacity	49,534	49,200	49,350	49,820	50,700	50,700	50,700
Percentage of capacity utilized	104%	103%	101%	97%	94%	93%	91%
Inmates in state intermediate punishment program	734	830	850	875	900	950	950
Inmates employed or in educational programs	32,236	31,310	30,700	30,020	29,430	28,940	28,540
Hours worked in community works projects	469,266	525,310	460,600	450,470	441,460	434,400	428,750
Inmates enrolled in academic educational programs	9,670	9,220	8,970	8,800	8,630	8,490	8,390
Inmates enrolled in vocational programs	3,201	3,245	2,990	2,930	2,875	2,830	2,795
Inmates needing adult basic education or GED upon reception	24,146	24,970	24,930	24,440	23,600	23,590	23,290
Inmates receiving high school diplomas/GED's	1,412	1,450	1,495	1,465	1,440	1,415	1,400
Inmates assessed as having an alcohol or other drug problem	33,620	32,845	32,240	31,570	30,980	30,500	30,110
Inmates currently in alcohol or other drug treatment programs	3,563	3,600	3,575	3,575	3,575	3,575	3,575
Inmates who have completed alcohol or other drug treatment programs	10,978	10,500	10,300	10,300	10,300	10,300	10,300
Percentage of inmates testing positive for drug and alcohol use while in prison (random test)	0.19%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Monies collected from inmates to pay for victim restitution and other fines, fees, costs, penalties, and reparations	\$5,350,000	\$5,598,000	\$5,575,000	\$5,568,000	\$5,600,000	\$5,645,000	\$5,675,000
Cost per inmate per year (state funds)	\$34,922	\$35,400	\$37,300	\$38,300	\$38,700	\$39,300	\$39,800
Cost per inmate per year for health care (state funds)	\$4,577	\$4,250	\$4,520	\$4,610	\$4,700	\$4,780	\$4,850
Inmates to custody staff	5.40	5.40	5.30	5.20	5.10	5	5
Inmates to all Department of Corrections staff	3.20	3.20	3.20	3.10	3.10	3	3

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# DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS

*The mission of the Department of Drug and Alcohol Programs is to provide education, intervention and treatment programs to reduce drug and alcohol abuse and dependency.*

The department will develop and implement programs to reduce substance abuse and dependency through quality prevention, intervention, rehabilitation and treatment programs, to educate all population segments on the affect 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 Objectives**

**Drug and Alcohol Abuse Prevention and Treatment:** *To provide education, intervention and treatment programs to reduce drug and alcohol abuse and dependency.*

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# Drug and Alcohol Programs

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 0	\$ 466	\$ 466
(F)SABG - Administration and Operation.....	8,114 <sup>a</sup>	8,203	7,520
(F)Substance Abuse Special Projects - Admin & Operation.....	638 <sup>a</sup>	903	367
Subtotal.....	\$ 8,752	\$ 9,572	\$ 8,353
Subtotal - State Funds.....	\$ 0	\$ 466	\$ 466
Subtotal - Federal Funds.....	8,752	9,106	7,887
Total - General Government.....	\$ 8,752	\$ 9,572	\$ 8,353
<i>Grants and Subsidies:</i>			
Assistance to Drug and Alcohol Programs.....	\$ 40,698 <sup>a</sup>	\$ 41,232	\$ 41,232
(F)SABG - Drug and Alcohol Services.....	54,188 <sup>a</sup>	54,188	54,195
(F)Substance Abuse Special Projects Grants.....	2,979 <sup>a</sup>	1,449	86
(F)Access to Recovery.....	3,739 <sup>a</sup>	5,358	5,624
(A)Community Restitution Payments.....	4 <sup>a</sup>	3	4
(A)State Stores Fund Transfer (EA).....	1,674 <sup>a</sup>	2,070	2,070
Subtotal - State Funds.....	\$ 40,698	\$ 41,232	\$ 41,232
Subtotal - Federal Funds.....	60,906	60,995	59,905
Subtotal - Augmentations.....	1,678	2,073	2,074
Total - Grants and Subsidies.....	\$ 103,282	\$ 104,300	\$ 103,211
STATE FUNDS.....	\$ 40,698	\$ 41,698	\$ 41,698
FEDERAL FUNDS.....	69,658	70,101	67,792
AUGMENTATIONS.....	1,678	2,073	2,074
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 112,034</b>	<b>\$ 113,872</b>	<b>\$ 111,564</b>
<b>OTHER FUNDS:</b>			
<b>COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND:</b>			
Drug and Alcohol Treatment Services (EA).....	\$ 3,000 <sup>a</sup>	\$ 3,000	\$ 3,000
Compulsive and Problem Gambling Treatment (EA).....	5,212 <sup>a</sup>	8,163	5,800
<b>COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND TOTAL.....</b>	<b>\$ 8,212</b>	<b>\$ 11,163</b>	<b>\$ 8,800</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 40,698	\$ 41,698	\$ 41,698
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	69,658	70,101	67,792
AUGMENTATIONS.....	1,678	2,073	2,074
OTHER FUNDS.....	8,212	11,163	8,800
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 120,246</b>	<b>\$ 125,035</b>	<b>\$ 120,364</b>

<sup>a</sup> Appropriated in the Department of Health.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT</b>							
GENERAL FUND.....	\$ 40,698	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	69,658	70,101	67,792	67,792	67,792	67,792	67,792
OTHER FUNDS.....	9,890	13,236	10,874	10,874	10,874	10,874	10,874
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 120,246</b>	<b>\$ 125,035</b>	<b>\$ 120,364</b>	<b>\$ 120,364</b>	<b>\$ 120,364</b>	<b>\$ 120,364</b>	<b>\$ 120,364</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 40,698	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698	\$ 41,698
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	69,658	70,101	67,792	67,792	67,792	67,792	67,792
OTHER FUNDS.....	9,890	13,236	10,874	10,874	10,874	10,874	10,874
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 120,246</b>	<b>\$ 125,035</b>	<b>\$ 120,364</b>	<b>\$ 120,364</b>	<b>\$ 120,364</b>	<b>\$ 120,364</b>	<b>\$ 120,364</b>

# Drug and Alcohol Programs

*PROGRAM OBJECTIVE: To provide education, intervention and treatment programs to reduce drug and alcohol abuse and dependency.*

## Program: Drug and Alcohol Abuse Prevention and Treatment

Pursuant to Act 50 of 2010, 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.

This program provides counties with funding to provide drug and alcohol 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 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, shelters, residential units 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. This program also receives federal drug and alcohol program funds totaling \$60 million and \$3 million for drug and alcohol treatment services from the Compulsive and Problem Gambling Treatment Fund.

The department also receives a portion of the Compulsive and Problem Gambling Treatment Fund to provide public education, awareness and training regarding both the problem of compulsive and problem gambling and its treatment and prevention.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

#### GENERAL FUND

The General Government Operations and Assistance to Drug and Alcohol Programs appropriations are recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 0	\$ 466	\$ 466	\$ 466	\$ 466	\$ 466	\$ 466
Assistance to Drug and Alcohol Programs	40,698	41,232	41,232	41,232	41,232	41,232	41,232
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 40,698</b>	<b>\$ 41,698</b>	<b>\$ 41,698</b>	<b>\$ 41,698</b>	<b>\$ 41,698</b>	<b>\$ 41,698</b>	<b>\$ 41,698</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Drug and Alcohol Abuse Prevention and Treatment</b>							
Admissions to treatment	52,431	51,382	50,355	49,345	48,360	47,395	46,445
Average length of outpatient treatment (days)	77	65	65	65	65	65	65
Average length of inpatient treatment (days)	19	17	17	17	17	17	17
<b>Licensure and/or Federal Certification Surveys Completed</b>							
Residential drug and alcohol programs licensed/approved	180	179	179	179	179	179	179
Nonresidential drug and alcohol programs licensed/approved	486	495	495	495	495	495	495



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# 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 Objectives**

**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 provide students with the skills, attitudes and abilities needed for effective living in our complex society.*

**Library Services:** *To provide and improve library services to citizens of the commonwealth, special libraries and government agencies and employees.*

**Higher Education:** *To fulfill Pennsylvania's requirements for graduates of higher education programs, to respond to the demands of students for higher education and to support the public institutions providing those programs.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
<b>General Government Operations.....</b>	<b>\$ 23,244</b>	<b>\$ 23,414</b>	<b>\$ 23,414</b>
(F)Adult Basic Education - Administration.....	1,600	1,987	945
(F)Education of Exceptional Children.....	10,000	10,000	10,000
(F)Special Education - State Personnel Development.....	2,500	2,394	2,394
(F)ESEA - Title I - Administration.....	8,000	12,000	12,000
(F)State Approving Agency (VA).....	1,400	1,400	1,400
(F)Food and Nutrition Service.....	7,639	9,167	10,029
(F)Migrant Education - Administration.....	600	600	600
(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)Byrd Scholarships.....	1,575	0	0
(F)Homeless Assistance.....	3,426	4,275	4,275
(F)Preschool Grant.....	687	687	687
(F)School Health Education Programs.....	450	450	450
(F)Learn and Serve America - School Based.....	970	0	0
(F)Environmental Education Workshops.....	150	150	0
(F)Charter Schools Initiatives.....	30	8,000	8,000
(F)Educational Technology - Administration.....	350	36	0
(F)Advanced Placement Testing.....	600	600	600
(F)Medical Assistance - Nurses' Aide Training.....	300	300	300
(F)State and Community Highway Safety.....	1,200	1,205	987
(F)Title IV - 21st Century Community Learning Centers - Admin.....	4,000	4,000	2,250
(F)National Assessment of Educational Progress (NAEP).....	148	148	148
(F)Striving Readers.....	50,156	50,156	50,156
(F)Refugee School Impact Development (EA).....	700	375	375
(F)Migrant Education Coordination Program.....	100	130	130
(F)College Access Challenge Grant Program.....	6,494	7,034	3,935
(F)School Improvement Grants.....	60,000	60,000	60,000
(F)Foreign Language Assistance.....	400	400	0
(F)Bridge Grant.....	163	0	0
(F)Refugee School Assistance Program.....	0	200	200
(A)Management Services.....	6	6	6
(A)Environmental Education.....	261	261	261
(A)Approved Private Schools.....	460	492	492
(A)National Center for Educational Statistics.....	117	104	104
(A)Teenage Parenting.....	1,947	1,947	1,947
(A)EPSDT Administration.....	1,213	1,250	1,250
(A)Services to Nonpublic Schools - Administration.....	821	864	864
(A)National Assn. of State Boards of Education.....	4	36	36
(A)Teacher of the Year.....	5	5	5
(A)Teacher Certification Fees.....	0	0	775
Subtotal.....	<u>\$ 201,026</u>	<u>\$ 213,383</u>	<u>\$ 208,325</u>
<b>Information and Technology Improvement.....</b>	<b>4,181</b>	<b>4,181</b>	<b>4,181</b>
(F)Statewide Data Systems.....	2,814	1,188	628
(F)ARRA - Statewide Longitudinal Data Systems.....	9,284	8,871	0
<b>PA Assessment.....</b>	<b>36,590</b>	<b>52,191</b>	<b>55,961</b>
(F)Title VI - Part A State Assessments.....	18,140	16,000	16,000
(F)Grants for Enhanced Assessment Instruments.....	6,383	0	0
(A)DRC License Fees.....	350	100	100
Subtotal.....	<u>\$ 77,742</u>	<u>\$ 82,531</u>	<u>\$ 76,870</u>
<b>State Library.....</b>	<b>1,998</b>	<b>1,946</b>	<b>1,946</b>
(F)LSTA - Library Development.....	8,131	8,432	8,500
(F)National Endowment for the Humanities.....	0	268	176
(A)Penalties and Reimbursements.....	2	1	1
(A)Photocopy Service.....	5	5	5
(A)Keystone Fund.....	81	85	92
Subtotal.....	<u>\$ 10,217</u>	<u>\$ 10,737</u>	<u>\$ 10,720</u>

**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
Subtotal - State Funds.....	\$ 66,013	\$ 81,732	\$ 85,502
Subtotal - Federal Funds.....	217,700	219,763	204,475
Subtotal - Augmentations.....	5,272	5,156	5,938
<b>Total - General Government.....</b>	<b>\$ 288,985</b>	<b>\$ 306,651</b>	<b>\$ 295,915</b>
<b>Institutional:</b>			
Youth Development Centers - Education.....	\$ 10,185	\$ 10,185	\$ 10,185
Subtotal.....	\$ 10,185	\$ 10,185	\$ 10,185
<b>Grants and Subsidies:</b>			
<b>Support of Public Schools:</b>			
Basic Education Funding.....	\$ 5,354,629	\$ 5,403,629	\$ 5,493,629
(F)Education Jobs Fund.....	5,730	0	0
Basic Ed Formula Enhancements.....	14,000	2,500	2,500
Pennsylvania Accountability Grants.....	0	100,000	100,000
(R)Passport for Learning Block Grant.....	0	0	200,000 a
Pre-K Counts.....	80,184	82,784	87,284
Head Start Supplemental Assistance.....	35,414	37,278	39,178
Mobile Science Education Program.....	585	650	0
Teacher Professional Development.....	6,459	6,459	6,459
(A)Governor's Institute - Professional Development.....	108	118	118
Adult and Family Literacy.....	11,675	11,675	11,675
(F)Adult Basic Education - Local.....	21,000	21,605	17,142
Career and Technical Education.....	62,000	62,000	62,000
(F)Vocational Education Act - Local.....	53,000	49,000	49,000
Authority Rentals and Sinking Fund Requirements.....	295,333	296,198	296,198
Pupil Transportation.....	537,458	542,255	555,886
Nonpublic and Charter School Pupil Transportation.....	76,640	77,664	78,614
Special Education.....	1,026,815	1,026,815	1,026,815
(F)Individuals with Disabilities Education - Local.....	430,000	435,000	435,000
(F)ARRA - Individuals with Disabilities Education - Local.....	37,600	0	0
Early Intervention.....	197,816	216,973 b	221,973
(F)Individuals with Disabilities Education.....	16,670	16,000	16,000
(F)ARRA - Individuals with Disabilities Education.....	3,771	0	0
Tuition for Orphans and Children Placed in Private Homes.....	56,520	58,610	58,941
Payments in Lieu of Taxes.....	194	194	197
Education of Migrant Laborers' Children.....	853	853	853
PA Charter Schools for the Deaf and Blind.....	39,852	40,602	41,499
Special Education - Approved Private Schools.....	97,647	98,347	98,347
School Food Services.....	30,220	31,259	32,021
(F)Food and Nutrition - Local.....	534,799	588,279	623,576
School Nutrition Incentive Program.....	3,294	0	0
School Employees' Social Security.....	542,300	544,438	544,550
School Employees' Retirement.....	600,172	856,052	1,080,000
Subtotal.....	\$ 10,172,738	\$ 10,607,237	\$ 11,179,455
(F)ESEA - Title I - Local.....	625,000	625,000	625,000
(F)ARRA - ESEA - Title I - Local.....	35,127	0	0
(F)DFSC - School Districts.....	230	0	0
(F)Improving Teacher Quality - Title II - Local.....	130,000	130,000	130,000
(F)Educational Technology - Local.....	6,288	900	0
(F)Title IV 21st Century Community Learning Centers - Local.....	50,000	85,000	50,000
(F)Title III - Language Instruction for LEP & Immigrant Student.....	20,000	20,000	20,000
(F)Title VI - Rural & Low Income School - Local.....	1,550	1,700	1,700
(F)ARRA - School Improvement Programs - Education Technology.....	2,860	0	0
(F)ARRA - ESEA - Title I - School Improvement.....	75,000	67,119	35,000
(F)Race to the Top.....	500	41,500	25,500

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
(F)TANF - Teenage Parenting Education (EA).....	11,094	11,094	11,094
(F)Teenage Parenting - Food Stamps (EA).....	863	863	863
Subtotal.....	\$ 958,512	\$ 983,176	\$ 899,157
<b>Other Grants and Subsidies:</b>			
Services to Nonpublic Schools.....	82,065	86,384	86,384
Textbooks, Materials and Equipment for Nonpublic Schools.....	24,964	26,278	26,278
Public Library Subsidy.....	53,507	53,507	53,507
Library Services for the Visually Impaired and Disabled.....	2,702	2,567	2,567
Library Access.....	2,821	2,821	2,821
Job Training and Education Programs.....	4,560	7,250	0
Safe School Initiative.....	2,022	2,022	2,022
Subtotal.....	\$ 172,641	\$ 180,829	\$ 173,579
<b>Higher Education - Other Grants and Subsidies:</b>			
Community Colleges.....	212,167	212,167	212,167
Transfer to Community College Capital Fund.....	46,369	47,869	47,869
Regional Community Colleges Services.....	630	1,200	1,200
Community Education Councils.....	1,080	1,800	2,000
Thaddeus Stevens College of Technology.....	10,332	10,332	10,332
Subtotal.....	\$ 270,578	\$ 273,368	\$ 273,568
<b>State System of Higher Education:</b>			
State Universities.....	412,751	412,751	412,751
Subtotal.....	\$ 412,751	\$ 412,751	\$ 412,751
<b>The Pennsylvania State University:</b>			
General Support.....	203,404	214,110	214,110
Pennsylvania College of Technology.....	12,905	13,584	13,584
Subtotal.....	\$ 216,309	\$ 227,694	\$ 227,694
<b>University of Pittsburgh:</b>			
General Support.....	127,293	133,993	133,993
Rural Education Outreach.....	1,979	2,083	2,083
Subtotal.....	\$ 129,272	\$ 136,076	\$ 136,076
<b>Temple University:</b>			
General Support.....	132,921	139,917	139,917
Subtotal.....	\$ 132,921	\$ 139,917	\$ 139,917
<b>Lincoln University:</b>			
General Support.....	10,605	11,163	11,163
Subtotal.....	\$ 10,605	\$ 11,163	\$ 11,163
Subtotal - State Funds.....	\$ 10,415,137	\$ 10,879,033	\$ 11,213,367
Subtotal - Federal Funds.....	2,061,082	2,093,060	2,039,875
Subtotal - Augmentations.....	108	118	118
Subtotal - Restricted Revenues.....	0	0	200,000
Total - Grants and Subsidies.....	\$ 12,476,327	\$ 12,972,211	\$ 13,453,360

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
STATE FUNDS.....	\$ 10,491,335	\$ 10,970,950	\$ 11,309,054
FEDERAL FUNDS.....	2,278,782	2,312,823	2,244,350
AUGMENTATIONS.....	5,380	5,274	6,056
RESTRICTED REVENUES.....	0	0	200,000
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 12,775,497</b>	<b>\$ 13,289,047</b>	<b>\$ 13,759,460</b>
<b><u>MOTOR LICENSE FUND:</u></b>			
<i>Grants and Subsidies:</i>			
Safe Driving Course.....	\$ 1,103	\$ 1,103	\$ 1,100
<b><u>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</u></b>			
<i>Grants and Subsidies:</i>			
Local Libraries Rehabilitation and Development (EA).....	\$ 1,521	\$ 2,597	\$ 2,690
SSHE - Deferred Maintenance (EA).....	6,844	11,690	12,110
Total - Grants and Subsidies.....	\$ 8,365	\$ 14,287	\$ 14,800
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....</b>	<b>\$ 8,365</b>	<b>\$ 14,287</b>	<b>\$ 14,800</b>
<b><u>OTHER FUNDS:</u></b>			
<b>GENERAL FUND:</b>			
Private Licensed Schools.....	\$ 707	\$ 741	\$ 847
Empowerment School Districts.....	4,500	4,500	4,500
Medical Assistance Reimbursements.....	159,010	185,000	190,000
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 164,217</b>	<b>\$ 190,241</b>	<b>\$ 195,347</b>
<b>COMMUNITY COLLEGE CAPITAL FUND:</b>			
Community College Capital.....	\$ 0 <sup>c</sup>	\$ 0 <sup>c</sup>	\$ 0 <sup>c</sup>
<b>GOV. CASEY ORGAN &amp; TISSUE DONATION AWARENESS FUND:</b>			
Governor Casey Organ and Tissue Donation Awareness Fund (EA).....	\$ 200	\$ 200	\$ 200
<b>PROPERTY TAX RELIEF FUND:</b>			
Property Tax Relief Payments (EA).....	\$ 612,100	\$ 615,600	\$ 615,600
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 10,491,335	\$ 10,970,950	\$ 11,309,054
SPECIAL FUNDS.....	9,468	15,390	15,900
FEDERAL FUNDS.....	2,278,782	2,312,823	2,244,350
AUGMENTATIONS.....	5,380	5,274	6,056
RESTRICTED.....	0	0	200,000
OTHER FUNDS.....	776,517	806,041	811,147
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 13,561,482</b>	<b>\$ 14,110,478</b>	<b>\$ 14,586,507</b>

<sup>a</sup> Funding from the Passport for Learning Block Grant restricted account in the amount of \$200,000,000 is recommended to support K-3 education, establish and maintain programs based on content mastery, programs to support science and technology education in grades 6-12, and activities to support school safety and security.

<sup>b</sup> Includes recommended supplemental appropriation of \$10,800,000.

<sup>c</sup> Not added to the total to avoid double counting: 2011-12 Actual is \$46,369,000, 2012-13 Available is \$47,869,000, and 2013-14 Budget is \$47,869,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>EDUCATION SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 27,425	\$ 27,595	\$ 27,595	\$ 27,595	\$ 27,595	\$ 27,595	\$ 27,595
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	125,046	135,063	119,799	69,015	68,815	68,815	68,815
OTHER FUNDS.....	5,541	5,706	6,587	6,587	6,587	6,587	6,587
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 158,012</b>	<b>\$ 168,364</b>	<b>\$ 153,981</b>	<b>\$ 103,197</b>	<b>\$ 102,997</b>	<b>\$ 102,997</b>	<b>\$ 102,997</b>
<b>BASIC EDUCATION</b>							
GENERAL FUND.....	\$ 9,230,446	\$ 9,681,545	\$ 10,019,449	\$ 10,286,646	\$ 10,614,767	\$ 11,013,892	\$ 11,484,111
SPECIAL FUNDS.....	1,103	1,103	1,100	1,100	1,100	1,100	1,100
FEDERAL FUNDS.....	2,145,605	2,169,060	2,115,875	2,080,875	2,030,875	2,005,375	2,005,375
OTHER FUNDS.....	776,268	805,518	1,010,518	810,518	810,518	810,518	810,518
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 12,153,422</b>	<b>\$ 12,657,226</b>	<b>\$ 13,146,942</b>	<b>\$ 13,179,139</b>	<b>\$ 13,457,260</b>	<b>\$ 13,830,885</b>	<b>\$ 14,301,104</b>
<b>LIBRARY SERVICES</b>							
GENERAL FUND.....	\$ 61,028	\$ 60,841	\$ 60,841	\$ 60,841	\$ 60,841	\$ 60,841	\$ 60,841
SPECIAL FUNDS.....	1,521	2,597	2,690	3,165	3,425	3,454	3,488
FEDERAL FUNDS.....	8,131	8,700	8,676	8,500	8,500	8,500	8,500
OTHER FUNDS.....	88	91	98	98	98	98	98
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 70,768</b>	<b>\$ 72,229</b>	<b>\$ 72,305</b>	<b>\$ 72,604</b>	<b>\$ 72,864</b>	<b>\$ 72,893</b>	<b>\$ 72,927</b>
<b>HIGHER EDUCATION</b>							
GENERAL FUND.....	\$ 1,172,436	\$ 1,200,969	\$ 1,201,169	\$ 1,201,169	\$ 1,201,169	\$ 1,201,169	\$ 1,201,169
SPECIAL FUNDS.....	6,844	11,690	12,110	14,241	15,413	15,544	15,696
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,179,280</b>	<b>\$ 1,212,659</b>	<b>\$ 1,213,279</b>	<b>\$ 1,215,410</b>	<b>\$ 1,216,582</b>	<b>\$ 1,216,713</b>	<b>\$ 1,216,865</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 10,491,335	\$ 10,970,950	\$ 11,309,054	\$ 11,576,251	\$ 11,904,372	\$ 12,303,497	\$ 12,773,716
SPECIAL FUNDS.....	9,468	15,390	15,900	18,506	19,938	20,098	20,284
FEDERAL FUNDS.....	2,278,782	2,312,823	2,244,350	2,158,390	2,108,190	2,082,690	2,082,690
OTHER FUNDS.....	781,897	811,315	1,017,203	817,203	817,203	817,203	817,203
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 13,561,482</b>	<b>\$ 14,110,478</b>	<b>\$ 14,586,507</b>	<b>\$ 14,570,350</b>	<b>\$ 14,849,703</b>	<b>\$ 15,223,488</b>	<b>\$ 15,693,893</b>

*PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the agency can be achieved.*

## Program: Education Support Services

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)

All appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 23,244	\$ 23,414	\$ 23,414	\$ 23,414	\$ 23,414	\$ 23,414	\$ 23,414
Information and Technology Improvement	4,181	4,181	4,181	4,181	4,181	4,181	4,181
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 27,425</b>	<b>\$ 27,595</b>	<b>\$ 27,595</b>	<b>\$ 27,595</b>	<b>\$ 27,595</b>	<b>\$ 27,595</b>	<b>\$ 27,595</b>

*PROGRAM OBJECTIVE: To provide students with the skills, attitudes and abilities needed for effective living in our complex society.*

## Program: PreK–12 Education (Basic Education)

### **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. In 2011-12, 76 percent of Pennsylvania's students met the state standards in math and 72 percent met the state standards in reading.

### **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 approximately 11,900 Pennsylvania children in diverse settings, ranging from school-based programs to Keystone STARS child care centers. Third-year outcomes have revealed that nearly every child (over 98 percent) showed age-appropriate or emerging age-appropriate proficiency in literacy, numeracy and social skills after participating in the Pre-K Counts program.

**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 approximately 68,000 secondary students enrolled in approved career and technical education programs at school districts, charter schools and career and technical centers. Career and Technical Education provides 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 approximately 262,000 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)

	<b>GENERAL FUND</b>				<b>Early Intervention</b>
	<b>PA Assessment</b>		\$	5,000	—Initiative—Improving Student Achievement.
\$	3,770	—Initiative—Improving Student Achievement.			To provide services to approximately 1,500 additional children from ages 3 through 5.
		To support existing state and federally mandated tests.			
	<b>Basic Education Funding</b>		\$	331	<b>Tuition for Orphans and Children Placed in Private Homes</b>
\$	90,000	—Initiative—Improving Student Achievement.			—to continue current program.
		To provide a 1.7 percent increase for school district education programs.			
	<b>Pre-K Counts</b>		\$	3	<b>Payments in Lieu of Taxes</b>
\$	4,500	—Initiative—Improving Student Achievement.			—to continue current program.
		To provide additional resources in the Pre-K Counts program to serve an additional 580 children in full- and part-day programs.			
	<b>Head Start Supplemental Assistance</b>		\$	112	<b>PA Charter Schools for the Deaf and Blind</b>
\$	1,900	—Initiative—Improving Student Achievement.			—to continue current program.
		To serve additional 210 children in early learning programs.			
	<b>Mobile Science Education Program</b>		\$	223,948	<b>School Food Services</b>
\$	-650	—program elimination.			—to continue current program.
	<b>Pupil Transportation</b>		\$	-7,250	<b>School Employees' Social Security</b>
\$	13,631	—to continue current program.			—to continue current program.
	<b>Nonpublic and Charter School Pupil Transportation</b>		\$	-3	<b>School Employees' Retirement</b>
\$	950	—to continue current program.			—to provide funding for the commonwealth's share of the employer contribution rate.
					<b>Job Training and Education Programs</b>
					—program elimination.
					<b>MOTOR LICENSE FUND</b>
					<b>Safe Driving Course</b>
					—to continue current program.

All other appropriations are recommended at the current year funding levels.

This budget also recommends the Passport for Learning Block Grant restricted account in the amount of \$200,000,000 to support K-3 education, establish and maintain programs based on content mastery, programs to support science and technology education in grades 6-12, and activities to support school safety and security.

In addition, this budget recommends \$775,000 in augmentations provided through a \$25 increase in teacher certification fees to provide for timely review and resolution of educator misconduct complaints.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
PA Assessment.....	\$ 36,590	\$ 52,191	\$ 55,961	\$ 55,961	\$ 55,961	\$ 55,961	\$ 55,961
Youth Development Centers - Education ..	10,185	10,185	10,185	10,185	10,185	10,185	10,185
Basic Education Funding.....	5,354,629	5,403,629	5,493,629	5,493,629	5,493,629	5,493,629	5,493,629
Basic Ed Formula Enhancements .....	14,000	2,500	2,500	2,500	2,500	2,500	2,500
Pennsylvania Accountability Grants .....	0	100,000	100,000	100,000	100,000	100,000	100,000
Pre-K Counts.....	80,184	82,784	87,284	87,284	87,284	87,284	87,284
Head Start Supplemental Assistance .....	35,414	37,278	39,178	39,178	39,178	39,178	39,178
Mobile Science Education Program .....	585	650	0	0	0	0	0
Teacher Professional Development.....	6,459	6,459	6,459	6,459	6,459	6,459	6,459
Adult and Family Literacy .....	11,675	11,675	11,675	11,675	11,675	11,675	11,675
Career and Technical Education.....	62,000	62,000	62,000	62,000	62,000	62,000	62,000
Authority Rentals and Sinking Fund Requirements .....	295,333	296,198	296,198	296,198	296,198	296,198	296,198

## Program: PreK-12 Education (Basic Education) (continued)

### Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND: (continued)</b>							
Pupil Transportation.....	\$ 537,458	\$ 542,255	\$ 555,886	\$ 555,886	\$ 555,886	\$ 555,886	\$ 555,886
Nonpublic and Charter School Pupil Transportation.....	76,640	77,664	78,614	78,614	78,614	78,614	78,614
Special Education.....	1,026,815	1,026,815	1,026,815	1,026,815	1,026,815	1,026,815	1,026,815
Early Intervention.....	197,816	216,973	221,973	221,973	221,973	221,973	221,973
Tuition for Orphans and Children Placed in Private Homes .....	56,520	58,610	58,941	58,941	58,941	58,941	58,941
Payments in Lieu of Taxes.....	194	194	197	197	197	197	197
Education of Migrant Laborers' Children ...	853	853	853	853	853	853	853
PA Charter Schools for the Deaf and Blind Special Education - Approved Private Schools .....	39,852	40,602	41,499	41,499	41,499	41,499	41,499
School Food Services.....	97,647	98,347	98,347	98,347	98,347	98,347	98,347
School Nutrition Incentive Program .....	30,220	31,259	32,021	32,021	32,021	32,021	32,021
School Employees' Social Security .....	3,294	0	0	0	0	0	0
School Employees' Retirement .....	542,300	544,438	544,550	561,747	579,868	598,993	619,212
Services to Nonpublic Schools .....	600,172	856,052	1,080,000	1,330,000	1,640,000	2,020,000	2,470,000
Textbooks, Materials and Equipment for Nonpublic Schools .....	82,065	86,384	86,384	86,384	86,384	86,384	86,384
Job Training and Education Programs .....	24,964	26,278	26,278	26,278	26,278	26,278	26,278
Safe School Initiative.....	4,560	7,250	0	0	0	0	0
	2,022	2,022	2,022	2,022	2,022	2,022	2,022
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 9,230,446</b>	<b>\$ 9,681,545</b>	<b>\$10,019,449</b>	<b>\$10,286,646</b>	<b>\$ 10,614,767</b>	<b>\$ 11,013,892</b>	<b>\$ 11,484,111</b>
<b>MOTOR LICENSE FUND:</b>							
Safe Driving Course .....	\$ 1,103	\$ 1,103	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100

*PROGRAM OBJECTIVE: To provide and improve library services to citizens of the commonwealth, special libraries and government agencies and employees.*

## Program: Library Services

The proposed 2013-14 budget offers a variety of valued public library services to all Pennsylvanians.

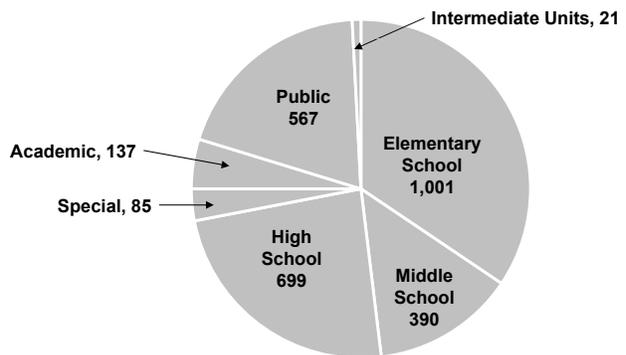
**Public Library Subsidy.** The commonwealth helps defray the cost of basic operations of Pennsylvania's more than 600 local public libraries. Through participation in this program, libraries provide a common denominator of services statewide, and in so doing, help meet the information, education and 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 3,000 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)

All General Fund appropriations are recommended at the current year funding levels.

#### KEYSTONE RECREATION, PARK AND CONSERVATION FUND

#### Local Libraries Rehabilitation and Development (EA)

\$ 93 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
State Library .....	\$ 1,998	\$ 1,946	\$ 1,946	\$ 1,946	\$ 1,946	\$ 1,946	\$ 1,946
Public Library Subsidy .....	53,507	53,507	53,507	53,507	53,507	53,507	53,507
Library Services for the Visually Impaired and Disabled .....	2,702	2,567	2,567	2,567	2,567	2,567	2,567
Library Access .....	2,821	2,821	2,821	2,821	2,821	2,821	2,821
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 61,028</b>	<b>\$ 60,841</b>	<b>\$ 60,841</b>	<b>\$ 60,841</b>	<b>\$ 60,841</b>	<b>\$ 60,841</b>	<b>\$ 60,841</b>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>							
Local Libraries Rehab. and Development (EA) .....	\$ 1,521	\$ 2,597	\$ 2,690	\$ 3,165	\$ 3,425	\$ 3,454	\$ 3,488

*PROGRAM OBJECTIVE: To fulfill Pennsylvania's requirements for graduates of higher education programs, to respond to the demands of students for higher education and to support the public institutions providing those programs.*

## Program: Higher Education

Higher education in Pennsylvania is provided through 270 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. 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	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
State System of Higher Education.....	109,738	106,736	107,107	107,258	107,296	107,294	107,349
Community Colleges .....	103,971	102,348	102,997	103,875	105,100	106,187	107,093
State-Related Universities.....	156,517	156,230	156,211	156,343	156,472	156,664	156,707
Thaddeus Stevens College of Technology ....	809	901	921	921	921	921	921
<b>TOTAL .....</b>	<b><u>371,035</u></b>	<b><u>366,215</u></b>	<b><u>367,236</u></b>	<b><u>368,397</u></b>	<b><u>369,789</u></b>	<b><u>371,066</u></b>	<b><u>372,070</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 and the operational cost of the individual campuses. Although each university has an individual mission, they all provide teacher education, 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 based on base operating funding, enrollment growth, economic development programs that focus on high-priority occupations and recognizes the capital costs of the colleges. 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 or certificate as well as non-degree programs. Community colleges play a major role in the commonwealth's workforce development initiative.

**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 of these commonwealth universities are major research universities that provide programs up to the doctoral level in varied academic disciplines and professional schools in podiatry, medicine, dentistry and law. The fourth, Lincoln University, provides programs in numerous disciplines at the baccalaureate and master degree levels.

#### **Impact: Number of Degrees Awarded**

The state-supported universities and colleges graduated 83,750 students in 2011-12 with degrees ranging from the two-year associate degree to doctoral and professional degrees.

### **Program Element: Increasing Access to Higher Education**

In 2011, of 130,285 public high school graduates, 99,726, or approximately 76.5 percent, planned to attend an academic degree-granting post-secondary institution. This is a significant improvement over the past decade when only slightly more than half of Pennsylvania high school graduates indicated they planned to attend a post-secondary institution. Participation rates of non-traditional students and part-time students also continue to increase. To better serve the needs of all Pennsylvania students, the Department of Education administers a comprehensive transfer and articulation system to enable students to easily transfer up to 60 credit hours of foundation coursework

## Program: Higher Education (continued)

**Table 2**  
**Higher Education Degrees Awarded**  
**by State-Supported Institutions of Higher Education**  
**(Actual and Projected)**

Institutional Category	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
State-Supported:							
State System of Higher Education.....	25,446	25,151	25,314	25,480	25,615	25,629	25,597
Community Colleges .....	17,004	16,989	17,208	17,460	17,777	18,072	18,351
State-Related Universities.....	41,044	41,139	41,287	41,512	41,641	41,773	41,957
Thaddeus Stevens College of Technology	256	347	394	394	394	394	394
<b>TOTAL .....</b>	<b>83,750</b>	<b>83,626</b>	<b>84,203</b>	<b>84,846</b>	<b>85,427</b>	<b>85,868</b>	<b>86,299</b>

among 35 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 with higher employment rates such as business management, data processing, 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 in Pennsylvania. In addition to continued operating support for Lincoln and Cheyney Universities, funding is also included in the capital budget for infrastructure improvements at Cheyney and Lincoln Universities.

**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: Community Service**

Public and community services are provided through Community Education Councils. These councils enhance Pennsylvania's rural economic engine, acting as facilitators and brokers of employer driven educational programs, and have been an integral partner in building a more competitive rural workforce.

**Program Element: Support Services**

The department provides leadership and support services to all sectors of higher education. Responsibilities include 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	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Percent Change
		Actual	Projected	Projected	Projected	Projected	Projected	Projected	
Agricultural and Natural Resources	#	3,912	3,845	3,840	3,831	3,837	3,843	3,847	-1.66%
	%	1.05%	1.05%	1.05%	1.04%	1.04%	1.04%	1.03%	
Arts and Letters	#	69,895	67,531	67,721	68,042	68,481	68,854	69,103	-1.13%
	%	18.84%	18.44%	18.44%	18.47%	18.52%	18.56%	18.57%	
Business, Management and Data Processing	#	47,911	47,634	47,862	48,075	48,300	48,489	48,656	1.55%
	%	12.91%	13.01%	13.03%	13.05%	13.06%	13.07%	13.08%	
Communications and Related Technologies	#	13,635	14,000	14,030	14,061	14,092	14,153	14,176	3.97%
	%	3.67%	3.82%	3.82%	3.82%	3.81%	3.81%	3.81%	
Computer and Information Sciences	#	10,975	10,948	10,979	11,004	11,050	11,111	11,149	1.59%
	%	2.96%	2.99%	2.99%	2.99%	2.99%	2.99%	3.00%	
Education	#	29,449	28,036	27,816	27,698	27,618	27,538	27,491	-6.65%
	%	7.94%	7.66%	7.57%	7.52%	7.47%	7.42%	7.39%	
Engineering, Architecture and Environmental Design	#	18,607	18,734	18,794	18,867	18,932	18,977	19,016	2.20%
	%	5.01%	5.12%	5.12%	5.12%	5.12%	5.11%	5.11%	
Engineering Technologies and Related Technologies	#	6,040	6,058	6,124	6,177	6,241	6,312	6,384	5.70%
	%	1.63%	1.65%	1.67%	1.68%	1.69%	1.70%	1.72%	
Health Professions, Health Sciences and Biological Sciences	#	60,637	60,484	60,731	60,887	61,152	61,381	61,578	1.55%
	%	16.34%	16.52%	16.54%	16.53%	16.54%	16.54%	16.55%	
Home Economics, Human Services and Public Affairs	#	34,134	33,940	34,052	34,179	34,271	34,382	34,456	0.94%
	%	9.20%	9.27%	9.27%	9.28%	9.27%	9.27%	9.26%	
Industrial, Repair, Construction and Transport Technologies	#	4,800	4,805	4,814	4,853	4,904	4,948	4,988	3.92%
	%	1.29%	1.31%	1.31%	1.32%	1.33%	1.33%	1.34%	
Law	#	3,914	3,903	3,899	3,901	3,902	3,908	3,916	0.05%
	%	1.05%	1.07%	1.06%	1.06%	1.06%	1.05%	1.05%	
Physical Sciences, Mathematics and Related Technologies	#	20,281	20,044	20,118	20,153	20,158	20,164	20,178	-0.51%
	%	5.47%	5.47%	5.48%	5.47%	5.45%	5.43%	5.42%	
Social Sciences, Psychology, Area Studies and Foreign Languages	#	38,611	38,203	38,352	38,504	38,621	38,708	38,779	0.44%
	%	10.41%	10.43%	10.44%	10.45%	10.44%	10.43%	10.42%	
Multi-Interdisciplinary Studies/ Military Studies	#	5,004	5,016	5,081	5,154	5,233	5,314	5,383	7.57%
	%	1.35%	1.37%	1.38%	1.40%	1.42%	1.43%	1.45%	
Basic Skills and Developmental/ Remedial Education	#	2,149	1,995	1,984	1,972	1,958	1,945	1,931	-10.14%
	%	0.58%	0.54%	0.54%	0.54%	0.53%	0.52%	0.52%	
High School/ Secondary Diplomas and Certificates	#	1,081	1,039	1,039	1,039	1,039	1,039	1,039	-3.89%
	%	0.29%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	
TOTAL		371,035	366,215	367,236	368,397	369,789	371,066	372,070	0.28%

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)

**GENERAL FUND**  
**Community Education Councils**  
 \$ 200 —to continue current program.

**KEYSTONE RECREATION, PARK AND CONSERVATION FUND**  
**State System of Higher Education – Deferred Maintenance (EA)**  
 \$ 420 —to continue current program.

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Community Colleges .....	\$ 212,167	\$ 212,167	\$ 212,167	\$ 212,167	\$ 212,167	\$ 212,167	\$ 212,167
Transfer to Community College Capital Fund.....	46,369	47,869	47,869	47,869	47,869	47,869	47,869
Regional Community Colleges Services ...	630	1,200	1,200	1,200	1,200	1,200	1,200
Community Education Councils.....	1,080	1,800	2,000	2,000	2,000	2,000	2,000
Thaddeus Stevens College of Technology	10,332	10,332	10,332	10,332	10,332	10,332	10,332
State System of Higher Education.....	412,751	412,751	412,751	412,751	412,751	412,751	412,751
Pennsylvania State University .....	216,309	227,694	227,694	227,694	227,694	227,694	227,694
University of Pittsburgh.....	129,272	136,076	136,076	136,076	136,076	136,076	136,076
Temple University .....	132,921	139,917	139,917	139,917	139,917	139,917	139,917
Lincoln University .....	10,605	11,163	11,163	11,163	11,163	11,163	11,163
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,172,436</b>	<b>\$ 1,200,969</b>	<b>\$ 1,201,169</b>	<b>\$ 1,201,169</b>	<b>\$ 1,201,169</b>	<b>\$ 1,201,169</b>	<b>\$ 1,201,169</b>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>							
State System of Higher Education — Deferred Maintenance (EA).....	\$ 6,844	\$ 11,690	\$ 12,110	\$ 14,241	\$ 15,413	\$ 15,544	\$ 15,696

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: PreK-12 Education (Basic Education)</b>							
<b>Basic Education Targeted Investment</b>							
Public school enrollment (preK-12)	1,765,327	1,764,000	1,764,000	1,763,000	1,762,000	1,761,000	1,760,000
<b>Early Childhood Education</b>							
School districts offering pre-kindergarten	119	115	115	115	115	115	115
Students enrolled in pre-kindergarten (excluding Head Start)	24,450	23,000	23,000	23,000	23,000	23,000	23,000
Students in state-funded Head Start Supplemental	4,889	4,995	5,205	5,205	5,205	5,205	5,205
Students in PA Pre-K Counts program	11,268	11,350	11,930	11,930	11,930	11,930	11,930
<b>Early Intervention</b>							
Children participating in Early Intervention	48,795	49,995	51,495	51,495	51,495	51,495	51,495
Children on their 3rd birthday who transitioned from infant/toddler Early Intervention to preschool Early Intervention	5,725	6,000	6,000	6,000	6,000	6,000	6,000
Children who met their individual goals and no longer need Early Intervention prior to school age	1,520	1,700	1,700	1,700	1,700	1,700	1,700
Children receiving early intervention in typical early childhood educational settings such as home, child care or Head Start	70%	71%	72%	73%	74%	75%	76%
<b>Secondary Education-Transforming Pennsylvania's High Schools</b>							
High schools offering at least one Advanced Placement course	88.20%	88.80%	89.40%	90.10%	90.70%	91.30%	92%
Advanced Placement tests given in high schools	80,831	86,815	93,065	99,855	107,145	114,970	123,360
Advanced Placement tests with scores of "3" or higher demonstrating mastery of the course	66.80%	67.50%	68.10%	68.80%	69.50%	70.20%	70.90%
<b>Accountability</b>							
Students proficient/advanced in mathematics	76%	89%	100%	100%	100%	100%	100%
Percentage gains in mathematics proficiency from 5th to 8th grade-same students	3%	4%	4%	4%	5%	5%	5%
Students proficient/advanced in reading	72%	91%	100%	100%	100%	100%	100%
Percentage gains in reading proficiency from 5th to 8th grade-same students	15%	18%	19%	21%	22%	23%	24%
Schools making Adequate Yearly Progress	51%	75.50%	100%	100%	100%	100%	100%
School districts making Adequate Yearly Progress	61%	80.50%	100%	100%	100%	100%	100%
<b>Career &amp; Technical (Vocational) Education</b>							
Career & Technical (Vocational) Education: Enrollment	67,531	67,870	68,210	68,550	68,895	69,235	69,585
Vocational education program completers	61.60%	63.40%	65.40%	67.30%	69.30%	71.40%	73.60%

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Skilled workforce--percentage of PA Skills Certificates awarded	58%	59%	60%	61%	62%	63%	64%
<b>Special Education</b>							
Pupils with disabilities enrolled in special education programs	262,241	262,240	262,240	262,200	262,200	262,200	262,200
Special education incidence rate	15%	14.90%	14.90%	14%	14%	14%	14%
<b>Other Education Programs</b>							
Nonpublic school enrollment	260,465	232,685	226,960	225,170	213,895	212,385	210,875
<b>Program: Library Services</b>							
Items accessed-State Library of Pennsylvania	270,500	351,650	457,145	525,715	604,575	695,260	799,550
Visits to public libraries (in thousands)	46,088	46,540	47,000	47,230	47,490	47,720	47,790
Materials borrowed from public libraries (in thousands)	68,776	69,500	70,150	70,900	71,600	72,250	73,100
Items borrowed from public libraries children's collections- included above (in thousands)	25,338	25,845	26,360	26,890	27,425	27,975	28,535
Materials borrowed from libraries for blind and physically handicapped- included above (in thousands)	1,569	1,645	1,730	1,815	1,910	2,000	2,105
POWER Library use - items examined (in thousands)	24,624	27,085	28,440	28,725	29,010	29,300	29,595
Online inquiries by consumers to professional reference librarians (Ask Here PA)	139,134	142,000	143,420	144,855	146,300	147,765	149,240
Individuals utilizing public library computers	8,701	8,790	8,875	8,965	9,010	9,055	9,100
<b>Program: Higher Education</b>							
<b>Access &amp; Affordability</b>							
Minority enrollment at public institutions	78,628	83,415	88,495	93,885	99,605	105,670	112,105
<b>Outcomes</b>							
Six-year graduation rate (percent) for full-time, first-time students at state system institutions	55.80%	55.90%	56.30%	56.30%	56.30%	56.30%	56.30%
Six-year graduation rate (percent) for full-time, first-time students at state-related institutions	68.70%	69.60%	70.50%	70.50%	70.50%	70.50%	70.50%
Three-year graduation rate (percent) for full-time, first-time students at community colleges	14.90%	15%	15.10%	15.10%	15.10%	15.10%	15.10%

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# 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.

## **Programs and Objectives**

**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.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Transfer to PA eHealth Partnership Fund.....	\$ 780 <sup>a</sup>	\$ 804 <sup>a</sup>	\$ 2,200
(F)AARA - Health Information Exchange.....	16,368 <sup>a</sup>	16,749 <sup>a</sup>	0
Subtotal - State Funds.....	\$ 780	\$ 804	\$ 2,200
Subtotal - Federal Funds.....	16,368	16,749	0
Total - .....	<u>\$ 17,148</u>	<u>\$ 17,553</u>	<u>\$ 2,200</u>
STATE FUNDS.....	\$ 780	\$ 804	\$ 2,200
FEDERAL FUNDS.....	16,368	16,749	0
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 17,148</u></b>	<b><u>\$ 17,553</u></b>	<b><u>\$ 2,200</u></b>
<b>OTHER FUNDS:</b>			
<b>PENNSYLVANIA EHEALTH PARTNERSHIP FUND:</b>			
General Operations (EA).....	<u>\$ 0</u>	<u>\$ 2,100</u>	<u>\$ 3,000 <sup>b</sup></u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 780	\$ 804	\$ 2,200
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	16,368	16,749	0
OTHER FUNDS.....	0	2,100	3,000
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 17,148</u></b>	<b><u>\$ 19,653</u></b>	<b><u>\$ 5,200</u></b>

<sup>a</sup> Originally appropriated in Executive Offices - Health Information Exchange.

<sup>b</sup> \$2,200,000 transfer from the General Fund is excluded to avoid a double count.

Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>eHEALTH PARTNERSHIP AUTHORITY</b>							
GENERAL FUND.....	\$ 780	\$ 804	\$ 2,200	\$ 1,500	\$ 750	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	16,368	16,749	0	0	0	0	0
OTHER FUNDS.....	0	2,100	3,000	2,120	2,917	2,812	2,812
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 17,148</b>	<b>\$ 19,653</b>	<b>\$ 5,200</b>	<b>\$ 3,620</b>	<b>\$ 3,667</b>	<b>\$ 2,812</b>	<b>\$ 2,812</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 780	\$ 804	\$ 2,200	\$ 1,500	\$ 750	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	16,368	16,749	0	0	0	0	0
OTHER FUNDS.....	0	2,100	3,000	2,120	2,917	2,812	2,812
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 17,148</b>	<b>\$ 19,653</b>	<b>\$ 5,200</b>	<b>\$ 3,620</b>	<b>\$ 3,667</b>	<b>\$ 2,812</b>	<b>\$ 2,812</b>

*PROGRAM OBJECTIVE: 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.*

## Program: Health Information Technology

The Pennsylvania eHealth Partnership Authority authorized by Act 121 of 2012 was established to build and maintain a health information exchange (HIE) infrastructure and to coordinate health information exchange projects statewide.

The authority will develop policies and procedures to govern the electronic exchange of health information within the commonwealth, develop and maintain standards to ensure interoperability, promote and govern the security and privacy of such an exchange and develop and conduct public information programs to educate and inform consumers and patients about health information exchange.

The authority will develop, establish and maintain an HIE infrastructure that complies with federal and state laws. The authority will also build and maintain a master index of patients and a record locator service that will allow all participants to effectively match patient records and transmit them to and from the proper locations. Act 121 also mandates that the authority build and maintain an Opt-Out Registry that allows citizens to decide if they want their electronic health records shared and to have their preferences available to their health care providers.

The authority will establish and collect fees, including transaction, subscription or other fees or in-kind donations,

to cover implementation and operational costs of the system, or for other services provided by the authority. Participation in the electronic record exchange by any health care provider, payer, consumer or any other entity is voluntary.

The authority will develop and maintain certified participant programs for HIE participation and will require certification for any entity accessing the system. These stakeholder-informed certification programs will establish a secure network for the personal health information of Pennsylvania's citizens.

The authority also will offer health care capacity building grants through leveraging of federal grant monies to help construct and bolster the use of electronic technology. This includes smaller or rural health care entities where exchange infrastructure, capability or capacity may be lacking. In addition, grants will support development of a commonwealth internal HIE to facilitate sharing of health information across state agencies and between state and private sector entities. These efforts are expected to improve long-term health care outcomes through the more timely and accurate availability of patient information to health care providers and to the patients themselves.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND**  
**Transfer to PA eHealth Partnership Fund**  
 \$ 1,396 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Transfer to PA eHealth Partnership Fund..	\$ 780	\$ 804	\$ 2,200	\$ 1,500	\$ 750	\$ 0	\$ 0

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# 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 Objectives**

**Emergency Management:** *To develop and maintain a statewide emergency force capable of immediate and effective action in the event of natural, technological or other man-made disasters and rapid organizational expansion to assure civil preparedness for war or resource-based emergencies.*

**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.*

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# Emergency Management Agency

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
<b>General Government Operations.....</b>	<b>\$ 8,081 a</b>	<b>\$ 8,831 b</b>	<b>\$ 8,831</b>
(F)Civil Preparedness.....	21,000	21,000	21,000
(F)Hazardous Materials Planning and Training.....	692	1,416	1,024
(F)Wireless E-911 Grant.....	2,479	2,479	0
(F)Domestic Preparedness - First Responders (EA).....	180,000	180,000	180,000
(A)Reimbursements - GGO.....	77	0	0
Subtotal.....	<u>\$ 212,329</u>	<u>\$ 213,726</u>	<u>\$ 210,855</u>
<b>State Fire Commissioner.....</b>	<b>2,099</b>	<b>1,994</b>	<b>2,036</b>
(F)Fire Prevention.....	42	42	42
(A)Fire Academy Fees.....	50	40	40
(A)Volunteer Company Loan Program.....	0	250	250
(A)Volunteer Company Grant Program.....	0	250	250
(A)Arson Fines.....	1	1	1
Subtotal.....	<u>\$ 2,192</u>	<u>\$ 2,577</u>	<u>\$ 2,619</u>
Subtotal - State Funds.....	\$ 10,180	\$ 10,825	\$ 10,867
Subtotal - Federal Funds.....	204,213	204,937	202,066
Subtotal - Augmentations.....	128	541	541
Total - General Government.....	<u>\$ 214,521</u>	<u>\$ 216,303</u>	<u>\$ 213,474</u>
<b>Grants and Subsidies:</b>			
(F)September 2004 Tropical Storm Ivan - Public Assistance (EA).....	\$ 575	\$ 0	\$ 0
(F)April 2005 Storm Disaster - Public Assistance (EA).....	101	0	0
(F)June 2006 Summer Storm - Public Assistance (EA).....	7,000	5,100	0
(F)November 2006 Winter Storm Disaster - Public Assistance (EA).....	3,600	1,000	1,000
(F)February 2010 Winter Snowstorms - PA (EA).....	280	0	0
(F)February 2010 Winter Snowstorms - HM (EA).....	7,100	6,000	3,500
<b>April 2011 Flooding Disaster Relief.....</b>	<b>4,750</b>	<b>0</b>	<b>0</b>
(F)April 2011 Flooding - Public Assistance (EA).....	14,250	10,000	4,500
<b>Summer 2011 Storm Disaster Relief.....</b>	<b>17,850</b>	<b>30,931 c</b>	<b>4,100</b>
(F)Summer 2011 Storm Disaster Relief (EA).....	49,000	160,000	80,000
<b>Hazard Mitigation.....</b>	<b>0</b>	<b>11,740</b>	<b>3,000</b>
<b>Hurricane Sandy - Disaster Relief.....</b>	<b>0</b>	<b>5,000</b>	<b>0</b>
(F)Hurricane Sandy Disaster Relief (EA).....	0	9,000	5,000
<b>October 2012 Hurricane Sandy - EMAC.....</b>	<b>0</b>	<b>5,000</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>100</b>	<b>100</b>	<b>0</b>
Subtotal - State Funds.....	\$ 22,710	\$ 52,781	\$ 7,110
Subtotal - Federal Funds.....	81,906	191,100	94,000
Total - Grants and Subsidies.....	<u>\$ 104,616</u>	<u>\$ 243,881</u>	<u>\$ 101,110</u>
STATE FUNDS.....	\$ 32,890	\$ 63,606	\$ 17,977
FEDERAL FUNDS.....	286,119	396,037	296,066
AUGMENTATIONS.....	128	541	541
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 319,137</u></b>	<b><u>\$ 460,184</u></b>	<b><u>\$ 314,584</u></b>

# Emergency Management Agency

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
VoIP Emergency Services Fund.....	\$ 15,318	\$ 14,000	\$ 16,650
Radiological Emergency Response Planning.....	982	1,300	1,300
Radiation Emergency Response Fund.....	1,124	750	820
Radiation Transportation Emergency Response Fund.....	9	10	100
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 17,433</b>	<b>\$ 16,060</b>	<b>\$ 18,870</b>
<b>HAZARDOUS MATERIAL RESPONSE FUND:</b>			
General Operations.....	\$ 230	\$ 230	\$ 230
Hazardous Materials Response Team.....	230	230	230
Grants to Counties.....	1,610	1,610	1,610
Public and Facilities Owners Education.....	230	230	230
<b>HAZARDOUS MATERIAL RESPONSE FUND TOTAL.....</b>	<b>\$ 2,300</b>	<b>\$ 2,300</b>	<b>\$ 2,300</b>
<b>PROPERTY TAX RELIEF FUND:</b>			
Transfer to Volunteer Company Grants Program (EA).....	\$ 0	\$ 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.....	\$ 0	\$ 750	\$ 750
First Responders Equipment and Training.....	0	750	750
<b>UNCONVENTIONAL GAS WELL FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 1,500</b>	<b>\$ 1,500</b>
<b>VOLUNTEER COMPANIES LOAN FUND:</b>			
Volunteer Company Loans.....	\$ 8,846	\$ 17,500	\$ 17,500
<b>WIRELESS E-911 EMERGENCY SERVICES FUND:</b>			
General Operations (EA).....	\$ 2,400	\$ 3,314	\$ 2,320
Wireless E-911 Emergency Services Grants (EA).....	118,000	114,986	113,680
<b>WIRELESS E-911 EMERGENCY SERVICES FUND TOTAL.....</b>	<b>\$ 120,400</b>	<b>\$ 118,300</b>	<b>\$ 116,000</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 32,890	\$ 63,606	\$ 17,977
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	286,119	396,037	296,066
AUGMENTATIONS.....	128	541	541
OTHER FUNDS.....	173,979	185,660	186,170
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 493,116</b>	<b>\$ 645,844</b>	<b>\$ 500,754</b>

<sup>a</sup> Appropriated as \$934,000 for Information Systems Management, \$1,001,000 for Security and Emergency Preparedness and \$6,146,000 for General Government Operations.

<sup>b</sup> Appropriated as \$1,001,000 for Security and Emergency Preparedness and \$7,830,000 for General Government Operations.

<sup>c</sup> Includes recommended supplemental appropriation of \$14,931,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>EMERGENCY MANAGEMENT</b>							
GENERAL FUND.....	\$ 30,681	\$ 61,502	\$ 15,931	\$ 8,831	\$ 8,831	\$ 8,831	\$ 8,831
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	286,077	395,995	296,024	249,124	217,374	208,124	203,274
OTHER FUNDS.....	29,492	30,610	30,770	30,770	30,770	30,770	30,770
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 346,250</b>	<b>\$ 488,107</b>	<b>\$ 342,725</b>	<b>\$ 288,725</b>	<b>\$ 256,975</b>	<b>\$ 247,725</b>	<b>\$ 242,875</b>
<b>FIRE PREVENTION AND SAFETY</b>							
GENERAL FUND.....	\$ 2,209	\$ 2,104	\$ 2,046	\$ 2,084	\$ 2,084	\$ 2,084	\$ 2,084
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	42	42	42	42	42	42	42
OTHER FUNDS.....	144,615	155,591	155,941	155,941	155,941	155,941	155,941
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 146,866</b>	<b>\$ 157,737</b>	<b>\$ 158,029</b>	<b>\$ 158,067</b>	<b>\$ 158,067</b>	<b>\$ 158,067</b>	<b>\$ 158,067</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 32,890	\$ 63,606	\$ 17,977	\$ 10,915	\$ 10,915	\$ 10,915	\$ 10,915
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	286,119	396,037	296,066	249,166	217,416	208,166	203,316
OTHER FUNDS.....	174,107	186,201	186,711	186,711	186,711	186,711	186,711
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 493,116</b>	<b>\$ 645,844</b>	<b>\$ 500,754</b>	<b>\$ 446,792</b>	<b>\$ 415,042</b>	<b>\$ 405,792</b>	<b>\$ 400,942</b>

*PROGRAM OBJECTIVE: To develop and maintain a statewide emergency force capable of immediate and effective action in the event of natural, technological or other man-made disasters and rapid organizational expansion to assure civil preparedness for war or resource-based emergencies.*

## Program: Emergency Management

The Pennsylvania Emergency Management Agency (PEMA) was initially created in 1951 to address civil defense related public planning and preparedness. Over the last 60 years 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 to save lives and reduce suffering 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 that it takes all aspects of a community to effectively prepare for, protect against, respond to, recover from, and mitigate against any disaster. This includes an entire spectrum of emergency management partners, both traditional and nontraditional, including volunteer, faith, and community-based organizations, the private sector and the public, including survivors themselves.

Pennsylvania preparedness occurs as the result of actions taken to plan, organize, equip, respond, train and exercise to build and sustain the capabilities and capacity to protect our state from both notice and no-notice 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 within the five pillars of emergency management within the commonwealth; increase the efficiency of federal and state grant distribution, management and administration; provide wireless 911 callers the enhanced benefits traditionally available to landline 911 callers; and reduce the risks associated with 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 also include programs concerning prison/community safety, wireless Enhanced 911 implementation and maintenance, statewide chemical and nuclear power safety, hazardous materials transportation and individual emergency preparedness. PEMA also assists local governments with hazard assessments, emergency planning, warning systems and emergency communications and ongoing training programs to help them maintain their readiness. PEMA also 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 as it relates to each specific declaration.

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 comprehensive and coordinated 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.

The agency is responsible for activities required by the U. S. Environmental Protection Agency under the Federal Superfund Amendments and Reauthorization Act. Federal Clean Air Act amendments include upgrading chemical emergency preparedness facility plans and planning and training activities for compliance with the

# Emergency Management Agency

## Program: Emergency Management (continued)

Hazardous Materials Transportation Uniform Safety Act. Responsibilities for preparedness involve state and county governments and chemical manufacturers.

Act 9 of 2012 requires 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. The operator is required to submit a copy of the current emergency response plan for that well site and review the plan and submit an update annually. The plan and updates are to be submitted to PEMA, the Department of Environmental Protection (DEP) and the county emergency management agency with jurisdiction over the well site. PEMA and DEP have been charged with the development of the related regulations and PEMA

is developing the standardized plan document template for use by the well operators and will provide assistance upon any request or emergency.

PEMA is also responsible for the administration of the Public Safety Emergency Telephone Act (Act 78) as amended by Act 56 of 2003 which established the Wireless E-911 Emergency Services Fund. This fund provides for the collection of a one dollar per device monthly surcharge on wireless telephone customers to support a statewide integrated wireless E-911 system. The wireless surcharge funds are disbursed to public safety answering points to upgrade E-911 technologies by providing 911 telecommunicators with location information for wireless E-911 callers. Additional amendments to the Act in 2008 and 2010 have added fees for voice over internet protocol phones and prepaid wireless phones.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>		
	<b>Summer Storm 2011 Storm Disaster Relief</b>	\$ -5,000	<b>Hurricane Sandy - Disaster Relief</b>
\$ -26,831	—nonrecurring state match for federally funded projects.		—nonrecurring state match for federally funded projects.
	<b>Hazard Mitigation</b>	\$ -5,000	<b>October 2012 Hurricane Sandy - EMAC</b>
\$ -8,740	—nonrecurring state match for federally funded projects.		—nonrecurring projects.

The General Government Operations appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 8,081	\$ 8,831	\$ 8,831	\$ 8,831	\$ 8,831	\$ 8,831	\$ 8,831
April 2011 Flooding Disaster Relief .....	4,750	0	0	0	0	0	0
Summer 2011 Storm Disaster Relief .....	17,850	30,931	4,100	0	0	0	0
Hazard Mitigation .....	0	11,740	3,000	0	0	0	0
Hurricane Sandy - Disaster Relief .....	0	5,000	0	0	0	0	0
October 2012 Hurricane Sandy - EMAC ...	0	5,000	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 30,681</b>	<b>\$ 61,502</b>	<b>\$ 15,931</b>	<b>\$ 8,831</b>	<b>\$ 8,831</b>	<b>\$ 8,831</b>	<b>\$ 8,831</b>

*PROGRAM OBJECTIVE: To minimize the loss of life and property due to fire by developing and maintaining statewide municipal fire and emergency service capability.*

## Program: Fire Prevention and Safety

The State Fire Commissioner Act, Act 118 of 2010, places responsibility on the State Fire Commissioner 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 State Fire 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 fire 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 state's fire and emergency response community. The Local Level Training program, a unique system involving the State Fire 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 State Fire Academy's training facilities and staff support the Resident Training programs offering mid-level, advanced and specialty training in fire, rescue, hazardous material, plus officer development courses aimed at providing professional development opportunities for the state's fire service, state certified instructors and employees from other state agencies. As resources allow, selected programs of timely interest and concern are made

available to the emergency services through the State Fire Academy's "Academy on the Road" program. The State Fire 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. Funding for the loan program is reflected in the financial statement for the Volunteer Companies Loan Fund included in the Special Funds Appendix.

The Fire Company and Volunteer Ambulance Service Grant Program was extended through June 30, 2016 and 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 Service Intra-State Mutual Aid System, established by Act 93 of 2008, 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.

Act 13 of 2012 establishes the development, delivery and sustainment of training and grant programs for first responders and the acquisition of specialized equipment for response to emergencies relating to natural gas production from unconventional wells.

# Emergency Management Agency

## Program: Fire Prevention and Safety (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>GENERAL FUND</b>  <b>State Fire Commissioner</b>                  \$ 42 —to continue current program.</p>	<p><b>Red Cross Extended Care Program</b>                  \$ -100 —program elimination.</p>
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The Firefighters' Memorial Flag appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
State Fire Commissioner .....	\$ 2,099	\$ 1,994	\$ 2,036	\$ 2,074	\$ 2,074	\$ 2,074	\$ 2,074
Firefighters' Memorial Flag .....	10	10	10	10	10	10	10
Red Cross Extended Care Program.....	100	100	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 2,209</b>	<b>\$ 2,104</b>	<b>\$ 2,046</b>	<b>\$ 2,084</b>	<b>\$ 2,084</b>	<b>\$ 2,084</b>	<b>\$ 2,084</b>

# Emergency Management Agency

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Emergency Management</b>							
State and local emergency management personnel trained	2,713	2,500	2,500	2,500	2,500	2,500	2,500
Percentage of commonwealth residents prepared for a disaster through outreach and training events	36%	37%	38%	38%	38%	38%	38%
Percentage of counties that receive federal funds and exceed the required minimum number of community outreach events annually	45%	46%	47%	48%	48%	48%	48%
Emergency management grant funds disbursed in federal and state funds (dollars in thousands)	\$43,421	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
<b>Program: Fire Prevention and Safety</b>							
Fire departments participating in Fire Department Recognition program	300	625	650	675	700	725	750
State Fire Academy entry level training graduates	6,100	9,000	9,500	10,000	10,000	10,000	13,500
Individuals nationally certified at firefighter or higher at the State Fire Academy	3,100	4,000	4,100	4,200	4,300	4,400	4,500
Incidents reported through the PA Fire Information Reporting System	464,305	485,000	500,000	525,000	550,000	575,000	575,000
Volunteer company loans approved (dollars in thousands)	\$10,309	\$11,250	\$11,500	\$12,000	\$12,500	\$13,000	\$13,500
Fire and ambulance volunteer company grants awarded	2,541	2,600	2,600	2,600	2,600	2,600	2,600



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# 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 Objectives**

**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.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 10,642</b>	<b>\$ 10,642</b>	<b>\$ 10,642</b>
(A)Reimbursement - EDP Services.....	8,292	8,903	8,472
(A)Department Services.....	171	175	175
Subtotal.....	<u>\$ 19,105</u>	<u>\$ 19,720</u>	<u>\$ 19,289</u>
<b>Environmental Hearing Board.....</b>	<b>1,727</b>	<b>1,977</b>	<b>2,142</b>
Subtotal.....	<u>\$ 1,727</u>	<u>\$ 1,977</u>	<u>\$ 2,142</u>
<b>Environmental Program Management.....</b>	<b>27,755</b>	<b>24,965</b>	<b>26,587</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.....	15	200	200
(F)Water Quality Management Planning Grants.....	1,150	1,150	1,150
(F)ARRA - Water Quality Management Planning Grants.....	1,000	0	0
(F)Small Operators Assistance.....	100	300	300
(F)Wellhead Protection Fund.....	250	250	250
(F)Indoor Radon Abatement.....	600	600	600
(F)Non-Point Source Implementation.....	12,800	12,800	12,800
(F)Hydroelectric Power Conservation Fund.....	4	51	51
(F)Survey Studies.....	5,000	5,000	5,000
(F)ARRA - Survey Studies.....	3,300	0	0
(F)National Dam Safety.....	150	150	300
(F)Training Reimbursement for Small Systems.....	3,500	3,500	3,500
(F)State Energy Program.....	15,000	15,000	15,000
(F)ARRA - State Energy Program.....	70,000	35,000	0
(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).....	148	122	132
(F)Homeland Security Initiative (EA).....	2,000	2,000	2,000
(A)Payments - Department Services.....	117	78	556
(A)Vehicle Sales.....	15	5	5
(A)PADOT ISTE A REIMB.....	0	0	10
(A)Clean Water Fund.....	0	0	838
(A)Reimbursement from Water Pollution Control Revolving Fund.....	344	277	325
(A)Safe Drinking Water Revolving Fund Administration.....	238	210	225
(R)Sewage Facilities Program Administration (EA).....	1,075	1,500	1,500
(R)Used Tire Pile Remediation (EA).....	0	1,253	1,253
Subtotal.....	<u>\$ 232,731</u>	<u>\$ 192,581</u>	<u>\$ 160,752</u>
<b>Chesapeake Bay Agricultural Source Abatement.....</b>	<b>2,667</b>	<b>2,667</b>	<b>2,667</b>
(F)Chesapeake Bay Pollution Abatement.....	6,200	6,200	6,200
Subtotal.....	<u>\$ 8,867</u>	<u>\$ 8,867</u>	<u>\$ 8,867</u>
<b>Environmental Protection Operations.....</b>	<b>77,359</b>	<b>74,547</b>	<b>76,420</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.....	4,075	4,075	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.....	3,123	5,700	5,700

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
(F)Oil Pollution Spills Removal.....	1,000	1,000	1,000
(F)Emergency Disaster Relief (EA).....	213	213	213
(F)Technical Assistance to Small Systems (EA).....	1,000	1,000	1,000
(F)Assistance to State Programs (EA).....	6,000	4,500	4,500
(F)Local Assistance and Source Water Protection (EA).....	6,500	6,000	6,000
(A)Clean Air Fund.....	0	2,244	2,244
(A)Vehicle Sale.....	83	80	80
(A)Reimbursement from Water Pollution Control Revolving Fund.....	173	145	145
(A)Safe Drinking Water Account.....	0	200	200
(A)Solid Waste Abatement.....	0	500	500
(A)Reimbursement - PENNVEST.....	14	4	4
(A)Reimbursement - Department Services.....	193	116	3,712
(A)PADOT ISTEPA Program.....	695	825	825
(A)Safe Drinking Water Revolving Fund.....	615	615	615
(A)Reimbursement - Laboratory Services.....	10,698	10,506	10,506
(A)Lab Accreditation.....	1,714	1,610	1,610
Subtotal.....	\$ 144,149	\$ 144,574	\$ 150,978
<b>Black Fly Control and Research.....</b>	<b>3,314</b>	<b>3,314</b>	<b>3,314</b>
(A)County Contributions.....	740	650	650
Subtotal.....	\$ 4,054	\$ 3,964	\$ 3,964
<b>West Nile Virus Control.....</b>	<b>3,824</b>	<b>3,824</b>	<b>3,824</b>
Subtotal.....	\$ 3,824	\$ 3,824	\$ 3,824
Subtotal - State Funds.....	\$ 127,288	\$ 121,936	\$ 125,596
Subtotal - Federal Funds.....	261,992	223,675	189,770
Subtotal - Augmentations.....	24,102	27,143	31,697
Subtotal - Restricted Revenues.....	1,075	2,753	2,753
Total - General Government.....	\$ 414,457	\$ 375,507	\$ 349,816
<b>Grants and Subsidies:</b>			
Sewage Facilities Planning Grants.....	\$ 436	\$ 0	\$ 0
Sewage Facilities Enforcement Grants.....	620	0	0
Delaware River Master.....	76	76	76
Ohio River Basin Commission.....	13	0	0
Susquehanna River Basin Commission.....	573	573	573
Interstate Commission on the Potomac River.....	48	46	46
Delaware River Basin Commission.....	583	934	934
Ohio River Valley Water Sanitation Commission.....	143	136	136
Chesapeake Bay Commission.....	239	227	227
Transfer to Conservation District Fund.....	2,885	2,856	0
Interstate Mining Commission.....	32	30	30
Summer 2011 Storm - Stream Cleaning.....	1,300	0	0
Total - General Government.....	\$ 6,948	\$ 4,878	\$ 2,022
STATE FUNDS.....	\$ 134,236	\$ 126,814	\$ 127,618
FEDERAL FUNDS.....	261,992	223,675	189,770
AUGMENTATIONS.....	24,102	27,143	31,697
RESTRICTED REVENUES.....	1,075	2,753	2,753
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 421,405</b>	<b>\$ 380,385</b>	<b>\$ 351,838</b>
<b>MOTOR LICENSE FUND:</b>			
<b>General Government:</b>			
Dirt and Gravel Roads.....	\$ 4,000	\$ 4,000	\$ 4,000

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Safe Drinking Water Account.....	\$ 328	\$ 1,147	\$ 1,148
Radiation Protection Fund.....	9,442	13,133	13,506
Clean Water Fund.....	10,585	19,184	17,021
Solid Waste Abatement Fund.....	1,374	3,058	2,459
Well Plugging Account.....	16,332	18,309	18,571
Abandoned Well Plugging.....	240	673	500
Orphan Well Plugging.....	1,368	1,563	1,450
Alternative Fuels.....	5,744	1,595	13,120
Industrial Land Recycling.....	0	200	200
Waste Transportation Safety Account.....	1,815	2,356	2,630
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 47,228</b>	<b>\$ 61,218</b>	<b>\$ 70,605</b>
<b>ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:</b>			
Acid Mine Drainage Abatement and Treatment (F) (EA).....	\$ 4,033	\$ 7,385	\$ 9,148
<b>CLEAN AIR FUND:</b>			
Major Emission Facilities (EA).....	\$ 20,055	\$ 18,464	\$ 18,886
Mobile and Area Facilities (EA).....	2,710	10,198	10,275
<b>CLEAN AIR FUND TOTAL.....</b>	<b>\$ 22,765</b>	<b>\$ 28,662</b>	<b>\$ 29,161</b>
<b>COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND:</b>			
General Operations (EA).....	\$ 2,540	\$ 3,629	\$ 4,000
Payment of Claims (EA).....	1,434	2,040	2,040
<b>COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL.....</b>	<b>\$ 3,974</b>	<b>\$ 5,669</b>	<b>\$ 6,040</b>
<b>COAL LANDS IMPROVEMENT FUND:</b>			
Coal Lands Restoration (EA).....	\$ 1	\$ 250	\$ 100
<b>CONSERVATION DISTRICT FUND:</b>			
Conservation District Grants (EA).....	\$ 2,914	\$ 2,856	\$ 1,250
<b>ENERGY DEVELOPMENT FUND:</b>			
Energy Development - Administration (EA).....	\$ 29	\$ 75	\$ 75
<b>ENVIRONMENTAL EDUCATION FUND:</b>			
General Operations (EA).....	\$ 665	\$ 1,039	\$ 703
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>			
Watershed Protection and Restoration (EA).....	\$ 12,915	\$ 17,621	\$ 21,474
<b>HAZARDOUS SITES CLEANUP FUND:</b>			
General Operations (EA).....	\$ 16,934	\$ 19,491	\$ 20,044
Hazardous Sites Cleanup (EA).....	22,140	23,000	23,000
Host Municipality Grants (EA).....	4	75	75
Transfer to Industrial Sites Cleanup Fund (EA).....	2,000	2,000	2,000
Small Business Pollution Prevention (EA).....	628	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	1,000	1,000
<b>HAZARDOUS SITES CLEANUP FUND TOTAL.....</b>	<b>\$ 44,706</b>	<b>\$ 48,566</b>	<b>\$ 49,119</b>
<b>MARCELLUS LEGACY FUND:</b>			
Natural Gas Energy Development Program.....	\$ 0	\$ 10,000	\$ 7,500
<b>MINE SAFETY FUND:</b>			
General Operations (EA).....	\$ 0	\$ 1	\$ 1
<b>NON-COAL SURFACE MINING CONSERVATION &amp; RECLAMATION FUND:</b>			
General Operations (EA).....	\$ 3,382	\$ 3,059	\$ 3,620
<b>NUTRIENT MANAGEMENT FUND:</b>			
Education, Research and Technical Assistance (EA).....	\$ 2,073	\$ 2,053	\$ 2,073

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12	2012-13	2013-14
	ACTUAL	AVAILABLE	BUDGET
<b>RECYCLING FUND:</b>			
Recycling Coordinator Reimbursement (EA).....	\$ 405	\$ 1,600	\$ 1,600
Reimbursement for Municipal Inspection (EA).....	360	400	400
Reimburse-Host Municipality Permit Applications Review (EA).....	10	10	10
Administration of Recycling Program (EA).....	1,192	1,222	1,320
County Planning Grants (EA).....	1,288	2,000	2,000
Municipal Recycling Grants (EA).....	6,705	19,610	19,600
Municipal Recycling Performance Program (EA).....	16,000	16,500	16,500
Public Education/Technical Assistance (EA).....	2,947	3,310	3,125
Transfer to Used Tire Pile Remediation.....	1,250	0 <sup>a</sup>	0 <sup>a</sup>
<b>RECYCLING FUND TOTAL.....</b>	<b><u>\$ 30,157</u></b>	<b><u>\$ 44,652</u></b>	<b><u>\$ 44,555</u></b>
<b>REMINING FINANCIAL ASSURANCE FUND:</b>			
Remining Financial Assurance (EA).....	\$ 0	\$ 151	\$ 50
<b>STORAGE TANK FUND:</b>			
General Operations (EA).....	\$ 5,342	\$ 5,842	\$ 6,931
(A) Investment/Closing Cost Reimbursement.....	2,862	2,800	2,350
Underground Storage Tanks (F) (EA).....	1,750	1,750	1,750
Leaking Underground Storage Tanks (F) (EA).....	2,990	2,990	2,990
ARRA - Leaking Underground Storage Tanks (F) (EA).....	3,000	0	0
<b>STORAGE TANK FUND TOTAL.....</b>	<b><u>\$ 15,944</u></b>	<b><u>\$ 13,382</u></b>	<b><u>\$ 14,021</u></b>
<b>SURFACE MINING CONSERVATION &amp; RECLAMATION FUND:</b>			
General Operations (EA).....	\$ 2,492	\$ 6,526	\$ 3,487
<b>UNCONVENTIONAL GAS WELL FUND:</b>			
Transfer to Well Plugging Account.....	\$ 0	\$ 6,000	\$ 6,000
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:</b>			
Environmental Cleanup Program (EA).....	\$ 2,698	\$ 5,298	\$ 5,296
Pollution Prevention Program (EA).....	111	1,000	1,000
Catastrophic Release Program (EA).....	552	5,202	5,201
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....</b>	<b><u>\$ 3,361</u></b>	<b><u>\$ 11,500</u></b>	<b><u>\$ 11,497</u></b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 134,236	\$ 126,814	\$ 127,618
SPECIAL FUNDS.....	4,000	4,000	4,000
FEDERAL FUNDS.....	261,992	223,675	189,770
AUGMENTATIONS.....	24,102	27,143	31,697
RESTRICTED.....	1,075	2,753	2,753
OTHER FUNDS.....	196,639	270,665	280,479
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 622,044</u></b>	<b><u>\$ 655,050</u></b>	<b><u>\$ 636,317</u></b>

<sup>a</sup> Not added to the total to avoid double counting. 2012-13 Available is \$1,253,000 and 2013-14 Budget is \$1,253,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>ENVIRONMENTAL SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 12,369	\$ 12,619	\$ 12,784	\$ 12,784	\$ 12,784	\$ 12,784	\$ 12,784
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	8,463	9,078	8,647	8,647	8,647	8,647	8,647
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 20,832</b>	<b>\$ 21,697</b>	<b>\$ 21,431</b>	<b>\$ 21,431</b>	<b>\$ 21,431</b>	<b>\$ 21,431</b>	<b>\$ 21,431</b>
<b>ENVIRONMENTAL PROTECTION AND MANAGEMENT</b>							
GENERAL FUND.....	\$ 121,867	\$ 114,195	\$ 114,834	\$ 114,834	\$ 114,834	\$ 114,834	\$ 114,834
SPECIAL FUNDS.....	4,000	4,000	4,000	4,000	4,000	4,000	4,000
FEDERAL FUNDS.....	261,992	223,675	189,770	189,770	189,770	189,770	189,770
OTHER FUNDS.....	213,353	291,483	306,282	307,619	305,060	305,749	307,504
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 601,212</b>	<b>\$ 633,353</b>	<b>\$ 614,886</b>	<b>\$ 616,223</b>	<b>\$ 613,664</b>	<b>\$ 614,353</b>	<b>\$ 616,108</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 134,236	\$ 126,814	\$ 127,618	\$ 127,618	\$ 127,618	\$ 127,618	\$ 127,618
SPECIAL FUNDS.....	4,000	4,000	4,000	4,000	4,000	4,000	4,000
FEDERAL FUNDS.....	261,992	223,675	189,770	189,770	189,770	189,770	189,770
OTHER FUNDS.....	221,816	300,561	314,929	316,266	313,707	314,396	316,151
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 622,044</b>	<b>\$ 655,050</b>	<b>\$ 636,317</b>	<b>\$ 637,654</b>	<b>\$ 635,095</b>	<b>\$ 635,784</b>	<b>\$ 637,539</b>

*PROGRAM OBJECTIVE: To provide administrative and technical support for the commonwealth's environmental protection programs.*

## Program: Environmental Support Services

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)

**Environmental Hearing Board**  
 \$ 165 —to continue current program, including funding for a new regional office.

The General Government Operations appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 10,642	\$ 10,642	\$ 10,642	\$ 10,642	\$ 10,642	\$ 10,642	\$ 10,642
Environmental Hearing Board .....	1,727	1,977	2,142	2,142	2,142	2,142	2,142
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 12,369</b>	<b>\$ 12,619</b>	<b>\$ 12,784</b>	<b>\$ 12,784</b>	<b>\$ 12,784</b>	<b>\$ 12,784</b>	<b>\$ 12,784</b>

*PROGRAM OBJECTIVE: 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.*

## Program: Environmental Protection and Management

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. In the Department of Environmental Protection, a number of program elements 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. With the passage of Act 90 of 2002, the primary revenue source for the Environmental Stewardship Fund was restructured from a General Fund contribution to a \$4 tipping fee per ton of solid waste disposed in Pennsylvania's municipal waste landfills. Act 24 of 2010 extended the \$4 tipping fee until 2020. Passage of Act 13 of 2012 added a percentage of unconventional gas well fees and Oil and Gas Lease fees as additional revenue sources for the Environmental Stewardship Fund. 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. Samples from streams and lakes, solid wastes, drinking water, industrial wastes and 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. With the passage of the Environmental Laboratory Accreditation Act (Act 90 of 2002), an accreditation program for environmental

laboratories within the department was established to assure the quality of compliance data in all program areas.

### **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 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.

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.

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, constructed and operated in accordance with air quality regulations. The department regulates more than 3,000 sources of air emissions. The department approves plans for new construction or modification of existing facilities and issues operating permits for major sources. The department has implemented an initiative to streamline the permit process. 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

## Program: Environmental Protection and Management (continued)

doing removal work and oversees the safe disposal of the 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 II bond is helping to improve water quality by restoring or improve approximately 11,000 acres of riparian forest buffers and installing 43 acid mine drainage (AMD) treatment systems to treat over 11,125 gallons per minute of AMD. That is more than 5.3 billion gallons of AMD treated annually.

Through its planning, permitting, surveillance, monitoring, enforcement and grant administration activities, the department carries out its duties and responsibilities for regulating water pollution control facilities and maintaining 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 department has incorporated a significant effort to bring municipalities into compliance with federal combined sewer overflow discharge requirements. Approximately 90 percent of the commonwealth's municipalities are in compliance with the nine minimum controls specified by the department.

The Clean Water State Revolving Fund program provides low-interest loans to communities for construction of wastewater facilities. The department assists the Pennsylvania Infrastructure Investment Authority (PENVEST) in implementing this program by establishing priorities for funding and 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 AMD 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.

#### ***Program Element: Water Allocation***

Under the Water Rights Law, Act 365 of 1939, 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.

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 the remainder of the waste stream. 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

## Program: Environmental Protection and Management (continued)

under this act financially self-sufficient. This plan was completed in 2004 and is now used as technical assistance in the development of grant applications.

The department regulates new and existing landfills to ensure they are designed, constructed and operated with minimal risk to nearby residents and to 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, closure and ongoing monitoring of residual waste management facilities. Act 93 of 1988 established a manifest system to track infectious (hospital) wastes from generation until disposal.

The department licenses hazardous waste transporters and provides permits to waste management facilities under the Solid Waste Management Act of 1980. 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, Act 32 of 1989, 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 more than 100,000 oil and

gas wells and gas storage reservoirs under the Oil and Gas Act of 1984, protecting the environment through permits, inspections and enforcement.

### **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, was established by three statutes passed in 1995: Act 2, the Land Recycling and Environmental Remediation Standards Act; Act 3, the Economic Development Agency, Fiduciary and Lender Environmental Liability Act; and Act 4, the Industrial Sites Environmental Assessment Act. The program 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, authorized by the Hazardous Sites Cleanup Act (HSCA), Act 108 of 1988, provides funding to conduct cleanups where there is no known responsible party. HSCA also provides the department with enforcement authorities to force the persons who are responsible for releases of hazardous substances to conduct cleanup actions or repay cleanup funds spent by the department. HSCA funds are also used to pay Pennsylvania's share of cleanup costs for sites in the Federal Superfund program. Chapter 9 of HSCA established the Hazardous Sites Cleanup Fund (HSCF), which has been utilized to finance thousands of contaminated site cleanups. The program is currently funded through an annual \$40 million transfer from Capital Stock and Franchise Tax revenues.

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 provides 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.

Act 13 of 2012 requires oil and gas well operators to plug non-producing wells and authorizes permit surcharges to

## Program: Environmental Protection and Management (continued)

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 implements the Pennsylvania Safe Drinking Water Act of 1984 and protects public health by regulating nearly 9,200 public water systems serving 10.7 million Pennsylvanians. Public water systems include community water systems, serving millions of residents and non-community public water systems generally serving restaurants, industries, schools and motels, which must comply with standards.

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, surveillance, monitoring, compliance, enforcement, training and technical assistance. As a primacy state, the department implements all aspects of the federal Safe Drinking Water Act including the 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, which is jointly administered by the department and PENNVEST. 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.

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. Pennsylvania is one of the most severely affected states in the country for radon problems with approximately 40% of our homes and buildings testing greater than the EPA guideline.

#### ***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 also provides information, outreach and funding to build a long-term infrastructure for county government.

The department reduces the black fly population and gives relief to citizens and visitors of the commonwealth by treating 1,600 stream miles of 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 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,

## Program: Environmental Protection and Management (continued)

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 under the Dam Safety and Encroachments Act of 1978 (DSEA). The regulation of dams includes an engineering and environmental technical review of dam projects meeting the scope of the DSEA, inspection of existing dams and dams under construction, the annual review of high hazard dams and less frequent periodic review of non-high hazard dams. Approximately 800 of the over 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 is a thorough review of the plans and specifications for all dam projects for conformance to the current standards accepted by the engineering profession and the environmental review is to assure 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 and 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 more than 3,800 mining operations, in addition to safety and emergency medical training and certifications for underground mine workers.

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. A report is made outlining the cause of the accident and possible means of preventing a similar accident.

### **Program Element: Explosives Safety**

The department regulates the use, handling and storage of explosives in mining and non-mining situations alike. The department worked with the Pennsylvania State Police and the Pennsylvania Office of Homeland Security on regulations that will greatly enhance the security of explosives storage sites from terrorism and other threats.

The department reviews and issues approximately 1,800 licenses and permit applications for blasting activities

annually. The department also conducts inspections at the sites where these activities occur. Additional training and public outreach on explosives is frequently provided. In addition, the department responds to approximately 50 incidents each year involving “orphaned” explosives that are found unsecured or improperly stored. Although blasting seldom results in damage to nearby structures, its effects, such as vibrations, often concern neighbors. The department investigates approximately 400 complaints from blasting activities annually.

## **SUSTAINABLE ENERGY**

### **Program Element: Advanced Energy Development**

The department promotes renewable and advanced energy development through grants, financing and technical support for projects that simultaneously 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.

Funding from the Growing Greener II bond leveraged an additional ten trillion BTUs of electricity generation per year from renewable sources and additional capacity from non-renewable advanced energy sources.

The department is also playing a lead role in initiatives to support statewide net metering and interconnection, the acquisition of credit for energy efficiency and renewable energy in the State Implementation Plan and other outreach efforts to promote advanced energy development. The department is collaborating with the Public Utility Commission to implement the Alternative Energy Portfolio Standards Act of 2004.

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 promotes the use of coal bed and mine methane and coal refuse, which are advanced energy resources. Coal bed methane has long been considered a mining and safety problem but until recently it was overlooked as a resource by the oil and gas industry. The department issues coal bed and mine permits related to coal bed methane exploration, extraction or production. Coal refuse is generally reclaimed for power generation in cogeneration plants.

### **Program Element: Energy Conservation and Efficiency**

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. Many of these technologies

# Environmental Protection

## Program: Environmental Protection and Management (continued)

originate as federal Department of Energy Best Practices for the industrial sector. The State Energy Program (SEP) is a federal program that provides funding to promote energy efficiency and pollution prevention. The goal of the State Energy Program is to provide leadership to maximize the benefits of energy efficiency and renewable energy through communications and outreach activities, technology deployment and accessing new partnerships and resources. The department's State Energy Office has helped to create energy development programs with

State Energy Program Funds which place an emphasis on domestically available energy resources including clean alternative energy and energy efficiency. This emphasis creates a circle of economic development and environmental improvement that encourages greater investments in Pennsylvania's economy. Programs which have been used to deploy this mission include grant programs, a variety of education and outreach opportunities as well as the implementation of financial tools to support domestic energy development.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>		<b>Transfer to Conservation District Fund</b>
	<b>Environmental Program Management</b>		—funding elimination due to the availability of
\$ 1,622	—to continue current program.	\$ -2,856	Act 13 Impact Fee revenues.
	<b>Environmental Protection Operations</b>		
\$ 1,873	—to continue current program.		

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Environmental Program Management.....	\$ 27,755	\$ 24,965	\$ 26,587	\$ 26,587	\$ 26,587	\$ 26,587	\$ 26,587
Chesapeake Bay Agricultural Source Abatement.....	2,667	2,667	2,667	2,667	2,667	2,667	2,667
Environmental Protection Operations.....	77,359	74,547	76,420	76,420	76,420	76,420	76,420
Black Fly Control and Research.....	3,314	3,314	3,314	3,314	3,314	3,314	3,314
West Nile Virus Control .....	3,824	3,824	3,824	3,824	3,824	3,824	3,824
Sewage Facilities Planning Grants.....	436	0	0	0	0	0	0
Sewage Facilities Enforcement Grants .....	620	0	0	0	0	0	0
Delaware River Master.....	76	76	76	76	76	76	76
Ohio River Basin Commission.....	13	0	0	0	0	0	0
Susquehanna River Basin Commission .....	573	573	573	573	573	573	573
Interstate Commission on the Potomac River .....	48	46	46	46	46	46	46
Delaware River Basin Commission .....	583	934	934	934	934	934	934
Ohio River Valley Water Sanitation Commission.....	143	136	136	136	136	136	136
Chesapeake Bay Commission .....	239	227	227	227	227	227	227
Transfer to Conservation District Fund.....	2,885	2,856	0	0	0	0	0
Interstate Mining Commission .....	32	30	30	30	30	30	30
Summer 2011 Storm - Stream Cleaning.....	1,300	0	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 121,867</b>	<b>\$ 114,195</b>	<b>\$ 114,834</b>	<b>\$ 114,834</b>	<b>\$ 114,834</b>	<b>\$ 114,834</b>	<b>\$ 114,834</b>
<b>MOTOR LICENSE FUND:</b>							
Dirt and Gravel Roads.....	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Environmental Protection and Management</b>							
<b>Protection of Air Quality</b>							
Percentage of population in counties attaining the ambient PM-2.5 (fine particles) annual standard	100%	100%	100%	100%	100%	100%	100%
Percentage of population in counties attaining the 1997 ambient ozone standard*	88%	88%	100%	100%	100%	100%	100%
Percentage of population in counties attaining the 2008 ambient ozone standard*	35%	42%	50%	68%	100%	100%	100%
Percentage of hazardous air pollutant reductions**	22.90%	10.27%	0.49%	0%	19%	0%	0%
<b>Protection of Water Quality</b>							
Acres of stream buffers installed	3,000	1,500	1,500	1,500	1,500	1,500	1,500
Miles of impaired streams restored to attaining designated use***	468	50	50	50	50	50	50
Acres of impaired lakes restored to attaining their designated use*	0	1,000	1,000	1,000	1,000	1,000	1,000
Acres of existing stream buffers protected*	1,353	1,000	1,000	1,000	1,000	1,000	1,000
Total number of treatment systems treating Acid Mine Drainage*	300	315	330	345	360	375	375
<b>Safe Waste Management</b>							
Tons of municipal solid waste recycled (in millions)	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Tons of municipal solid waste disposed per capita*	0.70	0.69	0.68	0.67	0.66	0.65	0.65
Number of wastewater facility inspections*	6,390	6,000	6,000	6,000	6,000	6,000	6,000
Percentage of wastewater inspections with no recorded violations*	68%	72.30%	72.30%	72.30%	72.30%	72.30%	72.30%
Percentage of wastewater violations that were remedied*	68%	85.50%	85.50%	85.50%	85.50%	85.50%	85.50%
Number of wastewater systems with improved operational capability through optimization or other compliance assistance*	13	34	50	50	50	50	50
Number of waste facility inspections*	4,031	4,100	4,100	4,100	4,100	4,100	4,100
Percentage of waste facilities complying with environmental regulations*	76.78%	78%	79%	80%	81%	82%	82%
<b>Restoration of Land</b>							
Leaking storage tank cleanups completed	1,180	500	500	400	400	300	300
Sites currently in Environmental Cleanup and Brownfields Voluntary Cleanup program*	3,132	3,080	3,030	2,080	2,030	1,080	1,080
Site cleanups completed under the Environmental Cleanup and Brownfields Voluntary Cleanup program*	380	350	350	350	350	350	350
Response actions to hazardous substances completed*	138	100	100	100	75	75	75
Percentage of storage tank releases cleaned up*	83.30%	84.55%	85.82%	86.68%	87.54%	88.42%	88.42%
Number of acres reclaimed*	188	200	200	200	200	200	200

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Number of reining projects completed*	15	15	15	15	15	15	15
Number of acres reclaimed (reining)*	141	125	125	125	125	125	125
Abandoned Mineland (AML) acres reclaimed*	575	600	600	600	600	600	600
Cumulative acres of AML reclaimed since inception of AML program in 1977*	27,985	28,585	29,185	29,785	30,385	30,985	30,985
<b>Safe Drinking Water</b>							
Percentage of community water systems that meet health based drinking water standards*	97%	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*	5,645	3,000	3,000	3,000	3,000	3,000	3,000
Number of sanitary survey inspections conducted at public water systems*	2,553	2,500	2,500	2,500	2,500	2,500	2,500
<b>Radiation Protection</b>							
Residential and commercial buildings with radon mitigated by certified installers	10,488	9,500	9,500	9,500	9,500	9,500	9,500
<b>Nuisance and Vector Control</b>							
Acres treated for black fly control*	705,749	700,000	700,000	700,000	700,000	700,000	700,000
Acres treated for West Nile Virus control*	93,601	50,000	50,000	50,000	50,000	50,000	50,000
<b>Dam Safety</b>							
Dam Emergency Action Plan compliance rate	90%	92%	94%	96%	98%	99%	99%
Percentage of deficient high hazard dams*	69.80%	65.90%	62%	58.10%	54.20%	50.30%	50.30%
Population at risk downstream of deficient high hazard dams*	1,452,000	1,400,000	1,350,000	1,300,000	1,250,000	1,200,000	1,200,000
Percentage of high hazard dams classified as safe*	85.10%	86.10%	87.10%	87.50%	88%	88.50%	88.50%
Capital budget flood protection projects: Total authorized funds for projects under design/construction*	\$323,580,000	\$353,340,000	\$344,410,000	\$335,410,000	\$261,290,000	\$249,230,000	N/A
Capital budget flood protection projects: Total construction cost of projects completed*	\$3,754,000	\$10,471,000	\$5,510,000	\$38,700,000	\$5,800,000	N/A	N/A
<b>Mine Safety</b>							
Lost-time accidents per 200,000 employee hours of exposure	2.16	2.16	2.16	2.16	2.16	2.16	2.16
People educated in mine safety through the "Stay Out Stay Alive" program	119,423	119,423	119,423	119,423	119,423	119,423	119,423
Mine subsidence policies issued*	53,114	51,000	51,250	51,500	51,750	52,000	52,000
Mine subsidence policies renewed*	2,043	2,000	2,050	2,100	2,150	2,200	2,200
Number of mine inspections*	20,500	20,000	20,000	20,000	20,000	20,000	20,000
<b>Oil and Gas Management</b>							
Number of oil and gas drilling permits processed*	5,452	4,182	4,098	4,098	4,098	4,098	4,098
Number of oil and gas well inspections (conventional wells)*	12,077	12,077	12,077	12,077	12,077	12,077	12,077

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Number of oil and gas violations (conventional wells)*	2,294	2,294	2,294	2,294	2,294	2,294	2,294
Number of oil and gas enforcement actions (conventional wells)*	517	517	517	517	517	517	517
Number of oil and gas enforcement actions (unconventional wells)*	264	264	264	264	264	264	264
Number of oil and gas violations (unconventional wells)*	902	902	902	902	902	902	902
Number of oil and gas well inspections (unconventional wells)*	12,068	13,000	13,250	13,500	13,750	14,000	14,000
<b>Department-wide Totals</b>							
Percentage of violations resolved (department-wide)*	92.14%	95%	95%	95%	95%	95%	95%
Percentage of inspections with violations noted (department-wide)*	15.51%	15%	15%	15%	15%	15%	15%
Percentage of sites with full compliance with environmental regulations (department-wide)*	77.71%	79%	80%	81%	82%	83%	84%

\* New Program Measure

\*\*Measure is a percentage change based on the number of tons reduced each year.

\*\*\*Measure for 2011-12 captures past remediation work.

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# 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 Objectives**

**Executive Direction:** *To promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.*

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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

2011-12 ACTUAL      2012-13 AVAILABLE      2013-14 BUDGET

**GENERAL FUND:**

*General Government:*

State Ethics Commission.....	\$	1,768	\$	1,768	\$	1,768
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## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>ETHICS COMMISSION</b>							
GENERAL FUND.....	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,768</b>	<b>\$ 1,768</b>	<b>\$ 1,768</b>	<b>\$ 1,768</b>	<b>\$ 1,768</b>	<b>\$ 1,768</b>	<b>\$ 1,768</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768
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
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 1,768</b>	<b>\$ 1,768</b>	<b>\$ 1,768</b>	<b>\$ 1,768</b>	<b>\$ 1,768</b>	<b>\$ 1,768</b>	<b>\$ 1,768</b>

*PROGRAM OBJECTIVE: To promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.*

## Program: Executive Direction

The Pennsylvania State Ethics Commission is an independent state agency first 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 the enforcement of certain provisions of the law regarding lobbyist and principal registrations and reporting as well as delineated prohibited activities. 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)

#### State Ethics Commission

The State Ethics Commission is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
State Ethics Commission.....	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768	\$ 1,768

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# 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 Objectives**

**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.*

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# Fish and Boat Commission

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>BOAT FUND:</b>			
<i>General Government:</i>			
<b>General Operations (EA)</b> .....	\$ 13,042	\$ 13,042	\$ 13,052
(F)US Coast Guard Grant - Boating Safety.....	2,405	2,200	2,000
(F)Sport Fish Restoration.....	2,355	1,715	1,740
(F)Boating Infrastructure Grant (BIG) Program.....	0	1,955	1,955
(F)Clean Vessel Act.....	0	71	71
(F)Federal Reimbursement of Services.....	0	143	150
(A)Sale of Vehicles.....	0	18	18
(A)State Reimbursement of Services.....	0	0	25
Subtotal - State Funds.....	\$ 13,042	\$ 13,042	\$ 13,052
Subtotal - Federal Funds.....	4,760	6,084	5,916
Subtotal - Augmentations.....	0	18	43
Total - General Government.....	\$ 17,802	\$ 19,144	\$ 19,011
STATE FUNDS.....	\$ 13,042	\$ 13,042	\$ 13,052
FEDERAL FUNDS.....	4,760	6,084	5,916
AUGMENTATIONS.....	0	18	43
<b>BOAT FUND TOTAL</b> .....	<b>\$ 17,802</b>	<b>\$ 19,144</b>	<b>\$ 19,011</b>

### FISH FUND:

<i>General Government:</i>			
<b>General Operations (EA)</b> .....	\$ 33,749	\$ 33,749	\$ 33,753
(F)Sport Fish Restoration.....	6,978	7,045	6,821
(F)Wildlife Conservation and Restoration - Non-Game.....	5	0	0
(F)Endangered Species.....	0	230	185
(F)Surface Mine Regulation.....	40	56	56
(F)NOAA.....	123	175	112
(F)USFWS - Partner for Fish & Wildlife.....	830	552	910
(F)State Wildlife Grant.....	826	750	700
(F)Federal Reimbursement of Services.....	175	500	0
(A)Sale of Vehicles.....	5	40	40
(A)Reimbursement for Services - PennDOT.....	144	197	175
(A)Reimbursement for Services - Miscellaneous.....	129	487	125
(A)High Hazard Dams.....	0	10,780	0
Subtotal - State Funds.....	\$ 33,749	\$ 33,749	\$ 33,753
Subtotal - Federal Funds.....	8,977	9,308	8,784
Subtotal - Augmentations.....	278	11,504	340
Total - General Government.....	\$ 43,004	\$ 54,561	\$ 42,877
STATE FUNDS.....	\$ 33,749	\$ 33,749	\$ 33,753
FEDERAL FUNDS.....	8,977	9,308	8,784
AUGMENTATIONS.....	278	11,504	340
<b>FISH FUND TOTAL</b> .....	<b>\$ 43,004</b>	<b>\$ 54,561</b>	<b>\$ 42,877</b>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>OTHER FUNDS:</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.....	\$ 0	\$ 1,000	\$ 1,000
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	46,791	46,791	46,805
FEDERAL FUNDS.....	13,737	15,392	14,700
AUGMENTATIONS.....	278	11,522	383
OTHER FUNDS.....	40	1,040	1,040
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 60,846</b>	<b>\$ 74,745</b>	<b>\$ 62,928</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>RECREATIONAL FISHING AND BOATING</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	46,791	46,791	46,805	46,805	46,805	46,805	46,805
FEDERAL FUNDS.....	13,737	15,392	14,700	12,778	12,778	12,778	12,778
OTHER FUNDS.....	318	12,562	1,423	1,298	1,298	1,298	1,298
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 60,846</b>	<b>\$ 74,745</b>	<b>\$ 62,928</b>	<b>\$ 60,881</b>	<b>\$ 60,881</b>	<b>\$ 60,881</b>	<b>\$ 60,881</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	46,791	46,791	46,805	46,805	46,805	46,805	46,805
FEDERAL FUNDS.....	13,737	15,392	14,700	12,778	12,778	12,778	12,778
OTHER FUNDS.....	318	12,562	1,423	1,298	1,298	1,298	1,298
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 60,846</b>	<b>\$ 74,745</b>	<b>\$ 62,928</b>	<b>\$ 60,881</b>	<b>\$ 60,881</b>	<b>\$ 60,881</b>	<b>\$ 60,881</b>

# Fish and Boat Commission

*PROGRAM OBJECTIVE: 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.*

## Program: Recreational Fishing and Boating

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)

	<b>BOAT FUND</b>		<b>FISH FUND</b>
	<b>General Operations (EA)</b>		<b>General Operations (EA)</b>
\$	10	—to continue current program.	\$
			4
			—to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>FISH FUND:</b>							
General Operations (EA).....	\$ 33,749	\$ 33,749	\$ 33,753	\$ 33,753	\$ 33,753	\$ 33,753	\$ 33,753
<b>BOAT FUND:</b>							
General Operations (EA).....	\$ 13,042	\$ 13,042	\$ 13,052	\$ 13,052	\$ 13,052	\$ 13,052	\$ 13,052

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Recreational Fishing and Boating</b>							
Fishing licenses sold	876,233	876,000	876,000	876,000	876,000	876,000	876,000
Cost per fishing licenses sold	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70
Pounds of fish stocked in commonwealth streams and lakes	2,086,718	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	\$5.28	\$5.55	\$5.65	\$5.72	\$5.85	\$5.94	\$6.05
Actively registered boats	335,000	335,000	335,000	335,000	335,000	335,000	335,000
Warnings issued for violations of fishing and boating laws	27,905	31,000	31,000	31,000	31,000	31,000	31,000
Convictions for violations of fishing and boating laws	5,771	6,000	6,000	6,000	6,000	6,000	6,000

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# GAME COMMISSION

*The mission of the Game Commission is to protect, conserve and manage the diversity of wildlife and their habitats, provide wildlife related education and recreational opportunities for both consumptive and non-consumptive uses of wildlife, and maintain and promote Pennsylvania's hunting and trapping heritage.*

## **Programs and Objectives**

**Wildlife Management:** *To establish habitats and environments which will sustain wildlife populations for recreational uses and for the perpetuation of species.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GAME FUND:</b>			
<b>General Government:</b>			
<b>General Operations (EA)</b> .....	<b>\$ 67,404<sup>a</sup></b>	<b>\$ 77,906</b>	<b>\$ 79,530</b>
(F)Pittman Robinson Act.....	15,001	16,000	15,000
(F)ARRA - Capital Improvement and Maintenance.....	679	250	0
(F)Miscellaneous Wildlife Grants.....	0	3,000	757
(F)Endangered Species.....	101	0	0
(F)Surface Mine Regulatory Program.....	9	0	0
(F)USFWS - State Wildlife Grants.....	1,065	0	0
(F)Chronic Wasting Disease.....	70	0	0
Subtotal.....	<u>\$ 84,329</u>	<u>\$ 97,156</u>	<u>\$ 95,287</u>
<b>Land Acquisition and Development (EA)</b> .....	<b>150</b>	<b>150</b>	<b>150</b>
Subtotal.....	<u>\$ 150</u>	<u>\$ 150</u>	<u>\$ 150</u>
Subtotal - State Funds.....	\$ 67,554	\$ 78,056	\$ 79,680
Subtotal - Federal Funds.....	16,925	19,250	15,757
Total - General Government.....	<u>\$ 84,479</u>	<u>\$ 97,306</u>	<u>\$ 95,437</u>
STATE FUNDS.....	\$ 67,554	\$ 78,056	\$ 79,680
FEDERAL FUNDS.....	16,925	19,250	15,757
<b>GAME FUND TOTAL</b> .....	<b><u>\$ 84,479</u></b>	<b><u>\$ 97,306</u></b>	<b><u>\$ 95,437</u></b>
<b>OTHER FUNDS:</b>			
<b>GAME FUND:</b>			
Resident License Fee-Natural Propagation of Wildlife.....	\$ 7,500	\$ 7,000	\$ 7,000
<b>STATE GAMING FUND:</b>			
Payments in Lieu of Taxes (EA).....	\$ 3,479	\$ 3,515	\$ 3,515
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	67,554	78,056	79,680
FEDERAL FUNDS.....	16,925	19,250	15,757
OTHER FUNDS.....	10,979	10,515	10,515
<b>TOTAL ALL FUNDS</b> .....	<b><u>\$ 95,458</u></b>	<b><u>\$ 107,821</u></b>	<b><u>\$ 105,952</u></b>

<sup>a</sup> Includes \$631,000 of augmentations.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>WILDLIFE MANAGEMENT</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	67,554	78,056	79,680	73,150	73,150	73,150	73,150
FEDERAL FUNDS.....	16,925	19,250	15,757	15,757	15,757	15,757	15,757
OTHER FUNDS.....	10,979	10,515	10,515	10,515	10,515	10,515	10,515
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 95,458</b>	<b>\$ 107,821</b>	<b>\$ 105,952</b>	<b>\$ 99,422</b>	<b>\$ 99,422</b>	<b>\$ 99,422</b>	<b>\$ 99,422</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	67,554	78,056	79,680	73,150	73,150	73,150	73,150
FEDERAL FUNDS.....	16,925	19,250	15,757	15,757	15,757	15,757	15,757
OTHER FUNDS.....	10,979	10,515	10,515	10,515	10,515	10,515	10,515
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 95,458</b>	<b>\$ 107,821</b>	<b>\$ 105,952</b>	<b>\$ 99,422</b>	<b>\$ 99,422</b>	<b>\$ 99,422</b>	<b>\$ 99,422</b>

*PROGRAM OBJECTIVE: To establish habitats and environments which will sustain wildlife populations for recreational uses and for the perpetuation of species.*

## Program: Wildlife Management

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 river otters, osprey, peregrine falcons and bald and golden eagles.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GAME FUND**  
**General Operations (EA)**  
 \$ 1,624 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GAME FUND:</b>							
General Operations (EA).....	\$ 67,404	\$ 77,906	\$ 79,530	\$ 73,000	\$ 73,000	\$ 73,000	\$ 73,000
Land Acquisition and Development (EA)...	150	150	150	150	150	150	150
<b>TOTAL GAME FUND.....</b>	<b>\$ 67,554</b>	<b>\$ 78,056</b>	<b>\$ 79,680</b>	<b>\$ 73,150</b>	<b>\$ 73,150</b>	<b>\$ 73,150</b>	<b>\$ 73,150</b>

Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Wildlife Management</b>							
Hunting licenses sold	931,060	930,000	930,000	930,000	930,000	930,000	930,000
Citations for violation of game laws	6,544	7,000	7,000	7,000	7,000	7,000	7,000
Development of wildlife management plans	2	3	2	2	2	2	2



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# 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 Objectives**

**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.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b><u>OTHER FUNDS:</u></b>			
<b>STATE GAMING FUND:</b>			
(R)Administration.....	\$ 27,388	\$ 25,142	\$ 31,153
(R)General Operations.....	8,113	10,956	5,755
Local Law Enforcement Grants (EA).....	2,000	2,000	2,000
<b>STATE GAMING FUND TOTAL.....</b>	<b>\$ 37,501</b>	<b>\$ 38,098</b>	<b>\$ 38,908</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 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.....	37,501	38,098	38,908	38,908	38,908	38,908	38,908
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 37,501</b>	<b>\$ 38,098</b>	<b>\$ 38,908</b>	<b>\$ 38,908</b>	<b>\$ 38,908</b>	<b>\$ 38,908</b>	<b>\$ 38,908</b>
<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.....	37,501	38,098	38,908	38,908	38,908	38,908	38,908
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 37,501</b>	<b>\$ 38,098</b>	<b>\$ 38,908</b>	<b>\$ 38,908</b>	<b>\$ 38,908</b>	<b>\$ 38,908</b>	<b>\$ 38,908</b>

*PROGRAM OBJECTIVE: 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.*

## Program: Gaming Regulation

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 Gaming Control Board consists of seven members: three gubernatorial appointees, including the chairman of the board, and four legislative appointees. The Secretary of Revenue, the Secretary of Agriculture and the State Treasurer serve as ex officio members.

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 by the Department of Conservation and Natural Resources, the Fish and Boat Commission and the Game Commission;
- \$25 million to the Emergency Management Agency for Volunteer Company Grants;
- \$2 million for Local Law Enforcement Grants; 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 Volunteer Company Grants.

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. The State Gaming Fund is shown in the Other Special Funds Appendix section of this budget.

## Program Recommendations:

### STATE GAMING FUND

This budget recommends a total of \$36,908,000 from restricted accounts in the State Gaming Fund for the operation of the Gaming Control Board in the 2013-14 fiscal year.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>STATE GAMING FUND:</b>							
(R)Administration.....	\$ 27,388	\$ 25,142	\$ 31,153	\$ 31,153	\$ 31,153	\$ 31,153	\$ 31,153
(R)General Operations.....	8,113	10,956	5,755	5,755	5,755	5,755	5,755
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>\$ 37,501</b>	<b>\$ 38,098</b>	<b>\$ 38,908</b>	<b>\$ 38,908</b>	<b>\$ 38,908</b>	<b>\$ 38,908</b>	<b>\$ 38,908</b>

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# 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 non-highway infrastructure, the department reaches for unparalleled customer service and continuous improvement while fostering sensible, sustainable and transparent government.*

## **Programs and Objectives**

**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.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 66,630</b>	<b>\$ 65,923</b>	<b>\$ 70,419</b>
(F)Homeland Security Grant (EA).....	61	0	0
(A)Federal Surplus Property.....	1,503	1,655	1,457
(A)State Surplus Property.....	570	285	350
(A)State Buildings Use.....	123	104	105
(A)Employee Liability Self Insurance Program.....	358	387	423
(A)Newsroom Services.....	6	6	6
(A)Administrative Services.....	318	108	123
(A)Plans and Specifications.....	23	10	10
(A)Media Center Reimbursements.....	1,217	2,116	2,116
(A)Recycling Program.....	540	525	500
(A)Metrology Fees.....	205	193	202
(A)CoStar Program.....	760	1,068	1,310
(A)Capitol Police Services.....	101	66	91
(A)Centralized Procurement.....	8,529	12,276	9,568
(A)Energy Office Management Fees.....	40	47	0
(A)DGS Annex.....	516	536	554
Subtotal.....	<b>\$ 81,500</b>	<b>\$ 85,305</b>	<b>\$ 87,234</b>
<b>Rental and Municipal Charges.....</b>	<b>22,583</b>	<b>22,969</b>	<b>22,969</b>
(A)Agency Rental Charges.....	395	404	425
(A)Real Estate Lease Reimbursements.....	18,486	22,174	22,026
Subtotal.....	<b>\$ 41,464</b>	<b>\$ 45,547</b>	<b>\$ 45,420</b>
<b>Utility Costs.....</b>	<b>25,876</b>	<b>24,574</b>	<b>21,641</b>
(A)ESCO Interest.....	3	21	21
(A)DGS Annex.....	257	271	358
Subtotal.....	<b>\$ 26,136</b>	<b>\$ 24,866</b>	<b>\$ 22,020</b>
<b>Printing the Pennsylvania Manual.....</b>	<b>58</b>	<b>0</b>	<b>0</b>
<b>Excess Insurance Coverage.....</b>	<b>1,412</b>	<b>1,624</b>	<b>1,211</b>
Subtotal - State Funds.....	\$ 116,559	\$ 115,090	\$ 116,240
Subtotal - Federal Funds.....	61	0	0
Subtotal - Augmentations.....	33,950	42,252	39,645
Total - General Government.....	<b>\$ 150,570</b>	<b>\$ 157,342</b>	<b>\$ 155,885</b>
<b>Grants and Subsidies:</b>			
<b>Capitol Fire Protection.....</b>	<b>\$ 496</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>
STATE FUNDS.....	\$ 117,055	\$ 117,590	\$ 118,740
FEDERAL FUNDS.....	61	0	0
AUGMENTATIONS.....	33,950	42,252	39,645
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 151,066</b>	<b>\$ 159,842</b>	<b>\$ 158,385</b>
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
<b>Harristown Rental Charges (EA).....</b>	<b>\$ 92</b>	<b>\$ 88</b>	<b>\$ 92</b>
<b>Harristown Utility and Municipal Charges (EA).....</b>	<b>193</b>	<b>189</b>	<b>200</b>
Total - General Government.....	<b>\$ 285</b>	<b>\$ 277</b>	<b>\$ 292</b>

**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Grants and Subsidies:</b>			
Tort Claims Payments.....	\$ 12,500	\$ 12,500	\$ 10,000
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 12,785</b>	<b>\$ 12,777</b>	<b>\$ 10,292</b>
 <b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Temporary Fleet Vehicles.....	\$ 956	\$ 1,046	\$ 1,001
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 117,055	\$ 117,590	\$ 118,740
SPECIAL FUNDS.....	12,785	12,777	10,292
FEDERAL FUNDS.....	61	0	0
AUGMENTATIONS.....	33,950	42,252	39,645
OTHER FUNDS.....	956	1,046	1,001
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 164,807</b>	<b>\$ 173,665</b>	<b>\$ 169,678</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>FACILITY, PROPERTY AND COMMODITY MANAGEMENT</b>							
GENERAL FUND.....	\$ 117,055	\$ 117,590	\$ 118,740	\$ 118,740	\$ 118,740	\$ 118,740	\$ 118,740
SPECIAL FUNDS.....	12,785	12,777	10,292	10,292	10,292	10,292	10,292
FEDERAL FUNDS.....	61	0	0	0	0	0	0
OTHER FUNDS.....	34,906	43,298	40,646	40,646	40,646	40,646	40,646
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 164,807</b>	<b>\$ 173,665</b>	<b>\$ 169,678</b>	<b>\$ 169,678</b>	<b>\$ 169,678</b>	<b>\$ 169,678</b>	<b>\$ 169,678</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 117,055	\$ 117,590	\$ 118,740	\$ 118,740	\$ 118,740	\$ 118,740	\$ 118,740
SPECIAL FUNDS.....	12,785	12,777	10,292	10,292	10,292	10,292	10,292
FEDERAL FUNDS.....	61	0	0	0	0	0	0
OTHER FUNDS.....	34,906	43,298	40,646	40,646	40,646	40,646	40,646
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 164,807</b>	<b>\$ 173,665</b>	<b>\$ 169,678</b>	<b>\$ 169,678</b>	<b>\$ 169,678</b>	<b>\$ 169,678</b>	<b>\$ 169,678</b>

*PROGRAM OBJECTIVE: 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.*

## Program: Facility, Property and Commodity Management

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 coordinates and oversees 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.

Public Works maximizes efficiency and monitors performance through a series of criteria focused upon 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 improve the timely delivery of quality multiple prime 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 monitor 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 and 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 2011-12, federal property originally valued at \$10.8 million was distributed to eligible organizations. The State Surplus Division enables reutilization of property among commonwealth and local agencies. Thereafter, goods are sold to the public through on-site auctions as well as internet sales. This division also conducts private sales of Department of Transportation heavy equipment to

## Program: Facility, Property and Commodity Management (continued)

municipalities in compliance with Title 4 of the PA Code. Revenue generated from state surplus property was nearly \$9 million for 2011-12.

### **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 lithographic offset and digital printing services as well as booklet making, binding, cutting, folding, drilling, padding 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.

### **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 needed by the commonwealth. The Space Management Division analyzes space requests and allocates space to departments, boards and commissions in state owned and leased facilities. The Land Management Division acquires real property for capital projects and disposes of real property owned by the commonwealth. This division also prepares the surplus property 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 8,000 tort claims each year, in conjunction with the Attorney General's Office, 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 nine 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 buildings of the Capitol Complex and Harrisstown, two regional state office buildings, as well as two executive residences. These facilities contain nearly 7.5 million square feet of office space, with 111.1 acres of grounds, parking area and roadways. Additionally, responsibility for the 53 buildings on 135 acres comprising the former Harrisburg State Hospital complex was transferred to General Services in July 2006.

### **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 to all branches of the Commonwealth of Pennsylvania. 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>
\$ 3,346	—to continue current program.		\$ 4	—increased pro rata share of charges.
1,150	—Initiative—Commonwealth Media Services. To support media services provided to commonwealth agencies.			
\$ 4,496	<i>Appropriation Increase</i>		\$ 11	
	<b>Utility Costs</b>			<b>Harristown Utility and Municipal Charges (EA)</b>
\$ -2,933	—based on current estimates.		\$ -2,500	—increased pro rata share of charges.
	<b>Excess Insurance Coverage</b>			<b>Tort Claims Payments</b>
\$ -413	—to continue current program.			—based on current estimates.

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 66,630	\$ 65,923	\$ 70,419	\$ 70,419	\$ 70,419	\$ 70,419	\$ 70,419
Rental and Municipal Charges .....	22,583	22,969	22,969	22,969	22,969	22,969	22,969
Utility Costs.....	25,876	24,574	21,641	21,641	21,641	21,641	21,641
Printing the Pennsylvania Manual .....	58	0	0	0	0	0	0
Excess Insurance Coverage.....	1,412	1,624	1,211	1,211	1,211	1,211	1,211
Capitol Fire Protection .....	496	2,500	2,500	2,500	2,500	2,500	2,500
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 117,055</b>	<b>\$ 117,590</b>	<b>\$ 118,740</b>	<b>\$ 118,740</b>	<b>\$ 118,740</b>	<b>\$ 118,740</b>	<b>\$ 118,740</b>
<b>MOTOR LICENSE FUND:</b>							
Harristown Rental Charges (EA) .....	\$ 92	\$ 88	\$ 92	\$ 92	\$ 92	\$ 92	\$ 92
Harristown Utility and Municipal Charges (EA) .....	193	189	200	200	200	200	200
Tort Claims Payments.....	12,500	12,500	10,000	10,000	10,000	10,000	10,000
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 12,785</b>	<b>\$ 12,777</b>	<b>\$ 10,292</b>	<b>\$ 10,292</b>	<b>\$ 10,292</b>	<b>\$ 10,292</b>	<b>\$ 10,292</b>

Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Facility, Property and Commodity Management</b>							
<b>Public Works</b>							
Maintain Error/Omission changes to no more than 15 percent of total change order cost*	11%	10.50%	10%	9.50%	9%	8.50%	8%
<b>Procurement</b>							
Cumulative DGS procurement related savings (in thousands)	\$45,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000
<b>Public Works</b>							
Percentage of all construction contracts executed within 45 days of the Notice of Award	100%	100%	100%	100%	100%	100%	100%
Percent of projects completed annually with final project contract costs within 105 percent of the original project award	47%	70%	90%	90%	90%	90%	90%
<b>Vehicles</b>							
Percent decrease in the number of state owned, non law enforcement passenger vehicles over number from January 2011*	13%	15%	16%	17%	18%	19%	20%
<b>Energy</b>							
Percent reduction in utility costs achieved (cumulative) beginning 2010-11*	13%	13%	13%	13%	13%	13%	13%
<b>Torts</b>							
Average cost per settlement	\$619	\$650	\$683	\$718	\$754	\$792	\$832
Claims settled per year	2,395	2,600	2,700	2,700	2,800	2,800	2,580
<b>Small Diverse Businesses</b>							
Annual percentage of commonwealth contract spending awarded to small and small diverse businesses	15%	15%	15%	15%	15%	15%	15%

\* New Program Measure

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# 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 Objectives**

**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.*

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# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

**GENERAL FUND:**

**General Government:**

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>General Government Operations.....</b>	<b>\$ 22,036</b>	<b>\$ 21,918</b>	<b>\$ 22,242</b>
(F)WIC Administration and Operation.....	23,036	39,655	18,565
(F)Health Assessment.....	491	535	535
(F)PHHSBG - Administration and Operation.....	2,325	2,381	2,211
(F)SABG - DDAP Support Services (EA).....	0	200	238
(F)MCHSBG - Administration and Operation.....	15,517	16,673	16,173
(F)Adult Blood Lead Epidemiology.....	136	108	108
(F)EMS for Children.....	149	155	155
(F)TB - Administration and Operation.....	911	1,232	1,232
(F)Lead - Administration and Operation.....	1,026	988	1,120
(F)AIDS Health Education - Administration and Operation.....	4,358	7,129	6,453
(F)Primary Care Cooperative Agreements.....	247	313	313
(F)HIV / AIDS Surveillance.....	1,377	1,610	1,610
(F)HIV Care - Administration and Operation.....	2,890	6,331	6,331
(F)Rural Access to Emergency Devices.....	0	160	0
(F)Cancer Prevention and Control.....	7,227	8,359	8,154
(F)Environmental Public Health Tracking.....	1,247	1,100	1,100
(F)Health Equity.....	179	225	225
(F)Strengthening Public Health Infrastructure.....	731	763	863
(F)Special Preparedness Initiatives.....	0	0	500
(F)ARRA - Lead - Administration and Operation.....	96	0	0
(F)Public Health Emergency Preparedness and Response (EA).....	52,444	72,674	64,675
(F)Learning Management System (EA).....	65	75	60
(A)Data Center Services.....	29	29	29
(A)Departmental Services.....	6	1	1
(A)ACHIEVE.....	6	0	0
(A)NACDD Epidemiologist.....	86	75	20
(A)Council of State and Territorial Epidemiologists (CSTE).....	7	21	0
Subtotal.....	<u>\$ 136,622</u>	<u>\$ 182,710</u>	<u>\$ 152,913</u>
<b>Quality Assurance.....</b>	<b>17,488</b>	<b>18,878</b>	<b>18,731</b>
(F)Medicare - Health Service Agency Certification.....	8,676	11,364	11,364
(F)Medicaid Certification.....	6,123	7,800	7,800
(F)ARRA - Ambulatory Surgical Infection Prevention.....	123	200	0
(A)Publication Fees.....	17	17	17
Subtotal.....	<u>\$ 32,427</u>	<u>\$ 38,259</u>	<u>\$ 37,912</u>
<b>Chronic Care Management.....</b>	<b>970</b>	<b>970</b>	<b>970</b>
(F)ARRA - Health Information Exchange Capacity (EA).....	10,000	10,000	0
Subtotal.....	<u>\$ 10,970</u>	<u>\$ 10,970</u>	<u>\$ 970</u>
<b>Vital Statistics.....</b>	<b>6,131</b>	<b>5,965</b>	<b>5,933</b>
(F)Cooperative Health Statistics.....	1,164	1,540	1,540
(F)Health Statistics.....	64	164	80
(F)Behavioral Risk Factor Surveillance System.....	331	674	712
(F)Birth Certificate Verification (EA).....	800	600	0
(A)Reimbursement for Microfilming.....	94	64	64
(A)Vital-Chek Surcharge.....	612	891	891
(R)County Coroner/Medical Examiner Distribution (EA).....	1,146	1,158	1,158
(R)Vital Statistics Improvement Administration (EA).....	1,825	1,930	2,920
Subtotal.....	<u>\$ 12,167</u>	<u>\$ 12,986</u>	<u>\$ 13,298</u>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>State Laboratory</b> .....	<b>3,428</b>	<b>3,168</b>	<b>3,168</b>
(F)Clinical Laboratory Improvement.....	511	678	678
(F)Epidemiology and Laboratory Surveillance and Response.....	1,711	3,433	3,433
(F)Food Emergency Response.....	276	290	290
(A)Blood Lead Testing.....	19	19	69
(A)Blood Lead Specimen Testing.....	11	11	11
(A)Erythrocyte Protoporphyrin Testing.....	13	13	13
(A)Alcohol Proficiency Testing.....	74	74	74
(A)Drug Abuse Proficiency.....	156	135	135
(A)Licensure for Clinical Laboratories.....	1,410	1,345	1,400
(A)Low Volume Proficiency Testing.....	256	0	0
(A)Training Course Fees.....	2	2	2
Subtotal.....	<u>\$ 7,867</u>	<u>\$ 9,168</u>	<u>\$ 9,273</u>
<b>State Health Care Centers</b> .....	<b>20,753</b>	<b>20,753</b>	<b>20,610</b>
(F)Disease Control Immunization.....	10,071	11,571	11,571
(F)ARRA - Disease Control Immunization.....	505	0	0
(F)PHHSBG - Block Program Services.....	3,284	2,972	3,020
(F)Preventive Health Special Projects.....	1,037	2,500	1,954
(F)Collaborative Chronic Disease Programs.....	3,691	13,177	6,744
(F)Sexual Violence Prevention and Education.....	1,994	1,869	1,592
(F)ARRA - Prevention and Wellness.....	3,729	86	0
(F)Refugee Health Program (EA).....	3,995	4,000	3,262
Subtotal.....	<u>\$ 49,059</u>	<u>\$ 56,928</u>	<u>\$ 48,753</u>
<b>Transition to Department of Drug and Alcohol Programs</b> .....	<b>950</b>	<b>0</b>	<b>0</b>
<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.....	2,676	2,741	2,741
Subtotal.....	<u>\$ 4,405</u>	<u>\$ 4,470</u>	<u>\$ 4,470</u>
Subtotal - State Funds.....	\$ 73,485	\$ 73,381	\$ 73,383
Subtotal - Federal Funds.....	175,213	236,325	187,402
Subtotal - Augmentations.....	2,798	2,697	2,726
Subtotal - Restricted Revenues.....	2,971	3,088	4,078
Total - General Government.....	<u>\$ 254,467</u>	<u>\$ 315,491</u>	<u>\$ 267,589</u>
<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>3,639</b>	<b>3,671</b>	<b>4,671</b>
(F)Loan Repayment Program.....	215	312	312
(F)Rural Hospital Flexibility Program.....	480	481	0
(F)ARRA - Health Professions Workforce Development.....	239	243	150
Subtotal.....	<u>\$ 4,573</u>	<u>\$ 4,707</u>	<u>\$ 5,133</u>
<b>Community-Based Health Care Subsidy</b> .....	<b>0</b>	<b>0</b>	<b>4,000</b>
<b>Newborn Screening</b> .....	<b>3,904</b>	<b>4,110</b>	<b>4,110</b>
<b>Cancer Screening Services</b> .....	<b>2,537</b>	<b>2,563</b>	<b>2,563</b>
<b>AIDS Programs</b> .....	<b>7,169</b>	<b>7,169</b>	<b>7,169</b>
(F)AIDS Health Education.....	1,480	2,380	3,056
(F)HIV Care.....	12,000	11,477	11,477
(F)Housing Opportunities for People with AIDS.....	2,263	2,347	2,538
(A)ADAP Rebate Funding.....	0	281	226
Subtotal.....	<u>\$ 22,912</u>	<u>\$ 23,654</u>	<u>\$ 24,466</u>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>AIDS Special Pharmaceutical Services</b> .....	<b>10,267</b> <sup>a</sup>	<b>10,267</b>	<b>10,267</b>
(F)AIDS Ryan White.....	32,534 <sup>a</sup>	34,534	34,534
(A)AIDS - Pharmacy Rebates.....	7,970 <sup>a</sup>	18,878	24,634
Subtotal.....	<u>\$ 50,771</u>	<u>\$ 63,679</u>	<u>\$ 69,435</u>
<b>Regional Cancer Institutes</b> .....	<b>427</b>	<b>450</b>	<b>450</b>
<b>School District Health Services</b> .....	<b>37,211</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>843</b>	<b>822</b>	<b>766</b>
(F)MCH Lead Poisoning Prevention and Abatement.....	2,959	2,683	2,050
(F)ARRA - MCH Lead Poisoning Prevention and Abatement.....	348	0	0
(F)MCHSBG - Program Services.....	16,882	17,180	17,030
(F)Women, Infants and Children (WIC).....	303,000	336,920	276,112
(F)ARRA - Women, Infants and Children (WIC).....	320	0	0
(F)Abstinence Education.....	2,875	2,486	2,628
(F)Traumatic Brain Injury.....	296	344	327
(F)Environmental Assessment - Child Lead Poisoning.....	174	105	0
(F)Family Health Special Projects.....	1,195	3,537	1,429
(F)Screening Newborns.....	843	874	881
(F)Newborn Hearing Screening and Intervention.....	384	336	330
(F)Teenage Pregnancy Prevention.....	3,335	4,089	4,159
Subtotal.....	<u>\$ 333,454</u>	<u>\$ 369,376</u>	<u>\$ 305,712</u>
<b>Tuberculosis Screening and Treatment</b> .....	<b>920</b>	<b>874</b>	<b>874</b>
(F)Tuberculosis Control Program.....	198	318	318
Subtotal.....	<u>\$ 1,118</u>	<u>\$ 1,192</u>	<u>\$ 1,192</u>
<b>Renal Dialysis</b> .....	<b>6,779</b>	<b>6,779</b>	<b>6,779</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>427</b>	<b>650</b>	<b>450</b>
<b>Cooley's Anemia</b> .....	<b>95</b>	<b>100</b>	<b>100</b>
<b>Hemophilia</b> .....	<b>902</b>	<b>949</b>	<b>949</b>
<b>Lupus</b> .....	<b>95</b>	<b>100</b>	<b>0</b>
<b>Sickle Cell</b> .....	<b>1,140</b>	<b>1,200</b>	<b>1,200</b>
<b>Regional Poison Control Centers</b> .....	<b>665</b>	<b>700</b>	<b>0</b>
<b>Trauma Program Coordination</b> .....	<b>256</b>	<b>390</b>	<b>0</b>
<b>Epilepsy Support Services</b> .....	<b>370</b>	<b>400</b>	<b>0</b>
<b>Bio-Technology Research</b> .....	<b>1,697</b>	<b>4,236</b>	<b>0</b>
<b>Tourette Syndrome</b> .....	<b>71</b>	<b>75</b>	<b>0</b>
<b>Amyotrophic Lateral Sclerosis Support Services</b> .....	<b>0</b>	<b>300</b>	<b>0</b>
Subtotal - State Funds.....	\$ 113,459	\$ 116,486	\$ 114,929
Subtotal - Federal Funds.....	382,020	420,646	357,331
Subtotal - Augmentations.....	7,970	19,159	24,860
Total - Grants and Subsidies.....	<u>\$ 503,449</u>	<u>\$ 556,291</u>	<u>\$ 497,120</u>
STATE FUNDS.....	\$ 186,944	\$ 189,867	\$ 188,312
FEDERAL FUNDS.....	557,233	656,971	544,733
AUGMENTATIONS.....	10,768	21,856	27,586
RESTRICTED REVENUES.....	2,971	3,088	4,078
<b>GENERAL FUND TOTAL</b> .....	<u><b>\$ 757,916</b></u>	<u><b>\$ 871,782</b></u>	<u><b>\$ 764,709</b></u>

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b><u>TOBACCO SETTLEMENT FUND:</u></b>			
<i>Grants and Subsidies:</i>			
Tobacco Use Prevention and Cessation (EA).....	\$ 13,945	\$ 14,221	\$ 13,977
Health Research - Health Priorities (EA).....	55,779	39,819	39,134
Health Research - National Cancer Institute (EA).....	3,099	3,159	3,106
Total - Grants and Subsidies.....	<u>\$ 72,823</u>	<u>\$ 57,199</u>	<u>\$ 56,217</u>
<b>TOBACCO SETTLEMENT FUND TOTAL.....</b>	<b><u>\$ 72,823</u></b>	<b><u>\$ 57,199</u></b>	<b><u>\$ 56,217</u></b>
<b><u>OTHER FUNDS:</u></b>			
<b>EMERGENCY MEDICAL SERVICES OPERATING FUND:</b>			
Emergency Medical Services.....	\$ 10,975	\$ 10,975	\$ 10,975
Catastrophic Medical and Rehabilitation.....	5,250	5,250	5,250
<b>EMERGENCY MEDICAL SERVICES OPERATING FUND TOTAL.....</b>	<b><u>\$ 16,225</u></b>	<b><u>\$ 16,225</u></b>	<b><u>\$ 16,225</u></b>
<b>GOV. CASEY ORGAN &amp; TISSUE DONATION AWARENESS FUND:</b>			
Implementation Costs (EA).....	\$ 96	\$ 96	\$ 96
Hospital and Other Medical Costs (EA).....	100	100	115
Grants to Certified Procurement Organizations (EA).....	609	609	577
Project Make-A-Choice (EA).....	241	198	173
<b>GOV. CASEY ORGAN &amp; TISSUE DONATION AWARENESS FUND TOTAL.....</b>	<b><u>\$ 1,046</u></b>	<b><u>\$ 1,003</u></b>	<b><u>\$ 961</u></b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 186,944	\$ 189,867	\$ 188,312
SPECIAL FUNDS.....	72,823	57,199	56,217
FEDERAL FUNDS.....	557,233	656,971	544,733
AUGMENTATIONS.....	10,768	21,856	27,586
RESTRICTED.....	2,971	3,088	4,078
OTHER FUNDS.....	17,271	17,228	17,186
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 848,010</u></b>	<b><u>\$ 946,209</u></b>	<b><u>\$ 838,112</u></b>

<sup>a</sup> Appropriated in the Department of Public Welfare.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>HEALTH SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 43,902	\$ 43,964	\$ 44,141	\$ 44,141	\$ 44,141	\$ 44,141	\$ 44,141
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	131,872	184,231	153,948	153,948	153,948	153,948	153,948
OTHER FUNDS.....	2,092	1,742	1,771	1,771	1,771	1,771	1,771
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 177,866</b>	<b>\$ 229,937</b>	<b>\$ 199,860</b>	<b>\$ 199,860</b>	<b>\$ 199,860</b>	<b>\$ 199,860</b>	<b>\$ 199,860</b>
<b>HEALTH RESEARCH</b>							
GENERAL FUND.....	\$ 8,355	\$ 10,751	\$ 6,383	\$ 6,383	\$ 6,383	\$ 6,383	\$ 6,383
SPECIAL FUNDS.....	58,878	42,978	42,240	42,240	42,240	42,240	42,240
FEDERAL FUNDS.....	2,359	2,978	2,332	2,332	2,332	2,332	2,332
OTHER FUNDS.....	3,677	4,043	5,033	5,033	5,033	5,033	5,033
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 73,269</b>	<b>\$ 60,750</b>	<b>\$ 55,988</b>	<b>\$ 55,988</b>	<b>\$ 55,988</b>	<b>\$ 55,988</b>	<b>\$ 55,988</b>
<b>PREVENTIVE HEALTH</b>							
GENERAL FUND.....	\$ 122,722	\$ 122,358	\$ 126,759	\$ 126,759	\$ 126,759	\$ 126,759	\$ 126,759
SPECIAL FUNDS.....	13,945	14,221	13,977	13,977	13,977	13,977	13,977
FEDERAL FUNDS.....	423,002	469,762	388,453	388,453	388,453	388,453	388,453
OTHER FUNDS.....	7,970	19,159	24,860	24,860	24,860	24,860	24,860
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 567,639</b>	<b>\$ 625,500</b>	<b>\$ 554,049</b>	<b>\$ 554,049</b>	<b>\$ 554,049</b>	<b>\$ 554,049</b>	<b>\$ 554,049</b>
<b>HEALTH TREATMENT SERVICES</b>							
GENERAL FUND.....	\$ 11,965	\$ 12,794	\$ 11,029	\$ 11,029	\$ 11,029	\$ 11,029	\$ 11,029
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	17,271	17,228	17,186	17,186	17,186	17,186	17,186
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 29,236</b>	<b>\$ 30,022</b>	<b>\$ 28,215</b>	<b>\$ 28,215</b>	<b>\$ 28,215</b>	<b>\$ 28,215</b>	<b>\$ 28,215</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 186,944	\$ 189,867	\$ 188,312	\$ 188,312	\$ 188,312	\$ 188,312	\$ 188,312
SPECIAL FUNDS.....	72,823	57,199	56,217	56,217	56,217	56,217	56,217
FEDERAL FUNDS.....	557,233	656,971	544,733	544,733	544,733	544,733	544,733
OTHER FUNDS.....	31,010	42,172	48,850	48,850	48,850	48,850	48,850
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 848,010</b>	<b>\$ 946,209</b>	<b>\$ 838,112</b>	<b>\$ 838,112</b>	<b>\$ 838,112</b>	<b>\$ 838,112</b>	<b>\$ 838,112</b>

*PROGRAM OBJECTIVE: To provide effective administration and support systems through which the substantive programs of the health delivery system and the department can be achieved.*

## Program: Health Support Services

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 Epidemiology program administers studies related to the origin, distribution and trends of major diseases and conditions. 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 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. If deficiencies are noted, a plan for correction is required. Facilities unable or unwilling to correct deficiencies according to a plan agreeable to the department are subject to various penalties. The department's website displays completed surveys for public access.

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. Acute care hospitals are surveyed and licensed on a two-year cycle. Nursing homes are subject to annual inspections. Home care agencies are inspected on a 12 to 36 month schedule. The frequency of inspections is based on the facility's history of compliance and the federal schedule for compliance. Hospice agencies are inspected on-site every other year. One-third of end-stage renal disease facilities are surveyed annually. Currently, 10 percent of other outpatient facilities providing physical therapy, occupational therapy and speech therapy and rural health clinic services are inspected annually. Birth centers and pediatric extended care centers are also inspected annually. Abortion facilities are inspected 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 department also surveys and inspects oral surgery providers and blood banks.

The Healthcare-Associated Infections (HAIs) 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 Managed Care program 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. This program reviews and approves provider contracts and reimbursement methods. It licenses and oversees capitated dental plans (dental HMOs), traditional PPOs, nonprofit medical-surgical, vision, and dental plans (including Pennsylvania Blue Shield). In accordance with Act 68 of 1998, 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 maintains a state of readiness to support the investigation of disease outbreaks and other threats to public health. The state laboratory performs approximately 200,000 tests each year for diseases including, but not limited to, HIV, rabies, meningitis, influenza, tuberculosis, botulism, Lyme Disease, West Nile Virus, drugs of abuse, alcohol and blood lead. The state laboratory is designated by the Federal Bureau of Investigation as the primary laboratory for the detection and identification of biological

## Program: Health Support Services (continued)

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 8,000 laboratories, including independent labs and those 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, Office of the Assistant Secretary for Preparedness and

Response and the Centers for Disease Control and Prevention provide 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 and 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)

	<b>GENERAL FUND</b>		<b>Quality Assurance</b>
	<b>General Government Operations</b>	\$	—147
\$	324		—to continue current program.
	—to continue current program.		

The State Laboratory appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 22,036	\$ 21,918	\$ 22,242	\$ 22,242	\$ 22,242	\$ 22,242	\$ 22,242
Quality Assurance.....	17,488	18,878	18,731	18,731	18,731	18,731	18,731
State Laboratory .....	3,428	3,168	3,168	3,168	3,168	3,168	3,168
Transition to Department of Drug and Alcohol Programs.....	950	0	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 43,902</b>	<b>\$ 43,964</b>	<b>\$ 44,141</b>	<b>\$ 44,141</b>	<b>\$ 44,141</b>	<b>\$ 44,141</b>	<b>\$ 44,141</b>

*PROGRAM OBJECTIVE: 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.*

## Program: Health Research

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)

<p><b>GENERAL FUND</b> <b>Vital Statistics</b> \$ -32 —to continue current program.</p> <p><b>Diabetes Programs</b> \$ -100 —program elimination.</p> <p><b>Bio-Technology Research</b> \$ -4,236 —program elimination.</p>	<p><b>TOBACCO SETTLEMENT FUND</b> <b>Health Research - Health Priorities (EA)</b> \$ -685 —decrease in Tobacco Settlement Funds available for transfer.</p> <p><b>Health Research - National Cancer Institute (EA)</b> \$ -53 —decrease in Tobacco Settlement Funds available for transfer.</p>
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The Regional Cancer Institutes appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Vital Statistics .....	\$ 6,131	\$ 5,965	\$ 5,933	\$ 5,933	\$ 5,933	\$ 5,933	\$ 5,933
Diabetes Programs .....	100	100	0	0	0	0	0
Regional Cancer Institutes .....	427	450	450	450	450	450	450
Bio-Technology Research.....	1,697	4,236	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 8,355</b>	<b>\$ 10,751</b>	<b>\$ 6,383</b>	<b>\$ 6,383</b>	<b>\$ 6,383</b>	<b>\$ 6,383</b>	<b>\$ 6,383</b>
<b>TOBACCO SETTLEMENT FUND:</b>							
Health Research - Health Priorities (EA)...	\$ 5,779	\$ 39,819	\$ 39,134	\$ 39,134	\$ 39,134	\$ 39,134	\$ 39,134
Health Research - National Cancer Institute (EA) .....	3,099	3,159	3,106	3,106	3,106	3,106	3,106
<b>TOTAL TOBACCO SETTLEMENT FUND .....</b>	<b>\$ 58,878</b>	<b>\$ 42,978</b>	<b>\$ 42,240</b>	<b>\$ 42,240</b>	<b>\$ 42,240</b>	<b>\$ 42,240</b>	<b>\$ 42,240</b>

*PROGRAM OBJECTIVE: To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care.*

## Program: Preventive Health

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, through its network of district offices, state health centers, other public health clinical providers and county and municipal health departments, provides public health services. These programs include communicable disease tracking; 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 established grant programs that enhance the recruitment and retention of primary health care physicians, dentists and other health professionals. Programs include grant awards to establish or expand medical and dental clinics (which require matching funds), educational loan repayment and visa waivers for healthcare professionals practicing in designated shortage areas, and support for the stabilization of small rural hospitals.

This budget proposes to enhance access to preventive primary care service for uninsured individuals and in underserved areas of the state through the modernization of the state health care centers service delivery system, increased recruitment and retention of health care professionals and additional support for health care clinics.

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 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 also distributes specialized metabolic products statewide for children and pregnant women with phenylketonuria or maple syrup urine disease to lessen the adverse effects of those conditions.

The department facilitates a number of programs designed to help improve the health status of women. These programs include an HIV and pregnancy initiative and a sexually transmitted disease program targeted to chlamydia and gonorrhea. Additionally, the Breast and Cervical Cancer Early Detection Program (Healthy Woman 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 provides 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 vaccines and guidance to school districts for the provision of hepatitis B, measles/mumps/rubella, varicella, tetanus/diphtheria/pertussis and meningococcal immunizations for students.

The health hazards of environmental lead are addressed through the department's Childhood Lead Poisoning Prevention program. The program identifies children with, or at risk for, lead poisoning. It assures

**Program: Preventive Health (continued)**

timely medical follow-up, environmental investigation and reduction of lead hazards to prevent adverse effects on intellectual functioning, behavior and overall health status attributable to lead exposure. Appropriate educational, medical and environmental follow-up is provided for the family of each child with a positive screening test result.

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 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 immunization services. These services range from offering immunization clinics and assuring that older citizens and others with chronic illnesses are given priority in accessing annual influenza and pneumococcal immunizations to providing information to fire companies, school districts, ambulance corps, corrections officials, police and other public organizations.

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 by the department 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 (formerly the PA Chronic Care Initiative) continues to work with physician offices, insurance companies, experts in the field, and the Centers for Medicare and Medicaid Services (CMS) to transform the way patient care is managed, delivered and documented in primary care settings, with the goal of improving health outcomes and reducing the cost of care. In 2012, this program was one of eight chosen by CMS to participate in a three-year demonstration project to collaborate with payers, providers and other stakeholders to develop methods to improve outcomes while reducing costs using qualitative data and the medical home concept. There are almost one million patients impacted by this demonstration project. Data from this demonstration project will aid the

program in developing a statewide comprehensive plan to treat and improve outcomes of chronic care patients while reducing costs.

The department's AIDS programs are a coordinated strategy to prevent and change high-risk behaviors and provide resources and direction for sustaining preventive behavior and avoiding infection with HIV. Emphasis is placed on enhancing local decision-making processes and targeting activities to local needs through seven regional planning coalitions, county/municipal health departments and other providers. The program includes the coordination of on-site training, community intervention projects for at-risk populations and the provision of care, case management and supportive services for persons infected and affected by HIV/AIDS. Confidential and anonymous HIV testing and partner notification services are also provided at more than 400 sites statewide. In 2012-13, the AIDS Special Pharmaceutical Services program was moved from the Department of Public Welfare to the Department of Health to enhance service delivery and improve program efficiency.

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 ages 15 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.

The Tuberculosis Control 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 focus on encouraging lifestyle changes to prevent the development of cancer and to support research, routine testing, screening and early intervention to improve the chance of survival for those who have cancer.

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 material primarily in schools and county health offices that are designed to encourage the prevention of tooth decay, periodontal disease and other oral diseases. The program

## Program: Preventive Health (continued)

also promotes the beneficial health effects of fluoridation of public water systems.

The Cardiovascular Health, program in conjunction with the Obesity Prevention 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.

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 10 county and municipal health departments and other providers to raise public awareness of childhood injuries, educate parents and caregivers about safer environments for children and provide prevention programs on fire safety, poisoning, bicycle safety, falls, firearms storage, drowning and violence prevention.

The Tobacco Use Prevention and Control program utilizes federal and state Tobacco Master Settlement

Agreement funds 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 comprehensive 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)

	<b>GENERAL FUND</b>			<b>Maternal and Child Health</b>
	<b>State Health Care Centers</b>		\$ -56	—reflects maximized utilization of federal funds.
\$ 3,279	—to continue current program.			
-3,422	—Initiative—State Health Care Centers		\$ -400	<b>Epilepsy Support Services</b>
	Modernization. Savings as a result of			—program elimination.
	modernizing the state health care centers			
	service delivery system through increased			
	staff mobility and greater use of technology.			
\$ -143	<i>Appropriation Decrease</i>		\$ -244	<b>TOBACCO SETTLEMENT FUND</b>
				<b>Tobacco Use Prevention and Cessation (EA)</b>
	<b>Primary Health Care Practitioner</b>			—decrease in Tobacco Settlement Funds
\$ 1,000	—Initiative—Expanded Access to Community			available for transfer.
	Health Care. To provide an additional 24			
	loan repayment awards to recruit and retain			
	health care professionals in underserved			
	areas of the state.			
	<b>Community-Based Health Care Subsidy</b>			
\$ 4,000	—Initiative—Expanded Access to Community			
	Health Care. To provide grants to			
	health care clinics to increase access			
	to preventive primary care services for			
	uninsured individuals and in underserved			
	areas of the states.			

All other appropriations are recommended at the current year funding level.

## Program: Preventive Health (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Chronic Care Management .....	\$ 970	\$ 970	\$ 970	\$ 970	\$ 970	\$ 970	\$ 970
State Health Care Centers .....	20,753	20,753	20,610	20,610	20,610	20,610	20,610
Sexually Transmitted Disease Screening and Treatment.....	1,729	1,729	1,729	1,729	1,729	1,729	1,729
Primary Health Care Practitioner.....	3,639	3,671	4,671	4,671	4,671	4,671	4,671
Community-Based Health Care Subsidy...	0	0	4,000	4,000	4,000	4,000	4,000
Newborn Screening .....	3,904	4,110	4,110	4,110	4,110	4,110	4,110
Cancer Screening Services.....	2,537	2,563	2,563	2,563	2,563	2,563	2,563
AIDS Programs.....	7,169	7,169	7,169	7,169	7,169	7,169	7,169
AIDS Special Pharmaceutical Services.....	10,267	10,267	10,267	10,267	10,267	10,267	10,267
School District Health Services .....	37,211	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 .....	843	822	766	766	766	766	766
Tuberculosis Screening and Treatment.....	920	874	874	874	874	874	874
Epilepsy Support Services.....	370	400	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 122,722</b>	<b>\$ 122,358</b>	<b>\$ 126,759</b>	<b>\$ 126,759</b>	<b>\$ 126,759</b>	<b>\$ 126,759</b>	<b>\$ 126,759</b>
<b>TOBACCO SETTLEMENT FUND:</b>							
Tobacco Use Prevention and Cessation (EA).....	\$ 13,945	\$ 14,221	\$ 13,977	\$ 13,977	\$ 13,977	\$ 13,977	\$ 13,977

*PROGRAM OBJECTIVE: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.*

## Program: Health Treatment Services

The department has responsibility for coordinating a variety of specialized medical services for commonwealth patients. The department also pays for these services in cases where all other available resources, including Medical Assistance (MA) and the Children's Health Insurance Program (CHIP), have been used.

One of the principal concerns of patient management is to provide treatment services at the least expensive level of care while remaining consistent with standards of good medical practice. Inpatient hospital and nursing care is provided for only the most acute medical conditions that require the facilities and services available in an inpatient setting. Because inpatient care is very expensive, programs providing this type of care have imposed strict controls on admissions and, where possible, are using outpatient services in lieu of hospitalization.

Outpatient treatment services are more economical and cost-effective than inpatient care and are used whenever possible to provide needed treatment services for chronic diseases.

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 Health Promotion program conducts a public information and education program 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 MA and CHIP are referred to those programs.

Federal funding is also available to facilitate connections to services for children with special needs through the Special Kids Network and Special Kids Network System of Care that support the family health nursing services consultants, which include both special needs consultants and maternal and child health consultants, in each of the department's district offices.

Special Kids Network acquaints families and health care providers with information and referral services and system of care activities, as well as offering an on-line searchable database of resources. Special Kids Network System of Care 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 community systems development, outreach, resource mapping, coalition building and project development and evaluation.

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 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: Health Treatment Services (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -200	<b>GENERAL FUND</b> <b>Adult Cystic Fibrosis</b> —program reduction.	\$ -390	<b>Trauma Program Coordination</b> —program elimination.
\$ -100	<b>Lupus</b> —program elimination.	\$ -75	<b>Tourette Syndrome</b> —program elimination.
\$ -700	<b>Regional Poison Control Centers</b> —program elimination.	\$ -300	<b>Amyotrophic Lateral Sclerosis Support Services</b> —program elimination.

All other appropriations are recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>General Fund:</b>							
Renal Dialysis.....	\$ 6,779	\$ 6,779	\$ 6,779	\$ 6,779	\$ 6,779	\$ 6,779	\$ 6,779
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 .....	427	650	450	450	450	450	450
Cooley's Anemia .....	95	100	100	100	100	100	100
Hemophilia.....	902	949	949	949	949	949	949
Lupus.....	95	100	0	0	0	0	0
Sickle Cell.....	1,140	1,200	1,200	1,200	1,200	1,200	1,200
Regional Poison Control Centers .....	665	700	0	0	0	0	0
Trauma Program Coordination .....	256	390	0	0	0	0	0
Tourette Syndrome .....	71	75	0	0	0	0	0
Amyotrophic Lateral Sclerosis Support							
Services .....	0	300	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 11,965</b>	<b>\$ 12,794</b>	<b>\$ 11,029</b>	<b>\$ 11,029</b>	<b>\$ 11,029</b>	<b>\$ 11,029</b>	<b>\$ 11,029</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Health Support Services</b>							
<b>Licensure and/or Federal Certification Surveys Completed Prior to Licensure Expiration by Facility Type</b>							
Hospitals within 24 months	229	245	245	245	245	245	245
Nursing homes within 15 months	747	710	710	710	710	710	710
Intellectual Disabilities - Intermediate Care Facilities within 12 months	179	190	190	190	190	190	190
Home health agencies within 12 months	409	450	450	450	450	450	450
Hospices within 12 months	193	185	185	185	185	185	185
Home Care Agencies/Registries within 12 months	1,203	1,150	1,150	1,150	1,150	1,150	1,150
Birth Centers within 12 months	5	5	5	5	5	5	5
Pediatric Extended Care Centers within 12 months	13	13	13	13	13	13	13
<b>Laboratory Services</b>							
Clinical laboratories licensed	7,960	8,160	8,160	8,160	8,160	8,160	8,160
Specimens tested by the state laboratory per year	47,724	51,500	51,500	51,500	51,500	51,500	51,500
Rabies tests by the state laboratory per year	3,750	3,750	3,750	3,750	3,750	3,750	3,750
West Nile Virus tests by the state laboratory per year	23,000	23,000	23,000	23,000	23,000	23,000	23,000
<b>Public Health Preparedness</b>							
Percentage of eligible hospitals registered to use PA National Electronic Disease Surveillance System (PA-NEDSS)	98%	98%	98%	98%	98%	98%	98%
Percentage of eligible laboratories registered to use PA National Electronic Disease Surveillance System (PA-NEDSS)	79%	80%	81%	81%	81%	81%	81%
<b>Program: Health Research</b>							
<b>Vital Events (births, deaths and fetal deaths)</b>							
Vital events registered (calendar year)	273,522	273,522	269,500	269,500	268,500	268,500	268,500
Percentage of vital events registered according to Vital Statistics Law and Title 28 of the PA Code	91%	95%	95%	95%	95%	95%	95%
Applications for certified copies of birth and death records filled (calendar year)	518,348	520,000	520,000	520,000	520,000	520,000	520,000
Percentage of cancer abstracts processed within 24 months of diagnosis	99%	99%	99%	99%	99%	99%	99%
<b>Health Research</b>							
New formula and non-formula grants awarded	42	35	31	31	31	31	31
Percentage of completed state-funded research grants that have received a favorable or outstanding performance evaluation from expert peer reviewers	95%	95%	95%	95%	95%	95%	95%

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Percentage of completed CURE grants exceeding \$100,000 that have leveraged additional outside funding	74%	70%	70%	70%	70%	70%	70%
<b>Program: Preventive Health</b>							
<b>State Health Care Centers</b>							
Total encounters by State Health Care Centers	440,860	462,900	474,475	486,335	486,335	486,335	486,335
Family health encounters including immunizations, injury prevention, and special health care needs	199,204	209,165	214,395	219,775	219,775	219,775	219,775
Communicable disease encounters including adult immunizations, HIV/AIDS, STD, tuberculosis and epidemiology	164,196	172,405	176,715	181,135	181,135	181,135	181,135
Chronic disease encounters including cancer, diabetes and tobacco	6,496	6,820	6,820	6,820	6,820	6,820	6,820
Primary care physicians receiving loan repayment forgiveness	100	100	124	124	124	124	124
<b>Women and Children's Programs</b>							
Average number of persons participating in women, infants, and children (WIC) programs each month	255,074	267,500	268,000	268,500	269,000	269,500	269,500
Average actual food cost per WIC participant, per month	\$66.76	\$51.45	\$52.65	\$53.90	\$55.17	\$56.44	\$57.74
Average Nutrition Services and Administration (NSA) operational costs per WIC participant, per month	\$17.05	\$17.83	\$18.36	\$18.91	\$19.46	\$20	\$20.55
Percentage of WIC-enrolled breastfeeding mothers who breastfed their infants for the first six months	21.50%	22.25%	22.50%	22.75%	23%	23%	23%
Newborns receiving state-mandated screening for genetic conditions	150,000	150,000	150,000	150,000	150,000	150,000	150,000
High-risk uninsured women aged 40 to 49 who receive breast and cervical cancer screening as determined by state funding	4,327	3,835	3,835	3,835	3,835	3,835	3,835
Privately owned housing units in targeted geographical areas that are remediated for the presence of lead hazards	99	45	77	36	36	36	36
<b>School Health</b>							
Percentage of school districts, charter schools, and comprehensive vocational technical schools in compliance with certified school nurse coverage requirements	96.30%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%
<b>Other Communicable Disease Programs and Incidences Reported</b>							
HIV tests at publicly-funded sites	81,335	55,000	55,000	55,000	55,000	55,000	55,000
Percentage of clients testing positive for HIV at department-supported HIV counseling and testing sites returning for results	94.07%	95%	95%	95%	95%	95%	95%
Incidences of Gonorrhea	6,973	6,200	6,200	6,200	6,200	6,200	6,200
Incidences of Infectious Syphilis	166	99	99	99	99	99	99

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Tuberculosis (per 100,000 in population)	2.05	2	2	2	2	2	2
<b>Injury Prevention</b>							
Children and adults receiving injury prevention education and awareness	19,801	11,545	11,545	11,545	11,545	11,545	11,545
<b>Tobacco Program</b>							
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	29%	30%	32%	32%	34%	34%	34%
Percentage of adults (age 18+) who are current cigarette smokers	22%	21%	21%	20%	20%	19%	19%
Percentage of high school students who smoke	17%	17%	16%	16%	15%	15%	15%

The "Privately owned housing units" measure represents projections as shown in three-year federal grant application.

### Program: Health Treatment Services

#### Minimum Number of Children and Adults Receiving Outpatient Treatment Through

##### Department-Supported Programs

Phenylketonuria, Maple Syrup Urine Disease, Galactosemia	1,910	1,910	1,910	1,910	1,910	1,910	1,910
Renal disease	5,460	5,460	5,460	5,460	5,460	5,460	5,460

##### Specialty Care Programs

Sickle Cell disease	8,170	8,170	8,170	8,170	8,170	8,170	8,170
Hemophilia	1,760	1,760	1,760	1,760	1,760	1,760	1,760
Cooley's Anemia	65	65	65	65	65	65	65
Spina Bifida	1,335	1,335	1,335	1,335	1,335	1,335	1,335
Services for children with special needs (home ventilators)	255	255	255	255	255	255	255
Services for children with special needs (children's rehabilitation services)	2,865	2,865	2,865	2,865	2,865	2,865	2,865

##### Emergency Medical Services

Ambulances licensed annually	1,040	1,050	1,100	1,100	1,100	1,100	1,100
Quick response services recognized to provide medical command annually	567	575	575	575	575	575	575
Hospitals recognized to provide medical command annually	165	165	165	165	165	165	165

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# 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 Objectives

**Health Research:** *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, policy makers and consumers of health care services.*

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# Health Care Cost Containment Council

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b><u>GENERAL FUND:</u></b>			
<i>General Government:</i>			
Health Care Cost Containment Council.....	\$ 2,683	\$ 2,683	\$ 2,683

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>HEALTH CARE COST CONTAINMENT COUNCIL</b>							
GENERAL FUND.....	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 2,683</b>	<b>\$ 2,683</b>	<b>\$ 2,683</b>	<b>\$ 2,683</b>	<b>\$ 2,683</b>	<b>\$ 2,683</b>	<b>\$ 2,683</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683
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
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 2,683</b>	<b>\$ 2,683</b>	<b>\$ 2,683</b>	<b>\$ 2,683</b>	<b>\$ 2,683</b>	<b>\$ 2,683</b>	<b>\$ 2,683</b>

# Health Care Cost Containment Council

*PROGRAM OBJECTIVE: 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.*

## Program: Health Care Cost Containment Council

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 4 million inpatient and outpatient records from hospitals and ambulatory surgery centers is collected by PHC4 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 on incorporating the Medicare payment data on public reports, updating and expanding interactive consumer friendly online database of Medicare payments for common outpatient services and treatments.

In the near future, PHC4 will produce various customized reports on Hospital Performance, Healthcare Associated Infections, Facility Finances and Patient Safety. These reports will provide the public and policy makers information on infections, mortality rates, length of hospitalizations, readmissions and on payments, performance and profitability of the various health care facilities. The council is also working on creating a value based payment system where you pay more for better care and pay less for poor care aiming to make health care organizations more accountable and integrate delivery systems and health insurance exchanges. The council is also seeking 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)

#### Health Care Cost Containment Council

The Health Care Cost Containment Council's Office is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Health Care Cost Containment Council.....	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683	\$ 2,683

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# 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 Objectives**

**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.*

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# Higher Education Assistance Agency

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>Grants and Subsidies:</i>			
Grants to Students.....	\$ 380,935	\$ 344,888	\$ 344,888
(A)Grants to Students Supplement.....	50,002	75,000	75,000
(F)Byrd Scholarships (EA).....	1,575	0	0
Higher Education for the Disadvantaged.....	2,364	2,246	2,246
Higher Education of Blind or Deaf Students.....	49	47	47
Matching Payments for Student Aid.....	13,154	12,496	12,496
Institutional Assistance Grants.....	24,389	24,389	24,389
Bond-Hill Scholarships.....	534	534	534
Cheyney Keystone Academy.....	1,525	1,525	1,525
Subtotal - State Funds.....	\$ 422,950	\$ 386,125	\$ 386,125
Subtotal - Federal Funds.....	1,575	0	0
Subtotal - Augmentations.....	50,002	75,000	75,000
Total - Grants and Subsidies.....	\$ 474,527	\$ 461,125	\$ 461,125
STATE FUNDS.....	\$ 422,950	\$ 386,125	\$ 386,125
FEDERAL FUNDS.....	1,575	0	0
AUGMENTATIONS.....	50,002	75,000	75,000
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 474,527</b>	<b>\$ 461,125</b>	<b>\$ 461,125</b>
<b>OTHER FUNDS:</b>			
<b>HIGHER EDUCATION ASSISTANCE FUND:</b>			
Targeted Industry Cluster Scholarship Program.....	\$ 0	\$ 5,000	\$ 5,000
Educational Training Vouchers Program.....	1,320	1,673	1,673
Primary Health Care.....	744	785	899
<b>HIGHER EDUCATION ASSISTANCE FUND TOTAL.....</b>	<b>\$ 2,064</b>	<b>\$ 7,458</b>	<b>\$ 7,572</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 422,950	\$ 386,125	\$ 386,125
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	1,575	0	0
AUGMENTATIONS.....	50,002	75,000	75,000
OTHER FUNDS.....	2,064	7,458	7,572
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 476,591</b>	<b>\$ 468,583</b>	<b>\$ 468,697</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>FINANCIAL ASSISTANCE TO STUDENTS</b>							
GENERAL FUND.....	\$ 398,561	\$ 361,736	\$ 361,736	\$ 361,736	\$ 361,736	\$ 361,736	\$ 361,736
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,575	0	0	0	0	0	0
OTHER FUNDS.....	52,066	82,458	82,572	82,572	82,572	82,572	82,572
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 452,202</b>	<b>\$ 444,194</b>	<b>\$ 444,308</b>	<b>\$ 444,308</b>	<b>\$ 444,308</b>	<b>\$ 444,308</b>	<b>\$ 444,308</b>
<b>FINANCIAL AID TO INSTITUTIONS</b>							
GENERAL FUND.....	\$ 24,389	\$ 24,389	\$ 24,389	\$ 24,389	\$ 24,389	\$ 24,389	\$ 24,389
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 24,389</b>	<b>\$ 24,389</b>	<b>\$ 24,389</b>	<b>\$ 24,389</b>	<b>\$ 24,389</b>	<b>\$ 24,389</b>	<b>\$ 24,389</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 422,950	\$ 386,125	\$ 386,125	\$ 386,125	\$ 386,125	\$ 386,125	\$ 386,125
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,575	0	0	0	0	0	0
OTHER FUNDS.....	52,066	82,458	82,572	82,572	82,572	82,572	82,572
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 476,591</b>	<b>\$ 468,583</b>	<b>\$ 468,697</b>	<b>\$ 468,697</b>	<b>\$ 468,697</b>	<b>\$ 468,697</b>	<b>\$ 468,697</b>

# Higher Education Assistance Agency

*PROGRAM OBJECTIVE: To provide financial assistance to commonwealth residents in order to promote access to institutions of higher education.*

## Program: Financial Assistance to Students

The Pennsylvania Higher Education Assistance Agency offers financial assistance programs to students in the form of grants, scholarships and work-study awards. Disbursements for the various financial assistance programs are made by PHEAA from its Higher Education Assistance Fund. 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 proportion of PHEAA's business earnings and interest earnings from the deposit of that appropriation in 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.

The objective of the program is to reduce financial barriers and thereby provide 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 Targeted Industry Cluster Scholarship program provides grants to students enrolled in certificate programs for the targeted industry fields of Energy, Advanced Materials and Diversified Manufacturing and Agricultural and Food Production.

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 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. The on-campus jobs program generally provides employment in campus services; the off-campus jobs program places students in career and course of study related work in local communities. Matching funds also leverage private foundation scholarships, thereby providing increased awards for students.

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 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)

All appropriations are recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Grants to Students.....	\$ 380,935	\$ 344,888	\$ 344,888	\$ 344,888	\$ 344,888	\$ 344,888	\$ 344,888
Higher Education for the Disadvantaged...	2,364	2,246	2,246	2,246	2,246	2,246	2,246
Higher Education of Blind or Deaf Students	49	47	47	47	47	47	47
Matching Payments for Student Aid .....	13,154	12,496	12,496	12,496	12,496	12,496	12,496
Bond-Hill Scholarships .....	534	534	534	534	534	534	534
Cheyney Keystone Academy.....	1,525	1,525	1,525	1,525	1,525	1,525	1,525
<b>TOTAL GENERAL FUND.....</b>	<b>\$ 398,561</b>	<b>\$ 361,736</b>	<b>\$ 361,736</b>	<b>\$ 361,736</b>	<b>\$ 361,736</b>	<b>\$ 361,736</b>	<b>\$ 361,736</b>

# Higher Education Assistance Agency

*PROGRAM OBJECTIVE: 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.*

## Program: Financial Aid to Institutions

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-eight 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)

The Institutional Assistance Grants appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Institutional Assistance Grants .....	\$ 24,389	\$ 24,389	\$ 24,389	\$ 24,389	\$ 24,389	\$ 24,389	\$ 24,389

# Higher Education Assistance Agency

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Financial Assistance to Students</b>							
<b>Grants to Students</b>							
Applications for grants	651,675	537,000	543,000	548,000	554,000	559,000	565,000
Applications complete and needs tested for eligibility	360,137	339,000	343,000	346,000	350,000	353,000	357,000
Eligible applicants meeting qualifications	222,798	232,000	236,000	239,000	241,000	243,000	246,000
Eligible applicants enrolled and accepting grants	188,829	178,000	182,000	184,000	186,000	188,000	190,000
Eligible applicants not enrolled at a college/university	33,969	54,000	54,000	55,000	55,000	56,000	56,000
Grant amount as percentage of applicant's total educational cost	8.90%	9.30%	9.80%	9.80%	9.80%	9.80%	9.80%
Students receiving Blind or Deaf Scholarships	78	94	94	94	94	94	94
<b>Work Study</b>							
Students assisted by federal, state and private funds	32,681	33,000	33,000	34,000	34,000	34,000	35,000
Student work study earnings (in millions)	\$54.47	\$53.50	\$54	\$54.57	\$55.12	\$55.67	\$56.23
<b>Program: Financial Aid to Institutions</b>							
Eligible grant recipients enrolled at eligible independent institutions	44,829	49,000	50,000	51,000	52,000	54,000	55,000
Per capita grant	\$546	\$504	\$512	\$526	\$539	\$553	\$568
Institutions aided*	33	36	36	36	36	36	36

\* New Program Measure

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# 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 Objectives**

**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.*

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# Historical and Museum Commission

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 16,999</b>	<b>\$ 17,800</b>	<b>\$ 18,474</b>
(F)Historic Preservation.....	1,168	1,181	1,181
(F)Surface Mining Review.....	140	140	178
(F)Environmental Review.....	305	315	353
(F)Pennsylvania Archaeology (EA).....	170	170	0
(F)Institute of Museum Library Services.....	470	150	150
(F)Lumber Museum.....	198	198	198
(F)Preserve America.....	245	210	0
(F)Coastal Zone Management.....	50	50	40
(F)Highway Planning and Construction.....	140	105	130
(F)National Endowment for the Humanities.....	800	0	150
(F)National Endowment for the Arts.....	0	0	150
(A)State Records Center.....	536	530	585
(A)Keystone Recreation, Park & Conservation Fund.....	247	422	437
Subtotal.....	<u>\$ 21,468</u>	<u>\$ 21,271</u>	<u>\$ 22,026</u>
Subtotal - State Funds.....	\$ 16,999	\$ 17,800	\$ 18,474
Subtotal - Federal Funds.....	3,686	2,519	2,530
Subtotal - Augmentations.....	783	952	1,022
Total - General Government.....	<u>\$ 21,468</u>	<u>\$ 21,271</u>	<u>\$ 22,026</u>
STATE FUNDS.....	\$ 16,999	\$ 17,800	\$ 18,474
FEDERAL FUNDS.....	3,686	2,519	2,530
AUGMENTATIONS.....	783	952	1,022
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 21,468</u></b>	<b><u>\$ 21,271</u></b>	<b><u>\$ 22,026</u></b>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>			
<i>Grants and Subsidies:</i>			
Historic Site Development (EA).....	<u>\$ 4,943</u>	<u>\$ 8,443</u>	<u>\$ 8,746</u>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Historical Preservation Act of 1966 (F).....	\$ 124	\$ 120	\$ 120
Rent and Other Income.....	101	35	35
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 225</u></b>	<b><u>\$ 155</u></b>	<b><u>\$ 155</u></b>
<b>HISTORICAL PRESERVATION FUND:</b>			
Historical Preservation Fund.....	<u>\$ 1,499</u>	<u>\$ 1,469</u>	<u>\$ 1,583</u>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 16,999	\$ 17,800	\$ 18,474
SPECIAL FUNDS.....	4,943	8,443	8,746
FEDERAL FUNDS.....	3,686	2,519	2,530
AUGMENTATIONS.....	783	952	1,022
OTHER FUNDS.....	1,724	1,624	1,738
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 28,135</u></b>	<b><u>\$ 31,338</u></b>	<b><u>\$ 32,510</u></b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>STATE HISTORIC PRESERVATION</b>							
GENERAL FUND.....	\$ 16,999	\$ 17,800	\$ 18,474	\$ 18,474	\$ 18,474	\$ 18,474	\$ 18,474
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,686	2,519	2,530	2,530	2,530	2,530	2,530
OTHER FUNDS.....	2,507	2,576	2,760	2,837	2,880	2,884	2,890
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 23,192</b>	<b>\$ 22,895</b>	<b>\$ 23,764</b>	<b>\$ 23,841</b>	<b>\$ 23,884</b>	<b>\$ 23,888</b>	<b>\$ 23,894</b>
<b>MUSEUM ASSISTANCE</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	4,943	8,443	8,746	10,285	11,132	11,226	11,336
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 4,943</b>	<b>\$ 8,443</b>	<b>\$ 8,746</b>	<b>\$ 10,285</b>	<b>\$ 11,132</b>	<b>\$ 11,226</b>	<b>\$ 11,336</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 16,999	\$ 17,800	\$ 18,474	\$ 18,474	\$ 18,474	\$ 18,474	\$ 18,474
SPECIAL FUNDS.....	4,943	8,443	8,746	10,285	11,132	11,226	11,336
FEDERAL FUNDS.....	3,686	2,519	2,530	2,530	2,530	2,530	2,530
OTHER FUNDS.....	2,507	2,576	2,760	2,837	2,880	2,884	2,890
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 28,135</b>	<b>\$ 31,338</b>	<b>\$ 32,510</b>	<b>\$ 34,126</b>	<b>\$ 35,016</b>	<b>\$ 35,114</b>	<b>\$ 35,230</b>

# Historical and Museum Commission

*PROGRAM OBJECTIVE: 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.*

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## Program: State Historic Preservation

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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)

**GENERAL FUND**  
**General Government Operations**  
 \$ 674 —to continue current program.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 16,999	\$ 17,800	\$ 18,474	\$ 18,474	\$ 18,474	\$ 18,474	\$ 18,474

# Historical and Museum Commission

*PROGRAM OBJECTIVE: To assure provision of representative artifacts, specimens of history, art and science for all citizens through the support of museums within the commonwealth.*

## Program: Museum Assistance

This program is comprised of the Keystone Recreation, Park and Conservation Fund Grant program that provides financial assistance designed to enhance the quality of history and museum activities in Pennsylvania. The Keystone Recreation, Park and Conservation Fund Grant 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.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**KEYSTONE RECREATION, PARK AND CONSERVATION FUND**  
**Historic Site Development (EA)**  
 \$ 303 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>							
Historic Site Development (EA).....	\$ 4,943	\$ 8,443	\$ 8,746	\$ 10,285	\$ 11,132	\$ 11,226	\$ 11,336

# Historical and Museum Commission

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: State Historic Preservation</b>							
<b>State and Local Records</b>							
Pages of archives and historical manuscripts (in thousands)	224,000	226,000	228,000	230,000	232,000	234,000	234,000
Records maintained by the State Records Center (number of boxes)	239,772	240,000	240,000	240,000	240,000	240,000	240,000
Data requests from other State agencies made to the State Records Center*	19,133	20,000	20,000	20,000	20,000	20,000	20,000
<b>Historic Site and Museum Operations</b>							
Annual ticketed visits to commission historical sites and museums (in thousands)	245	250	250	250	250	250	250
Annual nonticketed visitors to commission historical sites and museums (in thousands)	800	800	800	800	800	800	800
<b>Historic Preservation</b>							
Buildings maintained and conserved	456	456	456	456	456	456	456
Historic markers	2,347	2,370	2,400	2,425	2,450	2,475	2,500
Evaluations for the National Register of Historic Properties	508	500	500	500	500	500	500
Program value of private investment projects in Rehabilitation Investment Tax Credit program (in millions)	\$169	\$300	\$300	\$300	\$300	\$300	\$300
Rehabilitation Investment Tax Credit approved projects	48	50	50	50	50	50	50
Historic Preservation Projects and Environmental Reviews performed	6,476	6,000	6,000	6,000	6,000	6,000	6,000
<b>Professional History and Museum Support Services</b>							
Historic artifacts maintained and conserved (in thousands)	4,750	4,800	4,800	4,800	4,800	4,800	4,800
* New Program Measure							
<b>Program: Museum Assistance</b>							
Keystone project grants awarded	36	50	50	50	50	50	50



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# 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 brown fields, 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 Objectives**

**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 and storm water control projects.*

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# Infrastructure Investment Authority

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>Grants and Subsidies:</i>			
(F)Sewage Projects Revolving Loan Fund.....	\$ 66,350	\$ 160,050	\$ 160,050
(F)Drinking Water Projects Revolving Loan Fund.....	75,841	73,857	83,430
(F)ARRA – Sewage Projects Revolving Loan Fund.....	54,000	14,000	5,000
(F)ARRA – Drinking Water Projects Revolving Loan Fund.....	25,000	3,000	1,750
Total - Grants and Subsidies.....	\$ 221,191	\$ 250,907	\$ 250,230
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 221,191</b>	<b>\$ 250,907</b>	<b>\$ 250,230</b>
<b>OTHER FUNDS:</b>			
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>			
Storm Water, Water and Sewer Grants (EA).....	\$ 8,184	\$ 11,167	\$ 13,608
<b>MARCELLUS LEGACY FUND:</b>			
Water and Sewer Projects (EA).....	\$ 0	\$ 9,061	\$ 9,409
<b>PENNVEST FUND:</b>			
PENNVEST Operations (EA).....	\$ 2,301	\$ 2,323	\$ 3,894
Grants - Other Revenue Sources (EA).....	4,000	2,000	2,000
Revenue Bond Loan Pool (EA).....	10	10	10
Revolving Loans and Administration.....	63,394	125,000	150,000 <sup>a</sup>
Growing Greener Grants.....	36,853	12,000	14,000
Revolving Loans - Conditional Funds.....	1,334	3,000	3,000
Marcellus Grants (Marcellus Legacy Fund).....	0	2,500	9,500
PENNVEST FUND TOTAL.....	\$ 107,892	\$ 146,833	\$ 182,404
<b>PENNVEST DRINKING WATER REVOLVING FUND:</b>			
PENNVEST Drinking Water Project Revolving Fund.....	\$ 3,745	\$ 10,000	\$ 0 <sup>b</sup>
Additional Drinking Water Projects Revolving Loans (EA).....	75,000	75,000	75,000
Transfer to PENNVEST Water Pollution Control Revolving Fund.....	0	0	10,000
Drinking Water Projects Revolving Loan Fund (F)(EA).....	0 <sup>e</sup>	0 <sup>e</sup>	0 <sup>e</sup>
Loan Program Administration (F)(EA).....	0 <sup>f</sup>	0 <sup>f</sup>	0 <sup>f</sup>
Technical Assistance to Small Systems (F)(EA).....	0 <sup>g</sup>	0 <sup>g</sup>	0 <sup>g</sup>
Assistance to State Programs (F)(EA).....	0 <sup>h</sup>	0 <sup>h</sup>	0 <sup>h</sup>
Local Assistance and Source Water Pollution (F)(EA).....	0 <sup>i</sup>	0 <sup>i</sup>	0 <sup>i</sup>
Revolving Loans - Conditional Funds.....	1,000	1,000	1,000
PENNVEST DRINKING WATER REVOLVING FUND TOTAL.....	\$ 79,745	\$ 86,000	\$ 86,000
<b>PENNVEST WATER POLLUTION CONTROL REVOLVING FUND:</b>			
PENNVEST Water Pollution Control Revolving Fund.....	\$ 12,586	\$ 32,771	\$ 0 <sup>b</sup>
Additional Sewage Projects Revolving Loans (EA).....	185,000	200,000	200,000
Transfer to Drinking Water Revolving Fund (EA).....	20,000	20,000	26,300
Sewage Projects Revolving Loan Fund (F)(EA).....	0 <sup>c</sup>	0 <sup>c</sup>	0 <sup>c</sup>
On-lot Sewage Disposal Systems (F)(EA).....	0 <sup>d</sup>	0 <sup>d</sup>	0 <sup>d</sup>
Revolving Loans - Conditional Funds.....	26,429	5,000	5,000
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND TOTAL.....	\$ 244,015	\$ 257,771	\$ 231,300
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	221,191	250,907	250,230
OTHER FUNDS.....	439,836	510,832	522,721
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 661,027</b>	<b>\$ 761,739</b>	<b>\$ 772,951</b>

## Summary by Fund and Appropriation

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- <sup>a</sup> Includes \$32,771,000 for Water Pollution Control Projects and \$10,000,000 for Drinking Water Projects.
  - <sup>b</sup> Project funding included in the PENNVEST FUND - Revolving Loans and Administration appropriation.
  - <sup>c</sup> Not added to the total to avoid double counting: 2011-12 Actual is \$66,300,000, 2012-13 Available is \$160,000,000 and 2013-14 Budget is \$160,000,000.
  - <sup>d</sup> Not added to the total to avoid double counting: 2011-12 Actual is \$50,000, 2012-13 Available is \$50,000 and 2013-14 Budget is \$50,000.
  - <sup>e</sup> Not added to the total to avoid double counting: 2011-12 Actual is \$60,000,000, 2012-13 Available is \$60,000,000 and 2013-14 Budget is \$70,000,000.
  - <sup>f</sup> Not added to the total to avoid double counting: 2011-12 Actual is \$2,341,000, 2012-13 Available is \$2,357,000 and 2013-14 Budget is \$1,930,000.
  - <sup>g</sup> Not added to the total to avoid double counting: 2011-12 Actual is \$1,000,000, 2012-13 Available is \$1,000,000 and 2013-14 Budget is \$1,000,000.
  - <sup>h</sup> Not added to the total to avoid double counting: 2011-12 Actual is \$6,000,000, 2012-13 Available is \$4,500,000 and 2013-14 Budget is \$4,500,000.
  - <sup>i</sup> Not added to the total to avoid double counting: 2011-12 Actual is \$6,500,000, 2012-13 Available is \$6,000,000 and 2013-14 Budget is \$6,000,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>PENNVEST</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	221,191	250,907	250,230	243,480	243,480	243,480	243,480
OTHER FUNDS.....	439,836	510,832	522,721	523,966	524,872	526,478	527,590
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 661,027</b>	<b>\$ 761,739</b>	<b>\$ 772,951</b>	<b>\$ 767,446</b>	<b>\$ 768,352</b>	<b>\$ 769,958</b>	<b>\$ 771,070</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	221,191	250,907	250,230	243,480	243,480	243,480	243,480
OTHER FUNDS.....	439,836	510,832	522,721	523,966	524,872	526,478	527,590
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 661,027</b>	<b>\$ 761,739</b>	<b>\$ 772,951</b>	<b>\$ 767,446</b>	<b>\$ 768,352</b>	<b>\$ 769,958</b>	<b>\$ 771,070</b>

*PROGRAM OBJECTIVE: 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 stormwater control projects.*

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## Program: PENNVEST

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The 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 stormwater control projects. Funding these needed improvements has often proved difficult, especially for small communities. In 2004, the program was further expanded to include the funding of brownfield reclamation and remediation projects to further revitalize Pennsylvania's older, established communities.

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 stormwater, 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 of funds 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 will distribute a percentage of the payments to the Department of General Services from leases on State-owned land to PENNVEST for projects.

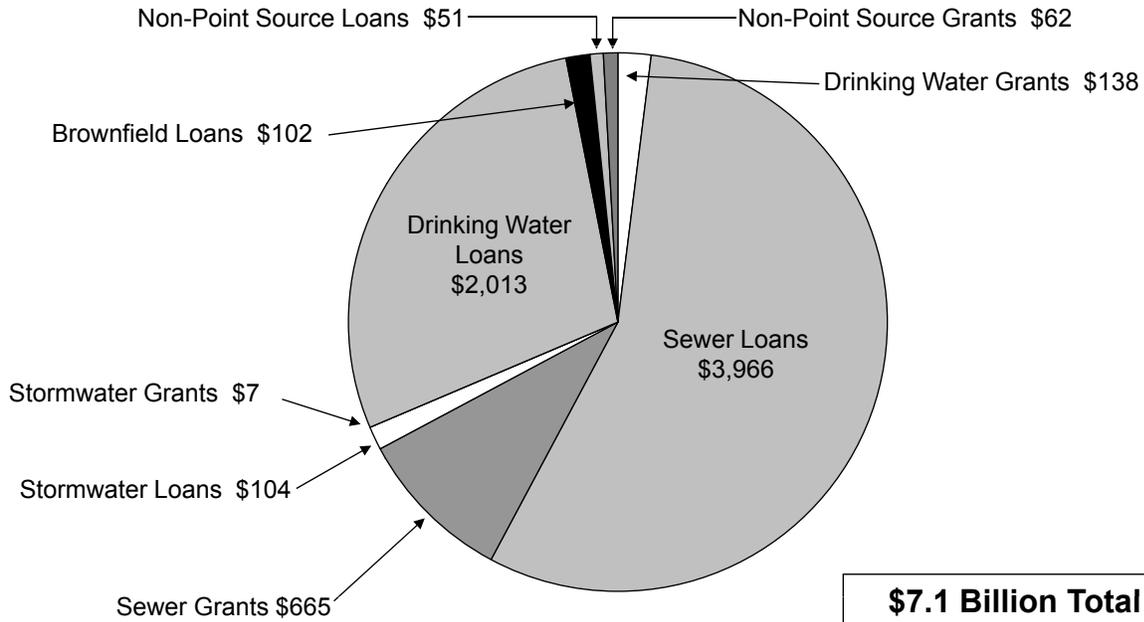
PENNVEST funds are used for loans and grants to municipalities, municipal authorities and private firms to improve water, sewage and stormwater systems they own. Loans are available to individual homeowners to upgrade their on-lot septic systems. The Pennsylvania Infrastructure Investment Authority, 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 will serve as the repository of interest and investment income and loan repayments related to Act 64; loans and grants will be paid from this fund.

# Infrastructure Investment Authority

Program: PENNVEST (continued)

## Total Loans and Grants Approved 1988 Through December 2012 (millions of dollars)



### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**PENNVEST FUND**  
**PENNVEST Operations (EA)**  
 \$ 1,571 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>PENNVEST FUND:</b>							
PENNVEST Operations (EA) .....	\$ 2,301	\$ 2,323	\$ 3,894	\$ 3,894	\$ 3,894	\$ 3,894	\$ 3,894

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: PENNVEST</b>							
Drinking water projects approved that will maintain or bring customers' water into compliance with commonwealth drinking water standards	17	22	22	22	22	22	22
Dollars disbursed to drinking water projects that will maintain or bring customers' water into compliance with commonwealth drinking water standards	\$42,628,591	\$61,000,000	\$61,000,000	\$61,000,000	\$61,000,000	\$61,000,000	\$61,000,000
Sustainable jobs created by PENNVEST - funded projects	3,000	3,000	3,000	3,000	3,000	3,000	N/A
Grant equivalent subsidy per household served	\$266	\$125	\$125	\$125	\$125	\$125	\$125
Percent of total project funding allocated to projects that would otherwise have higher financing rates	41%	31%	31%	31%	31%	31%	31%



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# 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 program, the Underground Storage Tank Indemnification Fund, the Catastrophic Loss Benefits Continuation Fund, the Workers' Compensation Security Fund and the new Insurance Regulation and Oversight Fund.

The 2013-14 budget proposes a dedicated funding source for the department. Please see the Insurance Regulation and Oversight Fund in Section H – Other Special Funds for additional detail.

## **Programs and Objectives**

**Insurance Industry Regulation:** *To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 17,947</b>	<b>\$ 17,947</b>	<b>\$ 0 a</b>
(A)Companies in Liquidation.....	429	576	0 a
(A)Duplicating and Mailing Services.....	9	15	0 a
(A)Reimbursement Examination Fees.....	1,662	1,910	0 a
(A)Reimbursements - Market Conduct Travel.....	167	341	0 a
Subtotal.....	<u>\$ 20,214</u>	<u>\$ 20,789</u>	<u>\$ 0</u>
<b>Children's Health Insurance Administration.....</b>	<b>4,663</b>	<b>3,640</b>	<b>7,469</b>
(F)Children's Health Insurance Administration.....	7,212	7,911	15,707
Subtotal.....	<u>\$ 11,875</u>	<u>\$ 11,551</u>	<u>\$ 23,176</u>
(F)High Risk Pool Administration.....	6,730	6,730	6,730
(F)Consumer Assistance Program.....	1,420	1,545	1,098
(F)PA Exchange Grant.....	30,000	30,000	30,000
Subtotal.....	<u>\$ 38,150</u>	<u>\$ 38,275</u>	<u>\$ 37,828</u>
Subtotal - State Funds.....	\$ 22,610	\$ 21,587	\$ 7,469
Subtotal - Federal Funds.....	45,362	46,186	53,535
Subtotal - Augmentations.....	2,267	2,842	0
Total - General Government.....	<u>\$ 70,239</u>	<u>\$ 70,615</u>	<u>\$ 61,004</u>
<i>Grants and Subsidies:</i>			
<b>Children's Health Insurance.....</b>	<b>\$ 97,365</b>	<b>\$ 101,608</b>	<b>\$ 115,101</b>
(F)Children's Health Insurance Program.....	303,142	293,939	305,289
(F)CHIPRA - Prospective Payment System Grant.....	0	427	0
Subtotal.....	<u>\$ 400,507</u>	<u>\$ 395,974</u>	<u>\$ 420,390</u>
(F)High Risk Pool.....	82,260	82,260	41,130
(F)Health Insurance Premium Review.....	1,600	1,656	1,437
Subtotal - State Funds.....	\$ 97,365	\$ 101,608	\$ 115,101
Subtotal - Federal Funds.....	387,002	378,282	347,856
Total - Grants and Subsidies.....	<u>\$ 484,367</u>	<u>\$ 479,890</u>	<u>\$ 462,957</u>
STATE FUNDS.....	\$ 119,975	\$ 123,195	\$ 122,570
FEDERAL FUNDS.....	432,364	424,468	401,391
AUGMENTATIONS.....	2,267	2,842	0
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 554,606</u></b>	<b><u>\$ 550,505</u></b>	<b><u>\$ 523,961</u></b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Anti-Fraud Prevention (R).....	\$ 195	\$ 297	\$ 297
Children's Health Insurance Program (R).....	33,811	34,602	30,730
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 34,006</u></b>	<b><u>\$ 34,899</u></b>	<b><u>\$ 31,027</u></b>
<b>TOBACCO SETTLEMENT FUND:</b>			
Community Health Reinvestment (R).....	\$ 30,492	\$ 0	\$ 0
<b>CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:</b>			
CAT Administration (EA).....	\$ 769	\$ 776	\$ 776
CAT Claims (EA).....	5,789	5,789	5,789
<b>CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL.....</b>	<b><u>\$ 6,558</u></b>	<b><u>\$ 6,565</u></b>	<b><u>\$ 6,565</u></b>
<b>INSURANCE REGULATION AND OVERSIGHT FUND:</b>			

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
General Operations (EA).....	\$ 0	\$ 0	\$ 22,330 <sup>b</sup>
<b>MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND:</b>			
General Operations (EA).....	\$ 15,130	\$ 15,326	\$ 14,613
Payment of Claims (EA).....	175,000	195,742	195,742
<b>MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND TOTAL.....</b>	<b>\$ 190,130</b>	<b>\$ 211,068</b>	<b>\$ 210,355</b>
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:</b>			
Administration (EA).....	\$ 11,601	\$ 11,631	\$ 11,641
Claims (EA).....	57,353	57,353	57,353
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....</b>	<b>\$ 68,954</b>	<b>\$ 68,984</b>	<b>\$ 68,994</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 119,975	\$ 123,195	\$ 122,570
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	432,364	424,468	401,391
AUGMENTATIONS.....	2,267	2,842	0
OTHER FUNDS.....	330,140	321,516	339,271
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 884,746</b>	<b>\$ 872,021</b>	<b>\$ 863,232</b>

<sup>a</sup> Please see the Insurance Regulation and Oversight Fund in the Other Funds section.

<sup>b</sup> The 2013-14 budget proposes a dedicated funding source for the department. Please see the Insurance Regulation and Oversight Fund in Section H - Other Special Funds.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>INSURANCE INDUSTRY REGULATION</b>							
GENERAL FUND.....	\$ 119,975	\$ 123,195	\$ 122,570	\$ 121,690	\$ 121,806	\$ 121,865	\$ 121,957
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	432,364	424,468	401,391	320,563	319,310	319,499	319,693
OTHER FUNDS.....	332,407	324,358	339,271	339,271	339,271	339,271	339,271
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 884,746</b>	<b>\$ 872,021</b>	<b>\$ 863,232</b>	<b>\$ 781,524</b>	<b>\$ 780,387</b>	<b>\$ 780,635</b>	<b>\$ 780,921</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 119,975	\$ 123,195	\$ 122,570	\$ 121,690	\$ 121,806	\$ 121,865	\$ 121,957
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	432,364	424,468	401,391	320,563	319,310	319,499	319,693
OTHER FUNDS.....	332,407	324,358	339,271	339,271	339,271	339,271	339,271
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 884,746</b>	<b>\$ 872,021</b>	<b>\$ 863,232</b>	<b>\$ 781,524</b>	<b>\$ 780,387</b>	<b>\$ 780,635</b>	<b>\$ 780,921</b>

*PROGRAM OBJECTIVE: To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.*

## Program: Insurance Industry Regulation

This budget proposes to create a dedicated funding source 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. This fund will be used by the department in lieu of a General Government Operations appropriation from the General Fund.

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 appropriate 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 administers the Children's Health Insurance Program, the Medical Care Availability and Reduction of Error Fund, the Catastrophic Loss Benefits Fund, the Underground Storage Tank Indemnification Fund, PA Fair Care and certain other aspects of the federal Patient Protection and Affordable Care Act.

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 and evolved just as industry itself evolved in this new regulatory environment. But each state has its own insurance needs and unique marketplace, so the department endeavors 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. It supervises 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. It analyzes annual and quarterly financial statements and other corporate transactions filed by insurance companies and other regulated entities; conducts on-site financial examinations

of domestic insurance companies each year; conducts adjudicatory hearings; and handles more than 250,000 consumer and producer interventions and inquiries annually.

The financial condition of insurers licensed to transact business in Pennsylvania is monitored and regulated through the department's examination and financial analysis functions. Because of the concern regarding the number of financially troubled insurers and national attention focused on the quality of state regulation and insurer solvency, the department makes solvency regulation one of its highest priorities. 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 Insurance Department provides the public with insurance information, education and complaint resolution services. It also conducts investigations of insurance law violations and undertakes on-site market conduct examinations of insurance company records, files and operations.

### **Program Element: Special Programs**

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 and 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 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. As of December 2012, CHIP enrollment was approximately 190,300 children.

## Program: Insurance Industry Regulation (continued)

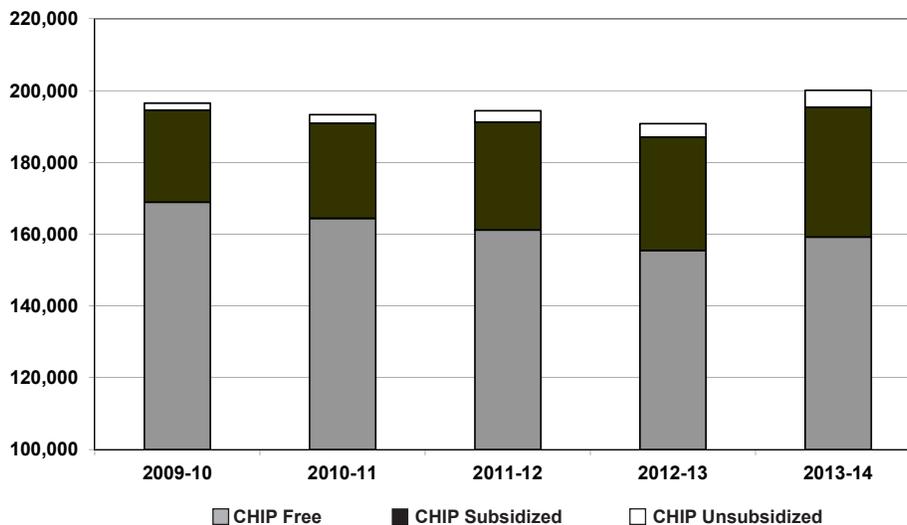
The Medical Care Availability and Reduction of Error (Mcare) Fund, established pursuant to Act 13 of 2002, established requirements for basic medical professional liability insurance coverage for health care providers and for their purchase of excess insurance through this program. The Mcare program is responsible for payment of claims against participating health care providers for losses or damages awarded in medical professional liability actions against them in excess of basic insurance coverage. Revenue for the fund is derived by levying an annual surcharge on health care providers.

PA Fair Care has its genesis in the passage of the federal Patient Protection and Affordable Care Act, signed March 23, 2010. The law created a temporary high risk pool and, under this federal program, Pennsylvania received an award of \$160 million to provide eligible uninsured adults with federally subsidized health insurance coverage. The PA Fair Care program will provide an estimated 6,500 adults who have pre-existing medical conditions and have been uninsured for six months with a temporary coverage option until the broader health care reform provisions become effective in January 2014. In 2010, the department also received federal health care reform grants to review unreasonable health insurance premium increases, to provide consumer assistance to individuals and small employers, and to develop a health insurance exchange strategy. Pennsylvania will not implement its own statewide health insurance exchange but will participate in an exchange operated by the federal government.

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. For a time a surcharge fee on certain motor vehicle violations was credited to the fund, but that last occurred in 2003. Payments from the fund are projected until 2087.

The Underground Storage Tank Indemnification Fund (USTIF), established pursuant to Act 32 of 1989, the Storage Tank and Spill Prevention Act, provides reimbursement of remediation and other expenses 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 making reimbursement to 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. The fund also makes annual allocations to the Department of Environment Protection under four separate categories. Since inception, allocations under all categories have totaled in excess of \$60 million. For a time, the fund made loans to tank owners for tank upgrades under the Upgrade Loan program in the Department of Community and Economic Development. Activity with these loans has now concluded.

## Children's Health Insurance Children Served



Pennsylvania's Children's Health Insurance Program 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 200,100 uninsured children will be served by the program in 2013-14.

## Program: Insurance Industry Regulation (continued)

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>			<b>Children's Health Insurance</b>
	<b>General Government Operations</b>		\$ 3,149	—to continue current program.
\$ -17,947	—Initiative—Dedicated Funding. To create the Insurance Regulation and Oversight Fund for the administration of the department.		1,837	—revision of federal financial participation from 68% to 67.46%.
			8,507	—Initiative—Expanded Services for Children. To provide health insurance coverage for an additional 9,330 children anticipated to be enrolled through expanded outreach efforts.
	<b>Children's Health Insurance Administration</b>			
\$ 69	—to continue current program.			
3,760	—Initiative—Centralized Eligibility Determination. To implement a centralized eligibility determination process that will reduce the administrative costs to insurers, decrease enrollment errors and meet the federally mandated Affordable Care Act information systems requirements.		\$ 13,493	<i>Appropriation Increase</i>
\$ 3,829	<i>Appropriation Increase</i>			

In addition, this budget recommends \$22,330,000 in the Insurance Regulation and Oversight Fund for administration of the department.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 17,947	\$ 17,947	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Children's Health Insurance Administration .....	4,663	3,640	7,469	6,589	6,705	6,764	6,856
Children's Health Insurance .....	97,365	101,608	115,101	115,101	115,101	115,101	115,101
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 119,975</b>	<b>\$ 123,195</b>	<b>\$ 122,570</b>	<b>\$ 121,690</b>	<b>\$ 121,806</b>	<b>\$ 121,865</b>	<b>\$ 121,957</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Insurance Industry Regulation</b>							
Companies on a watch list	39	40	40	40	40	40	40
Insurance company reviews initiated and conducted to investigate areas of concern	125	100	100	100	100	100	100
Disciplinary / administrative actions conducted against insurance producers	133	120	120	120	120	120	120
Children's Health Insurance Program (CHIP) enrollment (monthly average)	194,407	190,810	200,140	200,140	200,140	200,140	200,140
Percentage of CHIP enrolled children two years of age who are immunized	74.33%	75.80%	82.90%	82.90%	82.90%	82.90%	82.90%
Percentage of CHIP enrolled children ages 3 to 6 years who receive a well child visit with a primary care physician	79.90%	80.60%	80.60%	80.60%	80.60%	80.60%	80.60%
PA Fair Care program enrollment (at end of year)	5,839	7,550	8,643	0	0	0	0

Insurance company reviews initiated and conducted to investigate areas of concern decrease in 2012-13 due to one-time reviews as a result of Hurricane Lee.

PA Fair Care program enrollment for 2013-14 reflects enrollment as of December 31, 2013, when the program is scheduled to expire and the broader federal health care reform provisions become effective.

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# 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 Objectives**

**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.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
<b>General Government Operations.....</b>	<b>\$ 12,600</b>	<b>\$ 12,510</b>	<b>\$ 12,559</b>
(F)Workforce Investment Act - Administration.....	11,000	11,129	11,000
(F)ARRA-Workforce Investment Act - Administration.....	4,200	6,000	0
(F)Community Service and Corps.....	10,266	11,355	11,608
(F)Disability Determination.....	140,064	134,474	134,474
(F)New Hires.....	1,581	1,581	1,581
(A)Joint Jobs Initiative.....	3,678	0	0
(A)Interpreter Registry.....	8	3	20
(A)Pa One Call Fees.....	58	50	50
(A)Conference Fees.....	15	0	0
(A)Proceeds from Sales.....	162	0	0
Subtotal.....	<u>\$ 183,632</u>	<u>\$ 177,102</u>	<u>\$ 171,292</u>
<b>Occupational and Industrial Safety.....</b>	<b>9,679</b>	<b>10,203</b>	<b>9,923</b>
(A)Licenses and Fees.....	0	0	1,200
<b>PENNSAFE.....</b>	<b>1,044</b>	<b>0</b>	<b>0</b>
(F)Underground Utility Line Protection.....	500	500	0
(R)Asbestos and Lead Certification (EA).....	1,907	1,907	1,968
Subtotal - State Funds.....	\$ 23,323	\$ 22,713	\$ 22,482
Subtotal - Federal Funds.....	167,611	165,039	158,663
Subtotal - Augmentations.....	3,921	53	1,270
Subtotal - Restricted Revenues.....	1,907	1,907	1,968
Total - General Government.....	<u>\$ 196,762</u>	<u>\$ 189,712</u>	<u>\$ 184,383</u>
<b>Grants and Subsidies:</b>			
<b>Occupational Disease Payments.....</b>	<b>\$ 935</b>	<b>\$ 882</b>	<b>\$ 805</b>
<b>Transfer to Vocational Rehabilitation Fund.....</b>	<b>40,473</b>	<b>40,473</b>	<b>40,473</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>1,912</b>
<b>Workers' Compensation Payments.....</b>	<b>1,079</b>	<b>957</b>	<b>960</b>
<b>Keystone Works.....</b>	<b>0</b>	<b>2,500</b>	<b>2,500</b>
<b>New Choices / New Options.....</b>	<b>450</b>	<b>500</b>	<b>0</b>
<b>Assistive Technology Devices.....</b>	<b>244 a</b>	<b>244</b>	<b>244</b>
<b>Assistive Technology Demonstration and Training.....</b>	<b>399 a</b>	<b>399</b>	<b>399</b>
(F)Reed Act - Unemployment Insurance.....	12,000	11,000	6,000
(F)Reed Act - Employment Services.....	70,000	30,000	22,000
(F)ARRA - Reed Act-Employment Services.....	8,000	0	0
(F)WIA - Adult Employment and Training.....	60,000	60,000	50,000
(F)WIA - Youth Employment and Training.....	52,000	52,000	52,000
(F)WIA - Statewide Activities.....	23,000	23,000	18,000
(F)WIA - Dislocated Workers.....	109,000	109,000	109,000
(F)ARRA - WIA-Dislocated Workers.....	5,600	0	0
(F)WIA - Veterans Employment and Training.....	900	900	900
(F)TANFBG - Youth Employment and Training.....	15,000	15,000	15,000
(F)Affordable Care.....	150	0	0
(F)Joint Jobs Initiative (EA).....	98,646	0	0
(F)Comprehensive Workforce Development (EA).....	731	1,149	1,222
(F)ARRA - Weatherization Assistance Training (EA).....	5,473	0	0
Subtotal.....	<u>\$ 460,500</u>	<u>\$ 302,049</u>	<u>\$ 274,122</u>
<b>Industry Partnerships.....</b>	<b>1,452</b>	<b>1,613</b>	<b>1,613</b>
Subtotal - State Funds.....	\$ 47,341	\$ 49,877	\$ 49,303
Subtotal - Federal Funds.....	460,500	302,049	274,122
Total - Grants and Subsidies.....	<u>\$ 507,841</u>	<u>\$ 351,926</u>	<u>\$ 323,425</u>

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
STATE FUNDS.....	\$ 70,664	\$ 72,590	\$ 71,785
FEDERAL FUNDS.....	628,111	467,088	432,785
AUGMENTATIONS.....	3,921	53	1,270
RESTRICTED REVENUES.....	1,907	1,907	1,968
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 704,603</b>	<b>\$ 541,638</b>	<b>\$ 507,808</b>
<b><u>MOTOR LICENSE FUND:</u></b>			
<b><i>Grants and Subsidies:</i></b>			
(F)ARRA - Highway Infrastructure Improvement Training (F) (EA).....	\$ 0	\$ 300	\$ 300
<b><u>OTHER FUNDS:</u></b>			
<b>GENERAL FUND:</b>			
Vending Machine Proceeds.....	\$ 495	\$ 466	\$ 466
<b>ADMINISTRATION FUND:</b>			
Administration of Unemployment.....	\$ 292,256	\$ 278,364	\$ 275,000
<b>EMPLOYMENT FUND FOR THE BLIND:</b>			
General Operations.....	\$ 1,076	\$ 800	\$ 800
<b>HAZARDOUS MATERIAL RESPONSE FUND:</b>			
Hazardous Material Response Administration.....	\$ 123	\$ 170	\$ 170
<b>JOB TRAINING FUND:</b>			
Job Training (EA).....	\$ 3,600	\$ 3,600	\$ 5,000
<b>REHABILITATION CENTER FUND:</b>			
General Operations.....	\$ 20,346	\$ 21,500	\$ 22,910
<b>VOCATIONAL REHABILITATION FUND:</b>			
General Operations (EA).....	\$ 39 <sup>b</sup>	\$ 32 <sup>b</sup>	\$ 32 <sup>b</sup>
Vocational Rehabilitation Services (F).....	147,274	137,299	137,299
ARRA - Vocational Rehabilitation Services.....	6,000	0	0
<b>VOCATIONAL REHABILITATION FUND TOTAL.....</b>	<b>\$ 153,313</b>	<b>\$ 137,331</b>	<b>\$ 137,331</b>
<b>WORKMEN'S COMPENSATION ADMINISTRATION FUND:</b>			
Administration of Workers' Compensation.....	\$ 81,990	\$ 81,896	\$ 75,428
Transfer to the Uninsured Employers Guaranty Fund.....	4,000	0	0
(A) Conference Fees.....	253	400	400
<b>WORKMEN'S COMPENSATION ADMINISTRATION FUND TOTAL.....</b>	<b>\$ 86,243</b>	<b>\$ 82,296</b>	<b>\$ 75,828</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 70,664	\$ 72,590	\$ 71,785
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	628,111	467,388	433,085
AUGMENTATIONS.....	3,921	53	1,270
RESTRICTED.....	1,907	1,907	1,968
OTHER FUNDS.....	557,452	524,527	517,505
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 1,262,055</b>	<b>\$ 1,066,465</b>	<b>\$ 1,025,613</b>

<sup>a</sup> Appropriated as part of the \$643,000 Assistive Technology appropriation.

<sup>b</sup> Transfer to Vocational Rehabilitation Fund not added to the total to avoid double counting: 2011-12 Actual is \$40,512,000, 2012-13 Available is \$40,505,000 and 2013-14 Budget is \$40,505,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY</b>							
GENERAL FUND.....	\$ 23,323	\$ 22,713	\$ 22,482	\$ 22,482	\$ 22,482	\$ 22,482	\$ 22,482
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	4,700	6,500	0	0	0	0	0
OTHER FUNDS.....	2,273	2,130	3,408	3,408	3,408	3,408	3,408
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 30,296</b>	<b>\$ 31,343</b>	<b>\$ 25,890</b>	<b>\$ 25,890</b>	<b>\$ 25,890</b>	<b>\$ 25,890</b>	<b>\$ 25,890</b>
<b>WORKERS COMPENSATION AND ASSISTANCE</b>							
GENERAL FUND.....	\$ 2,014	\$ 1,839	\$ 1,765	\$ 1,765	\$ 1,765	\$ 1,765	\$ 1,765
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	141,645	136,055	136,055	136,055	136,055	136,055	136,055
OTHER FUNDS.....	382,099	364,260	355,828	355,828	355,828	355,828	355,828
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 525,758</b>	<b>\$ 502,154</b>	<b>\$ 493,648</b>	<b>\$ 493,648</b>	<b>\$ 493,648</b>	<b>\$ 493,648</b>	<b>\$ 493,648</b>
<b>WORKFORCE INVESTMENT</b>							
GENERAL FUND.....	\$ 1,902	\$ 4,613	\$ 4,113	\$ 4,113	\$ 4,113	\$ 4,113	\$ 4,113
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	481,766	324,833	297,030	296,730	296,730	296,730	296,730
OTHER FUNDS.....	3,678	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 487,346</b>	<b>\$ 329,446</b>	<b>\$ 301,143</b>	<b>\$ 300,843</b>	<b>\$ 300,843</b>	<b>\$ 300,843</b>	<b>\$ 300,843</b>
<b>VOCATIONAL REHABILITATION</b>							
GENERAL FUND.....	\$ 43,425	\$ 43,425	\$ 43,425	\$ 43,425	\$ 43,425	\$ 43,425	\$ 43,425
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	175,230	160,097	161,507	201,988	201,988	201,988	201,988
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 218,655</b>	<b>\$ 203,522</b>	<b>\$ 204,932</b>	<b>\$ 245,413</b>	<b>\$ 245,413</b>	<b>\$ 245,413</b>	<b>\$ 245,413</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 70,664	\$ 72,590	\$ 71,785	\$ 71,785	\$ 71,785	\$ 71,785	\$ 71,785
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	628,111	467,388	433,085	432,785	432,785	432,785	432,785
OTHER FUNDS.....	563,280	526,487	520,743	561,224	561,224	561,224	561,224
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 1,262,055</b>	<b>\$ 1,066,465</b>	<b>\$ 1,025,613</b>	<b>\$ 1,065,794</b>	<b>\$ 1,065,794</b>	<b>\$ 1,065,794</b>	<b>\$ 1,065,794</b>

*PROGRAM OBJECTIVE: 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.*

## Program: Community and Occupational Safety and Stability

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, private employment agencies, public employee safety 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 and complaint and accident investigations and audits. The bureau also monitors all inspectors' inspection and reporting activities in order to ensure both that 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, and 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 2,562 municipalities, 2,400 have opted to enforce the Uniform Construction Code locally. The bureau enforces the code as it applies to all commercial buildings within the 162 municipalities which have not opted for local enforcement. The bureau also enforces accessibility laws in municipalities which do not have officials properly certified to provide such enforcement. The bureau also has sole enforcement jurisdiction over all state-owned buildings.

## Program: Community and Occupational Safety and Stability (continued)

The bureau administers the Worker and Community Right-to-Know Act and the Hazardous Material Emergency Planning & Response Act. Under these two laws, 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 and Material Safety Data Sheets and site plans and manages them 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. Additionally, the bureau enforces the worker right-to-know law as it applies to public employees, and provides public workers with education and training on the law.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>GENERAL FUND</b>  <b>General Government Operations</b>            \$ 49 —to continue current program.</p>	<p><b>Occupational and Industrial Safety</b>            —redirection of elevator inspection revenues to support agency budget.            384 —for additional boiler inspections.            —64 —to continue current program.  <hr/>           \$ -280 <i>Appropriation Decrease</i></p>
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### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 12,600	\$ 12,510	\$ 12,559	\$ 12,559	\$ 12,559	\$ 12,559	\$ 12,559
Occupational and Industrial Safety .....	9,679	10,203	9,923	9,923	9,923	9,923	9,923
PENNSAFE .....	1,044	0	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 23,323</b>	<b>\$ 22,713</b>	<b>\$ 22,482</b>	<b>\$ 22,482</b>	<b>\$ 22,482</b>	<b>\$ 22,482</b>	<b>\$ 22,482</b>

*PROGRAM OBJECTIVE: To further economic development in the commonwealth by stabilizing the incomes of employees who become unemployed.*

## Program: Workers' Compensation and Assistance

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.

The department processes applications for federal disability benefits, gathers medical evidence for each claim and makes recommendations to the Social Security Administration under the Social Security Administration's Disability Determination program guidelines.

Unemployment compensation payments are made to individuals who are unemployed through no fault of their own. The payments are funded from taxes on employers and employees paid into the Unemployment Compensation Trust Fund. Tax rates vary according to the employer's experience with unemployment and the financial condition of the fund.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		<b>GENERAL FUND</b>
		<b>Occupational Disease Payments</b>
\$	-77	—to continue current program based on payment requirements.
		<b>Workers' Compensation Payments</b>
\$	3	—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>
\$	-6,000	—nonrecurring project.
	-468	—to continue current program.
\$	-6,468	<i>Appropriation Decrease</i>

## Program: Workers' Compensation and Assistance (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Occupational Disease Payments.....	\$ 935	\$ 882	\$ 805	\$ 805	\$ 805	\$ 805	\$ 805
Workers' Compensation Payments .....	1,079	957	960	960	960	960	960
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 2,014</b>	<b>\$ 1,839</b>	<b>\$ 1,765</b>	<b>\$ 1,765</b>	<b>\$ 1,765</b>	<b>\$ 1,765</b>	<b>\$ 1,765</b>

*PROGRAM OBJECTIVE: 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.*

## Program: Workforce Investment

The Workforce Investment program provides a range of employment, training and labor market information services administered by the Bureau of Workforce Development Partnership and the Center for Workforce Information and Analysis. The Department of Labor & Industry is the lead agency in administering interagency employment and training programs for Pennsylvania's adult labor force and youth. 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. In addition, youth programs provide at risk youth with skill development, career education and job placement.

In July 2012, the department developed and launched the first of three phases of a comprehensive job-matching system: JobGateway<sup>SM</sup>. Through the modernization and improvement of the existing system, cutting edge technologies will be introduced in phases to benefit both job-seekers and employers alike. Through this initiative, a user-friendly job-matching system will be created that seamlessly and intelligently matches job-seekers with employment opportunities and presents employers with a system to find candidates who fit their needs.

While most workforce training funds are federal, several state programs have been created to enhance workforce service delivery. Act 5 of 2005 created the Job Training Fund to provide grants to entities in specified rural counties that run workforce education programs and services for job training assistance to incumbent workers, dislocated workers, adult and youth workers and other workforce development programs.

Act 67 of 2011 put the Industry Partnership program into statute. The Industry Partnership program was created in 2005-2006 and has used the General Fund and other funding sources to support employer led consortiums within industry sectors in meeting their training and workforce development needs.

Act 107 of 2012 created the Keystone Works Program to provide employer driven training opportunities for unemployed workers. Employers are offered an incentive if the participant completes the training and is hired. Keystone Works is a means to get unemployed Pennsylvanians back to work while strengthening the workforce through job specific training. Businesses are able to find skilled workers to meet their needs while limiting up front risk and cost

associated with hiring a new employee. Unemployment compensation claimants are able to obtain occupational skills to add to their resume, maintain a connection to the workforce, and have opportunity for full-time employment.

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.

### **Program Element: Workforce Investment Act**

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 WIA 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 WIA 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.

### **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

## **Program: Workforce Investment (continued)**

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.

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.

### ***Program Element: Industry Partnerships***

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 Element: Keystone Works***

The Keystone Works Program allows claimants collecting regular state unemployment compensation benefits to participate in training opportunities with businesses looking to hire in high priority occupations. The maximum length of training is eight weeks, up to 24 hours per week. The Bureau of Workforce Development works with businesses and claimants to enroll them in the program. Upon completion of training, a business that hires a claimant into the job opening being trained for is eligible to receive incentive payments of \$375 for every four consecutive work weeks the claimant remains employed at least 35 hours per week. These incentive payments are available for up to four consecutive periods of four consecutive work weeks for a maximum of \$1,500 in total incentive payments per claimant.

## Program: Workforce Investment (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND**  
**New Choices / New Options**  
 \$ -500 —program elimination.

The Keystone Works and Industry Partnership appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Keystone Works .....	\$ 0	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
New Choices / New Options.....	450	500	0	0	0	0	0
Industry Partnerships.....	1,452	1,613	1,613	1,613	1,613	1,613	1,613
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,902</b>	<b>\$ 4,613</b>	<b>\$ 4,113</b>	<b>\$ 4,113</b>	<b>\$ 4,113</b>	<b>\$ 4,113</b>	<b>\$ 4,113</b>

*PROGRAM OBJECTIVE: To enable eligible persons with disabilities to obtain competitive employment.*

## Program: Vocational Rehabilitation

The mission of the Office of Vocational Rehabilitation (OVR) is to assist Pennsylvanians with disabilities secure and maintain employment and independence. During 2012, approximately 104,000 customers with disabilities were referred to and/or served by OVR programs.

The office administers a number of programs to achieve its mission, but a significant emphasis is placed on vocational rehabilitation services. That means helping people with disabilities find or keep jobs. These efforts target the estimated 540,000 citizens of the commonwealth who have physical or mental impairments that present a substantial impediment to employment. The Federal Rehabilitation Act of 1973 as amended in 1992, authorized federal funding and established 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 improve employment opportunities for those 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. Full-time training and support services are provided.

Pursuant to Act 15 of 1999, the OVR oversees the Bureau of Blind and Visual Services which 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 in Johnstown is administered through OVR. The center provides adults with disabilities a wide array of job training and vocational rehabilitation services in a campus-like environment. The center draws funds from the federal/state vocational rehabilitation program as well as from numerous grants and special projects.

Independent living services are provided through the nine Centers for Independent Living (CILs) created by Act 139 of 1994. CILs are non-profit community-based organizations that provide information and referral services, peer counseling, independent living skills training and other services to Pennsylvanians with disabilities.

Programs that increase the availability of assistive technology (AT) for people with disabilities are also administered. Assistive technology is any device that helps a person with a disability achieve a more independent and productive life. The proliferation of AT is achieved through two third-party programs that make AT financing available and affordable to people with disabilities and enable them to "test drive" AT before making what can be a major, irreversible purchase.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

All appropriations in this program are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Transfer to Vocational Rehabilitation Fund	\$ 40,473	\$ 40,473	\$ 40,473	\$ 40,473	\$ 40,473	\$ 40,473	\$ 40,473
Supported Employment	397	397	397	397	397	397	397
Centers for Independent Living	1,912	1,912	1,912	1,912	1,912	1,912	1,912
Assistive Technology Devices	244	244	244	244	244	244	244
Assistive Technology Demonstration and Training	399	399	399	399	399	399	399
<b>TOTAL GENERAL FUND</b>	<b>\$ 43,425</b>	<b>\$ 43,425</b>	<b>\$ 43,425</b>	<b>\$ 43,425</b>	<b>\$ 43,425</b>	<b>\$ 43,425</b>	<b>\$ 43,425</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Community and Occupational Safety and Stability</b>							
<b>Income Security - Workers' Rights</b>							
Minimum wage violations cited	503	500	500	500	500	500	500
Child Labor Law violations	138	150	150	150	150	150	150
Nonpayment of wage violations	5,026	5,000	5,000	5,000	5,000	5,000	5,000
Prevailing Wage Law violations	236	300	300	300	300	300	300
Prevailing Wage Law violations cases closed	405	300	300	300	300	300	300
Prevailing Wage Law violations cases closed-average number of days	398	180	180	180	180	180	180
<b>Labor Relations</b>							
Mediated cases for public sector bargaining units involving work stoppages	0.16%	2%	2%	2%	2%	2%	2%
Mediated cases for private sector bargaining units involving work stoppages	0%	10%	10%	10%	10%	10%	10%
Unfair Labor Practice Cases Opened	419	425	425	425	425	425	425
Unfair Labor Practice Cases Concluded	285	225	225	225	225	225	225
Union Representation Cases Opened	135	150	150	150	150	150	150
Union Representation Cases Concluded	152	125	125	125	125	125	125
<b>Public Health and Safety Inspections</b>							
Building inspections performed	41,251	30,000	29,000	29,000	29,000	29,000	29,000
Elevator inspections performed	12,404	12,000	12,000	12,000	12,000	12,000	12,000
Boiler inspections performed	30,258	29,000	30,300	34,000	34,000	34,000	34,000
Other inspections performed	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Building approvals issued	4,141	3,000	3,000	3,000	3,000	3,000	3,000
New buildings certified and renovations of existing buildings certified	2,348	2,300	2,300	2,300	2,300	2,300	2,300
Municipalities choosing to provide their own enforcement under the Uniform Construction Code Act	2,403	2,403	2,403	2,403	2,403	2,403	2,403
Certifications, accreditations & licensing (Asbestos/Lead/Private Employment Agency Licensing/Uniform Construction Code)	7,746	2,100	2,100	2,100	2,100	2,100	2,100
Incident reports received	775	700	700	700	700	700	N/A
<b>Program: Workers' Compensation and Assistance</b>							
Reportable injuries arising in the course of employment under the Workers' Compensation Act	91,066	98,000	98,000	98,000	98,000	98,000	98,000
Number of final decisions in litigated workers' compensation claims	47,215	51,000	51,000	51,000	51,000	51,000	51,000
Claimants qualifying for occupational disease payments from commonwealth funds	369	370	340	310	280	250	220
New claims for unemployment compensation	759,725	739,000	717,000	695,000	680,000	680,000	680,000

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Workforce Investment</b>							
<b>Work Investment Act Title I</b>							
Workforce Investment Act Adult Entered Employment Rate	69.80%	73%	75%	76%	76%	77%	77%
Dislocated Worker Entered Employment Rate	74.30%	74%	75%	75%	76%	77%	77%
Youth Placement Rate	65.50%	67%	69%	71%	71%	71%	71%
Workforce Investment Act Adult Employment Retention	82.90%	84%	85%	86%	86%	86%	86%
Dislocated Worker Employment Retention	88.50%	90%	90%	91%	92%	92%	92%
Youth Attainment (Individuals attaining a high school diploma, GED, postsecondary degree, or certification while enrolled in training)	83.90%	85%	87%	89%	89%	89%	89%
Number of Rapid Response Activities	413	400	400	350	350	300	300
Number of Individuals Trained by Individual Training Accounts	4,894	4,000	4,000	4,000	4,000	4,000	4,000
<b>Wagner Peyser</b>							
Wagner-Peyser Entered Employment Rate	54.90%	55%	56%	58%	58%	58%	58%
Wagner-Peyser Employment Retention	81.60%	82%	83%	84%	84%	84%	84%
<b>Incumbent Workers</b>							
Incumbent Worker Employment Retention Rate (Industry Partnership Participants)	77%	82%	83%	84%	84%	84%	84%
Incumbent Worker Wage Change (Industry Partnership Participants)	5%	4%	5%	5%	5%	5%	5%
Number of Incumbent Workers Trained (Industry Partnership Participants)	8,206	10,000	13,000	13,000	13,000	13,000	13,000
Apprentice completions-graduations	2,900	2,500	2,500	2,500	2,500	2,500	2,500
Registered Apprentices	13,363	14,000	14,000	14,000	14,000	14,000	14,000
Minorities Registered for Apprenticeship	1,452	1,500	1,500	1,500	1,500	1,500	1,500
<b>Program: Vocational Rehabilitation</b>							
Number of eligible participants with active plans	45,471	45,000	45,000	45,000	45,000	45,000	45,000
Number of participants closed as employed	9,794	10,000	10,000	10,000	10,000	10,000	10,000
Number of persons successfully completing independent living/specialized services	1,217	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	1,103	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	1,269	1,255	1,255	1,255	1,255	1,255	1,255

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# 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.

This budget proposes the privatization of the commonwealth's liquor store system. Please see the Overview and Summaries section for additional information.

## **Programs and Objectives**

**Liquor Control:** *To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.*

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## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12	2012-13	2013-14
	ACTUAL	AVAILABLE	BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
(F)Enforcing Underage Drinking Laws (EA).....	\$ 70	\$ 46	\$ 0
<b>OTHER FUNDS:</b>			
<b>STATE STORES FUND:</b>			
General Operations (EA).....	\$ 442,700	\$ 446,700	\$ 455,970
Purchase of Liquor (EA).....	1,159,000	1,200,000	1,260,000
Comptroller Operations (EA).....	6,000	6,000	6,000
<b>STATE STORES FUND TOTAL.....</b>	<b>\$ 1,607,700</b>	<b>\$ 1,652,700</b>	<b>\$ 1,721,970</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	70	46	0
OTHER FUNDS.....	1,607,700	1,652,700	1,721,970
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 1,607,770</b>	<b>\$ 1,652,746</b>	<b>\$ 1,721,970</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 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.....	70	46	0	0	0	0	0
OTHER FUNDS.....	1,607,700	1,652,700	1,721,970	1,721,970	1,721,970	1,721,970	1,721,970
SUBCATEGORY TOTAL.....	<u>\$ 1,607,770</u>	<u>\$ 1,652,746</u>	<u>\$ 1,721,970</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.....	70	46	0	0	0	0	0
OTHER FUNDS.....	1,607,700	1,652,700	1,721,970	1,721,970	1,721,970	1,721,970	1,721,970
DEPARTMENT TOTAL.....	<u><u>\$ 1,607,770</u></u>	<u><u>\$ 1,652,746</u></u>	<u><u>\$ 1,721,970</u></u>				

*PROGRAM OBJECTIVE: To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.*

## Program: Liquor Control

Under existing law, all bottle sales of wines and spirits in Pennsylvania, with the exception of sales by licensed Pennsylvania wineries, are made through 605 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 include six outlet stores, 19 one-stop shops located in grocery stores, 72 Premium Collection stores, one Wine Boutique and 163 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. Additionally, these revenues fund the operations of the Pennsylvania State Police Bureau of Liquor Control Enforcement, provide funding to the Department of Health to support drug and alcohol programs and cover significant expense allocations from other state agencies such as the Office of Administration and Auditor General. 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 1.1 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 re-branding effort in select retail locations. Some 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, limited Sunday sales and instantly 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. In 2001, Act 141 revised the existing license quota system from municipal-based to 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 150 - 200 licenses annually.

In 1994, the Liquor Control Board formalized its commitment to providing information about alcohol consumption by establishing 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. Act 141 of 2001 expanded the role of the Liquor Control Board through establishing a comprehensive Responsible Alcohol Management Program (RAMP) that 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.

Program: Liquor Control (continued)

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>STATE STORES FUND</b>			<b>Purchase of Liquor (EA)</b>
	<b>General Operations (EA)</b>		\$ 60,000	—for inventory costs.
\$ 9,270	—to continue current program.			

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 2013-14.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>STATE STORES FUND:</b>							
General Operations (EA) .....	\$ 442,700	\$ 446,700	\$ 455,970	\$ 455,970	\$ 455,970	\$ 455,970	\$ 455,970
Purchase of Liquor (EA) .....	1,159,000	1,200,000	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000
Comptroller Operations (EA) .....	6,000	6,000	6,000	6,000	6,000	6,000	6,000
<b>TOTAL STATE STORES FUND .....</b>	<b>\$ 1,607,700</b>	<b>\$ 1,652,700</b>	<b>\$ 1,721,970</b>	<b>\$ 1,721,970</b>	<b>\$ 1,721,970</b>	<b>\$ 1,721,970</b>	<b>\$ 1,721,970</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Liquor Control</b>							
Pennsylvania State Liquor Stores	609	609	605	605	605	605	605
Gross sales (includes taxes) (in thousands)	\$2,079,217	\$2,152,000	\$2,227,000	\$2,305,000	\$2,386,000	\$2,470,000	\$2,556,000
Net sales per dollar spent - all stores	\$6.20	\$6.37	\$6.52	\$6.67	\$6.83	\$6.99	\$7.15
Net sales per dollar spent - Premium Collection stores	\$6.61	\$6.82	\$7.02	\$7.23	\$7.45	\$7.67	\$7.90
Alcohol education grants awarded*	77	77	77	77	77	77	77
Alcohol education grant money awarded*	\$1,038,490	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Alcohol education materials distributed	1,144,577	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Operating income (in thousands)*	\$124,673	\$128,000	\$132,000	\$136,000	\$140,000	\$145,000	\$149,000
Total contributions from State Stores Fund*	\$530,289	\$546,000	\$563,000	\$579,000	\$597,000	\$615,000	\$633,000
Owners/Managers receiving Responsible Alcohol Management Program (RAMP) training	3,047	3,050	3,050	3,050	3,050	3,050	3,050
Servers/Sellers receiving RAMP training	26,179	27,000	28,000	29,000	30,000	31,000	32,000
Establishments that are RAMP certified	1,051	1,100	1,200	1,300	1,400	1,500	1,600

\* New Program Measure

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# 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 veteran's 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 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 Objectives**

**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.*

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# Military and Veterans Affairs

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
<b>General Government Operations.....</b>	<b>\$ 18,381<sup>a</sup></b>	<b>\$ 18,741</b>	<b>\$ 20,783</b>
(F)Facilities Maintenance.....	77,685	77,685	77,685
(F)ARRA - Facilities Maintenance.....	5,000	0	0
(F)Federal Construction Grants.....	180,000	80,000	30,000
(F)ARRA - Federal Construction Grants.....	20,000	0	0
(F)Domestic Preparedness (EA).....	1,000	1,000	500
(A)Rental of Armories and Other Facilities.....	122	122	122
(A)PA Emergency Management Agency Reimbursement.....	3	0	0
(A)Housing Fees.....	29	58	63
(A)Utility Reimbursements.....	174	195	195
(A)Miscellaneous Reimbursements.....	80	72	8
<b>Burial Detail Honor Guard.....</b>	<b>89</b>	<b>99</b>	<b>99</b>
<b>American Battle Monuments.....</b>	<b>0</b>	<b>0</b>	<b>50</b>
<b>Armory/Readiness Centers Maintenance and Repair.....</b>	<b>446</b>	<b>446</b>	<b>446</b>
<b>Special State Duty.....</b>	<b>25</b>	<b>35</b>	<b>35</b>
Subtotal.....	\$ 303,034	\$ 178,453	\$ 129,986
Subtotal - State Funds.....	\$ 18,941	\$ 19,321	\$ 21,413
Subtotal - Federal Funds.....	283,685	158,685	108,185
Subtotal - Augmentations.....	408	447	388
Total - General Government.....	\$ 303,034	\$ 178,453	\$ 129,986
<b>Institutional:</b>			
<b>Veterans Homes.....</b>	<b>\$ 92,590</b>	<b>\$ 85,721</b>	<b>\$ 81,847</b>
(F)Enhanced Veterans Reimbursement.....	13,548	15,286	22,728
(F)Operations and Maintenance.....	41,474	42,641	44,587
(F)Medical Reimbursements.....	388	630	350
(A)Aid and Attendance Payments.....	7,770	7,555	7,733
(A)Residential Fees.....	16,976	18,061	18,712
(A)Insurance or Third Party Reimbursements.....	66	52	54
(A)Physical & Occupational Therapy Reimbursements.....	365	365	365
(A)Pharmaceutical Reimbursement.....	0	500	500
(A)Miscellaneous Reimbursements.....	86	54	56
(A)Estate Collections.....	2,959	2,167	2,005
Subtotal.....	\$ 176,222	\$ 173,032	\$ 178,937
Subtotal - State Funds.....	\$ 92,590	\$ 85,721	\$ 81,847
Subtotal - Federal Funds.....	55,410	58,557	67,665
Subtotal - Augmentations.....	28,222	28,754	29,425
Total - Institutional.....	\$ 176,222	\$ 173,032	\$ 178,937
<b>Grants and Subsidies:</b>			
<b>Education of Veterans Children.....</b>	<b>\$ 101</b>	<b>\$ 101</b>	<b>\$ 101</b>
<b>Transfer to Educational Assistance Program Fund.....</b>	<b>12,870</b>	<b>12,870</b>	<b>12,870</b>
<b>Transfer to Veterans' Trust Fund (EA).....</b>	<b>0</b>	<b>1,700</b>	<b>0</b>
<b>Veterans Assistance.....</b>	<b>216</b>	<b>200</b>	<b>0</b>
<b>Blind Veterans Pension.....</b>	<b>222</b>	<b>222</b>	<b>222</b>
<b>Paralyzed Veterans Pension.....</b>	<b>425</b>	<b>1,285<sup>b</sup></b>	<b>1,288</b>
<b>National Guard Pension.....</b>	<b>5</b>	<b>5</b>	<b>5</b>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Supplemental Life Insurance Premiums</b> .....	<b>268</b>	<b>364</b>	<b>364</b>
<b>Disabled American Veterans Transportation</b> .....	<b>336</b>	<b>336</b>	<b>336</b>
<b>Veterans Outreach Services</b> .....	<b>1,632</b>	<b>1,632</b>	<b>2,332</b>
Subtotal.....	<b>\$ 16,075</b>	<b>\$ 18,715</b>	<b>\$ 17,518</b>
Total - Grants and Subsidies.....	<b>\$ 16,075</b>	<b>\$ 18,715</b>	<b>\$ 17,518</b>
 STATE FUNDS.....	 \$ 127,606	 \$ 123,757	 \$ 120,778
FEDERAL FUNDS.....	339,095	217,242	175,850
AUGMENTATIONS.....	28,630	29,201	29,813
<b>GENERAL FUND TOTAL</b> .....	<b>\$ 495,331</b>	<b>\$ 370,200</b>	<b>\$ 326,441</b>
 <b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Military Family Relief Assistance.....	\$ 68	\$ 300	\$ 300
<b>EDUCATIONAL ASSISTANCE PROGRAM FUND:</b>			
National Guard Education (EA).....	\$ 131 <sup>c</sup>	\$ 0 <sup>c</sup>	\$ 130 <sup>c</sup>
<b>PENNSYLVANIA VETERANS MEMORIAL TRUST FUND:</b>			
Veterans Memorial (EA).....	\$ 90	\$ 90	\$ 90
<b>STATE TREASURY ARMORY FUND:</b>			
Armory Improvements.....	\$ 1,331	\$ 850	\$ 850
<b>VETERANS' TRUST FUND:</b>			
Veterans Service Organizations.....	\$ 0	\$ 0 <sup>d</sup>	\$ 0
Grants and Assistance.....	0	0 <sup>e</sup>	40
<b>VETERANS' TRUST FUND TOTAL</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 40</b>
 <b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 127,606	\$ 123,757	\$ 120,778
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	339,095	217,242	175,850
AUGMENTATIONS.....	28,630	29,201	29,813
OTHER FUNDS.....	1,620	1,240	1,410
<b>TOTAL ALL FUNDS</b> .....	<b>\$ 496,951</b>	<b>\$ 371,440</b>	<b>\$ 327,851</b>

<sup>a</sup> Appropriated as \$240,000 for Facilities Management and Security and \$18,141,000 for General Government Operations in FY 2011-12.

<sup>b</sup> Includes recommended supplemental appropriation of \$830,000.

<sup>c</sup> Transfer to Educational Assistance Program Fund not added to the total to avoid double counting: 2011-12 Actual is \$12,870,000; 2012-13 Available is \$12,870,000 and 2013-14 Budget is \$12,870,000.

<sup>d</sup> Transfer to Veterans' Trust Fund (EA) not added to the total to avoid double counting: 2012-13 Available is \$700,000.

<sup>e</sup> Transfer to Veterans' Trust Fund (EA) not added to the total to avoid double counting: 2012-13 Available is \$1,000,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>STATE MILITARY READINESS</b>							
GENERAL FUND.....	\$ 18,941	\$ 19,321	\$ 21,413	\$ 21,113	\$ 21,113	\$ 21,113	\$ 21,113
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	283,685	158,685	108,185	108,185	108,185	108,185	108,185
OTHER FUNDS.....	1,897	1,687	1,628	1,628	1,628	1,628	1,628
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 304,523</b>	<b>\$ 179,693</b>	<b>\$ 131,226</b>	<b>\$ 130,926</b>	<b>\$ 130,926</b>	<b>\$ 130,926</b>	<b>\$ 130,926</b>
<b>VETERANS HOMES</b>							
GENERAL FUND.....	\$ 92,590	\$ 85,721	\$ 81,847	\$ 81,847	\$ 81,847	\$ 81,847	\$ 81,847
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	55,410	58,557	67,665	67,665	67,665	67,665	67,665
OTHER FUNDS.....	28,222	28,754	29,425	29,425	29,425	29,425	29,425
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 176,222</b>	<b>\$ 173,032</b>	<b>\$ 178,937</b>	<b>\$ 178,937</b>	<b>\$ 178,937</b>	<b>\$ 178,937</b>	<b>\$ 178,937</b>
<b>COMPENSATION AND ASSISTANCE</b>							
GENERAL FUND.....	\$ 16,075	\$ 18,715	\$ 17,518	\$ 17,518	\$ 17,518	\$ 17,518	\$ 17,518
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	131	0	170	40	40	40	40
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 16,206</b>	<b>\$ 18,715</b>	<b>\$ 17,688</b>	<b>\$ 17,558</b>	<b>\$ 17,558</b>	<b>\$ 17,558</b>	<b>\$ 17,558</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 127,606	\$ 123,757	\$ 120,778	\$ 120,478	\$ 120,478	\$ 120,478	\$ 120,478
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	339,095	217,242	175,850	175,850	175,850	175,850	175,850
OTHER FUNDS.....	30,250	30,441	31,223	31,093	31,093	31,093	31,093
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 496,951</b>	<b>\$ 371,440</b>	<b>\$ 327,851</b>	<b>\$ 327,421</b>	<b>\$ 327,421</b>	<b>\$ 327,421</b>	<b>\$ 327,421</b>

# Military and Veterans Affairs

**PROGRAM OBJECTIVE:** To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to state or federal mobilization.

## Program: State Military Readiness

This program provides the administrative, logistical and training support necessary for the Pennsylvania National Guard to maintain requisite readiness capability to service 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. 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 its 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, support facilities, Air National Guard bases and installations. A statewide communications network is in operation, which provides 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, which serve as training locations for National Guard units. The commonwealth is responsible for providing for the operations, maintenance and repair of the armories and air bases. These facilities may also be utilized as mass care centers for disaster victims and to provide meeting and recreational facilities for local civic and youth organizations.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>General Government Operations</b>			<b>American Battle Monuments</b>
\$	1,501	—to continue current program.	\$	50
	241	—to provide enhanced security at Fort Indiantown Gap.		—program restoration.
	300	—Initiative—Information Technology Enhancement. To implement software to streamline payroll processing of Pennsylvania National Guard members.		
\$	2,042	<i>Appropriation Increase</i>		

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 18,381	\$ 18,741	\$ 20,783	\$ 20,483	\$ 20,483	\$ 20,483	\$ 20,483
Burial Detail Honor Guard .....	89	99	99	99	99	99	99
American Battle Monuments .....	0	0	50	50	50	50	50
Armory/Readiness Centers Maintenance and Repair .....	446	446	446	446	446	446	446
Special State Duty .....	25	35	35	35	35	35	35
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 18,941</b>	<b>\$ 19,321</b>	<b>\$ 21,413</b>	<b>\$ 21,113</b>	<b>\$ 21,113</b>	<b>\$ 21,113</b>	<b>\$ 21,113</b>

*PROGRAM OBJECTIVE: To provide nursing and domiciliary care for veterans.*

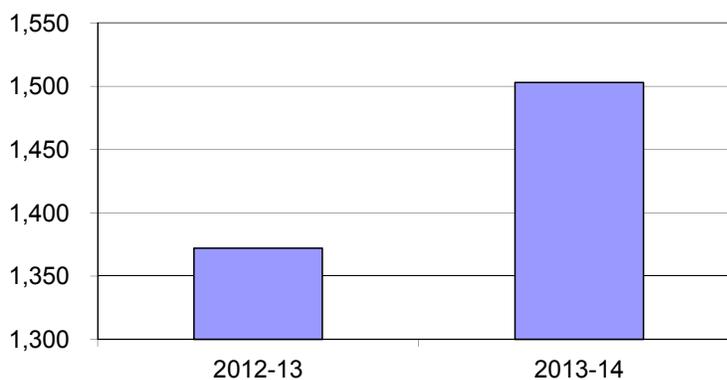
## Program: Veterans Homes

The Department of Military and Veterans Affairs, Bureau of Veterans Homes (BVH), provides Pennsylvania veterans with different levels of care; including skilled nursing, dementia and domiciliary/personal care. Currently, there are six veterans homes located throughout Pennsylvania: the Pennsylvania Soldiers and Sailors Home in Erie, the Hollidaysburg Veterans Home in Duncansville, 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 2013, the BVH program will receive assistance from the United States Department of Veterans Affairs (USDVA) at the rate of \$41.90 per patient day for domiciliary/personal care and \$97.07 per patient day for skilled nursing care.

Along with the aforementioned 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 1,503 in 2013-14.

### Expenditures by Institution: (Dollar Amounts in Thousands)

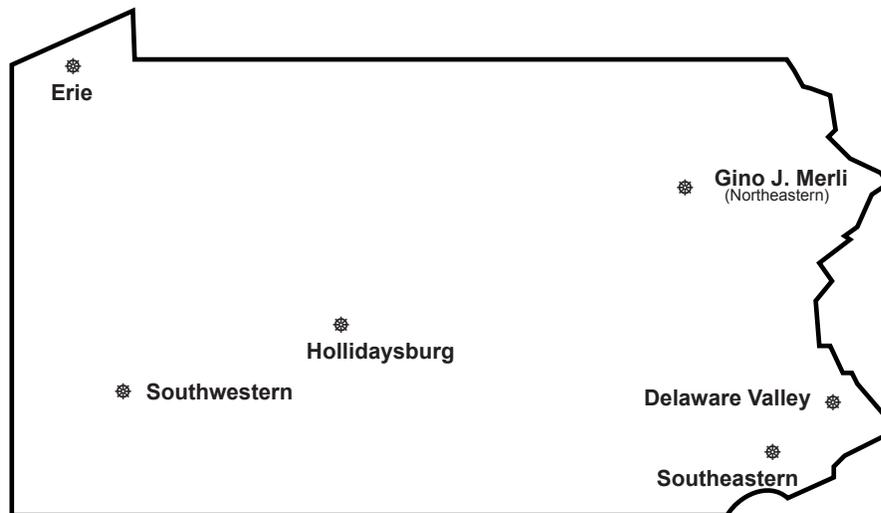
	2011-12 Actual	2012-13 Available	2013-14 Budget		2011-12 Actual	2012-13 Available	2013-14 Budget
<b>Erie Soldiers and Sailors Home</b>				<b>Southwestern Veterans Center</b>			
State Funds.....	\$ 10,514	\$ 9,642	\$ 8,710	State Funds.....	\$ 10,866	\$ 10,810	\$ 10,890
Federal Funds.....	6,027	6,741	7,571	Federal Funds.....	8,571	10,526	12,071
Augmentations.....	3,341	3,137	3,283	Augmentations.....	4,834	4,739	4,651
<b>TOTAL.....</b>	<b>\$ 19,882</b>	<b>\$ 19,520</b>	<b>\$ 19,564</b>	<b>TOTAL.....</b>	<b>\$ 24,271</b>	<b>\$ 26,075</b>	<b>\$ 27,612</b>
<b>Hollidaysburg Veterans Home</b>				<b>Delaware Valley Veterans Home</b>			
State Funds.....	\$ 24,919	\$ 24,072	\$ 22,811	State Funds.....	\$ 8,106	\$ 8,913	\$ 9,463
Federal Funds.....	16,377	18,162	20,785	Federal Funds.....	6,803	6,817	7,063
Augmentations.....	7,759	8,771	8,844	Augmentations.....	3,840	3,683	3,619
<b>TOTAL.....</b>	<b>\$ 49,055</b>	<b>\$ 51,005</b>	<b>\$ 52,440</b>	<b>TOTAL.....</b>	<b>\$ 18,749</b>	<b>\$ 19,413</b>	<b>\$ 20,145</b>
<b>Southeastern Veterans Center</b>				<b>Central Veterans Homes Services</b>			
State Funds.....	\$ 14,733	\$ 13,250	\$ 12,029	State Funds.....	\$ 13,966	\$ 8,683	\$ 8,578
Federal Funds.....	9,392	8,247	10,258	Federal Funds.....	-	-	-
Augmentations.....	4,068	4,225	4,748	Augmentations.....	-	-	-
<b>TOTAL.....</b>	<b>\$ 28,193</b>	<b>\$ 25,722</b>	<b>\$ 27,035</b>	<b>TOTAL.....</b>	<b>\$ 13,966</b>	<b>\$ 8,683</b>	<b>\$ 8,578</b>
<b>Gino J. Merli Veterans Center</b>							
State Funds.....	\$ 9,486	\$ 10,351	\$ 9,366				
Federal Funds.....	8,240	8,064	9,917				
Augmentations.....	4,380	4,199	4,280				
<b>TOTAL.....</b>	<b>\$ 22,106</b>	<b>\$ 22,614</b>	<b>\$ 23,563</b>				

# Military and Veterans Affairs

## Program: Veterans Homes (continued)

<b>Population and Capacity</b>		<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
<b>Institution</b>	<b>Population Dec 2012</b>	<b>Population Dec 2013</b>	<b>Capacity Dec 2013</b>	<b>Percent of Capacity</b>
Erie Soldiers and Sailors Home.....	192	191	207	92%
Hollidaysburg Veterans Home.....	445	483	506	95%
Southeastern Veterans Center .....	165	233	238	98%
Gino J. Merli Veterans Center.....	165	193	196	98%
Southwestern Veterans Center .....	234	232	236	98%
Delaware Valley Veterans Home.....	171	171	171	100%
<b>Total.....</b>	<u>1,372</u>	<u>1,503</u>	<u>1,554</u>	<u>97%</u>

## Veterans Homes



### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<b>Veterans Homes</b>	
\$ 3,568	—to continue current program.
<u>-7,442</u>	—impact of increased federal reimbursements.
\$ -3,874	Appropriation Decrease

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Veterans Homes.....	<u>\$ 92,590</u>	<u>\$ 85,721</u>	<u>\$ 81,847</u>	<u>\$ 81,847</u>	<u>\$ 81,847</u>	<u>\$ 81,847</u>	<u>\$ 81,847</u>

*PROGRAM OBJECTIVE: To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.*

## Program: Compensation and Assistance

The Department of Military and Veterans Affairs administers several activities within this program.

### **Program Element: Education of Children of Deceased and Disabled Veterans**

Educational grants 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). 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. Grants are provided up to a maximum of \$500 per semester.

### **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 Department of Education. Act 11 of 2000 increased the monetary benefit of the educational assistance program. Act 212 of 2004 created the Educational Assistance Program Fund to dispense the grants. Grants are available for full-time students for up to 100 percent of the tuition charged (up to \$3,214 per semester) to a Pennsylvania resident at a member institution of the State System of Higher Education. Act 82 of 2005 extended the eligibility time in cases of deployment. Act 44 of 2006 extended the time in case of medical discharge. Act 87 of 2006 amended Title 51 to allow for grants to part-time students. The maximum annual grant for a part-time student who does not possess a bachelor's degree is \$2,142. The part-time grant for members possessing a bachelor's degree is 50% of the tuition or \$1,071, whichever is less per semester. 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: 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. Act 109 of 2001 expanded this program by eliminating the residency and wartime service requirement.

### **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**

Act 105 of 2006 authorized the commonwealth to pay or reimburse the cost not otherwise paid for by the federal government, of Servicemembers' Group Life Insurance premiums for eligible soldiers and airmen of the PA National Guard.

### **Program Element: Veterans Outreach Services**

Act 66 of 2007 created the Veterans Service Organizations grant program to provide grants to organizations for the improvement of the administration and delivery of services to Pennsylvania veterans. Grants shall be used solely to support accredited veterans' service officers and the associated costs, including: wages, benefits, other compensation and related personnel costs; training provided by accredited veterans' service advocacy staff; and equipment to be used by accredited veterans' service 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 that are members of the State Veterans Commission may apply for grant funding.

### **Program Element: Persian Gulf Conflict Veterans Benefit Program**

Compensation of \$75 per month of qualifying service and up to \$525, calculated based on months of service in the theater of the operations during the first Persian Gulf conflict (August 1990 – August 1991) is paid to eligible Pennsylvania veterans of the conflict. Veterans must prove residency in Pennsylvania (home of record) during their qualifying service. In addition, compensation of \$5,000 is paid to eligible survivors of deceased veterans and prisoners of war. The program was authorized by Act 29 of 2006.

## Program: Compensation and Assistance (continued)

### **Program Element: Disabled Veterans Real Estate Tax Exemption Program**

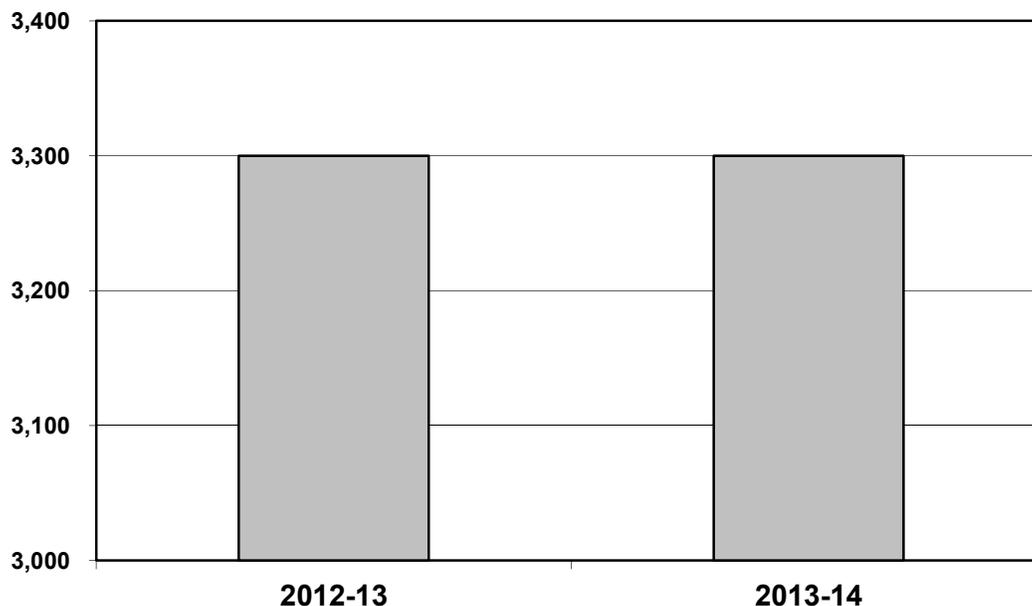
This program provides a real estate tax exemption for any honorably discharged veteran who is determined by the USDVA to be 100 percent permanently disabled. The veteran must be a resident of the commonwealth with a financial need who served during established war or armed conflict service dates and who resides in the property subject to the exemption as his or her principal dwelling. This exemption shall be 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**

Act 65 of 2005 created the program to provide for short-term financial relief to families in need due to deployment of a family member. This program is funded through contributions from state income tax return check offs and donations and was originally intended to last for five years. It has since been extended until June 30, 2016.

### National Guard Personnel Receiving Educational Financial Aid



National Guard personnel receiving educational financial aid is projected to be 3,300 in 2013-14. Act 82 of 2005 extended the eligibility period so that those deployed can finish their education.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ -1,700 <b>Transfer to Veterans' Trust Fund (EA)</b> —nonrecurring implementation funding.</p> <p>\$ -200 <b>Veterans Assistance</b> —funding elimination. Assistance will be provided through the Veterans' Trust Fund.</p>	<p>\$ 3 <b>Paralyzed Veterans Pension</b> —to continue current program.</p> <p>\$ 700 <b>Veterans Outreach Services</b> —to continue current program.</p>
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All other appropriations are recommended at the current year funding levels.

# Military and Veterans Affairs

## Program: Compensation and Assistance (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Education of Veterans Children .....	\$ 101	\$ 101	\$ 101	\$ 101	\$ 101	\$ 101	\$ 101
Transfer to Educational Assistance Program Fund .....	12,870	12,870	12,870	12,870	12,870	12,870	12,870
Transfer to Veterans' Trust Fund (EA) .....	0	1,700	0	0	0	0	0
Veterans Assistance .....	216	200	0	0	0	0	0
Blind Veterans Pension .....	222	222	222	222	222	222	222
Paralyzed Veterans Pension .....	425	1,285	1,288	1,288	1,288	1,288	1,288
National Guard Pension .....	5	5	5	5	5	5	5
Supplemental Life Insurance Premiums....	268	364	364	364	364	364	364
Disabled American Veterans Transportation	336	336	336	336	336	336	336
Veterans Outreach Services .....	1,632	1,632	2,332	2,332	2,332	2,332	2,332
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 16,075</b>	<b>\$ 18,715</b>	<b>\$ 17,518</b>	<b>\$ 17,518</b>	<b>\$ 17,518</b>	<b>\$ 17,518</b>	<b>\$ 17,518</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: State Military Readiness</b>							
Pennsylvania Army National Guard end strength	15,356	15,356	15,356	15,356	15,356	15,356	15,356
Pennsylvania Army National Guard assigned	15,356	15,356	15,356	15,356	15,356	15,356	15,356
Percentage of Army National Guard current strength	100%	100%	100%	100%	100%	100%	100%
Pennsylvania Air National Guard end strength	3,888	3,900	3,900	3,900	3,900	3,900	3,900
Pennsylvania Air National Guard assigned	3,926	3,900	3,900	3,900	3,900	3,900	3,900
Percentage of Air National Guard current strength	101%	100%	100%	100%	100%	100%	100%
Percentage of armories and field sites rated adequate	44%	47%	47%	47%	47%	47%	47%
Readiness centers and field sites under major repair	31	45	33	36	15	23	18
Department of Defense personnel receiving training at Fort Indiantown Gap	112,081	120,000	120,000	120,000	120,000	120,000	120,000
Non-Department of Defense personnel receiving training at Fort Indiantown Gap	10,765	14,000	14,000	14,000	14,000	14,000	14,000
Pennsylvania Soldiers and Airmen deployed for statewide emergencies	19,396	6,188	0	0	0	0	0
<b>Program: Veterans Homes</b>							
<b>Veterans Homes</b>							
Percentage of population at veterans homes that are veterans	90%	88%	88%	88%	88%	88%	88%
Percentage of population at veterans homes that are spouses	10%	12%	12%	12%	12%	12%	12%
Percentage of occupancy rate above national average of state veterans homes - Domiciliary care	28%	22%	22%	22%	22%	22%	22%
Percentage of occupancy rate above national average of state veterans homes - Nursing care	9%	11%	11%	11%	11%	11%	11%
<b>Program: Compensation and Assistance</b>							
Veterans in Pennsylvania	933,404	903,361	874,061	846,000	819,000	793,000	768,000
Recipients of veterans emergency assistance	251	300	N/A	N/A	N/A	N/A	N/A
Recipients of blind veterans pension	130	135	140	140	140	140	140
Children of deceased and disabled veterans receiving education grants	90	95	100	100	100	100	100
Participants in paralyzed veterans programs	245	825	825	825	825	825	825
National Guard personnel receiving educational financial aid	2,855	3,300	3,300	3,300	3,300	3,300	3,300



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# MILK MARKETING BOARD

*The mission of the Milk Marketing Board is to ensure that Pennsylvania's dairy industry remains vital 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 Objectives**

**Milk Industry Regulation:** *To maintain an adequate supply of wholesome fluid milk.*

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**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b><u>OTHER FUNDS:</u></b>			
<b>MILK MARKETING FUND:</b>			
General Operations.....	\$ 2,802	\$ 2,802	\$ 2,810

Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 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.....	2,802	2,802	2,810	2,810	2,810	2,810	2,810
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 2,802</b>	<b>\$ 2,802</b>	<b>\$ 2,810</b>	<b>\$ 2,810</b>	<b>\$ 2,810</b>	<b>\$ 2,810</b>	<b>\$ 2,810</b>
<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.....	2,802	2,802	2,810	2,810	2,810	2,810	2,810
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 2,802</b>	<b>\$ 2,802</b>	<b>\$ 2,810</b>	<b>\$ 2,810</b>	<b>\$ 2,810</b>	<b>\$ 2,810</b>	<b>\$ 2,810</b>

*PROGRAM OBJECTIVE: To maintain an adequate supply of wholesome fluid milk.*

## Program: Milk Industry Regulation

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 (MARS). 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)

**MILK MARKETING FUND**  
**General Operations**  
\$ 8 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>MILK MARKETING FUND:</b>							
General Operations .....	\$ 2,802	\$ 2,802	\$ 2,810	\$ 2,810	\$ 2,810	\$ 2,810	\$ 2,810

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Milk Industry Regulation</b>							
Percentage of producer payments made adequately and on time	99%	99%	99%	99%	99%	99%	99%
Public hearings held to consider the level and duration of the Class 1 over-order premium	2	2	2	2	2	2	2
General and cost replacement hearings held to determine dealer and retailer costs	6	6	6	6	6	6	6
Licenses and permits issued	2,146	2,100	2,100	2,100	2,100	2,100	2,100
Audits of milk dealers for compliance with milk sales rules and regulations	1,080	1,000	1,000	1,000	1,000	1,000	1,000



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# BOARD OF PROBATION AND PAROLE

*The mission of the Board of Probation and Parole is to protect the safety of the public, address the needs of crime victims, improve county adult probation and parole services and assist in the fair administration of justice by ensuring the custody, control and treatment of offenders under the jurisdiction of the board.*

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 Objectives**

**Reintegration of the Adult Offender:** *To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 103,410</b>	<b>\$ 110,281</b>	<b>\$ 121,026</b>
(F)Violence Prediction Model.....	130	86	86
(F)ARRA - Maximizing Victim Restitution (EA).....	65	35	0
(F)Absconder Apprehension (EA).....	15	8	0
(F)Address Confidentiality Program (EA).....	0	60	0
(A)State Parole Supervision Fees.....	4,100	3,900	3,700
(A)Interstate Supervision Fees.....	93	85	90
Subtotal.....	<b>\$ 107,813</b>	<b>\$ 114,455</b>	<b>\$ 124,902</b>
<b>Sexual Offenders Assessment Board.....</b>	<b>4,751</b>	<b>5,164</b>	<b>5,429</b>
(F)ARRA - System Process Enhancements (EA).....	84	0	0
Subtotal.....	<b>\$ 4,835</b>	<b>\$ 5,164</b>	<b>\$ 5,429</b>
Subtotal - State Funds.....	\$ 108,161	\$ 115,445	\$ 126,455
Subtotal - Federal Funds.....	294	189	86
Subtotal - Augmentations.....	4,193	3,985	3,790
Total - General Government.....	<b>\$ 112,648</b>	<b>\$ 119,619</b>	<b>\$ 130,331</b>
<i>Grants and Subsidies:</i>			
<b>Improvement of Adult Probation Services.....</b>	<b>\$ 16,222</b>	<b>\$ 16,222</b>	<b>\$ 16,222</b>
(A)County Parole Supervision Fees.....	17,798	17,813	18,000
Subtotal.....	<b>\$ 34,020</b>	<b>\$ 34,035</b>	<b>\$ 34,222</b>
Subtotal - State Funds.....	\$ 16,222	\$ 16,222	\$ 16,222
Subtotal - Augmentations.....	17,798	17,813	18,000
Total - Grants and Subsidies.....	<b>\$ 34,020</b>	<b>\$ 34,035</b>	<b>\$ 34,222</b>
STATE FUNDS.....	\$ 124,383	\$ 131,667	\$ 142,677
FEDERAL FUNDS.....	294	189	86
AUGMENTATIONS.....	21,991	21,798	21,790
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 146,668</b>	<b>\$ 153,654</b>	<b>\$ 164,553</b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Firearms Education and Training Commission.....	\$ 495	\$ 575	\$ 569
<b>JUSTICE REINVESTMENT FUND:</b>			
Streamline State Parole Process.....	\$ 0	\$ 0	\$ 0 <sup>a</sup>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 124,383	\$ 131,667	\$ 142,677
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	294	189	86
AUGMENTATIONS.....	21,991	21,798	21,790
OTHER FUNDS.....	495	575	569
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 147,163</b>	<b>\$ 154,229</b>	<b>\$ 165,122</b>

<sup>a</sup> Distributions provided by the formula in Act 196 of 2012 to the board are projected to begin in 2014-15.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>REINTEGRATION OF THE ADULT OFFENDER</b>							
GENERAL FUND.....	\$ 124,383	\$ 131,667	\$ 142,677	\$ 143,699	\$ 143,699	\$ 143,699	\$ 143,699
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	294	189	86	0	0	0	0
OTHER FUNDS.....	22,486	22,373	22,359	23,330	22,764	22,829	22,870
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 147,163</b>	<b>\$ 154,229</b>	<b>\$ 165,122</b>	<b>\$ 167,029</b>	<b>\$ 166,463</b>	<b>\$ 166,528</b>	<b>\$ 166,569</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 124,383	\$ 131,667	\$ 142,677	\$ 143,699	\$ 143,699	\$ 143,699	\$ 143,699
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	294	189	86	0	0	0	0
OTHER FUNDS.....	22,486	22,373	22,359	23,330	22,764	22,829	22,870
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 147,163</b>	<b>\$ 154,229</b>	<b>\$ 165,122</b>	<b>\$ 167,029</b>	<b>\$ 166,463</b>	<b>\$ 166,528</b>	<b>\$ 166,569</b>

*PROGRAM OBJECTIVE: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

## Program: Reintegration of the Adult Offender

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 and management of offenders who are returning to their communities. Successful reentry of offenders can reduce the likelihood that they will victimize anyone else and ultimately return to prison.

The responsibilities of the board are to make parole decisions and supervise adult parolees with a maximum sentence of two years or more; revoke the parole of technical parole violators who persist in continuing to violate parole conditions and revoke the parole of violators who are convicted of new crimes; and discharge from parole offenders under supervision who have fulfilled their sentences in compliance with the conditions of parole. The number of offenders projected to be under board supervision by June 2014 is 39,430, up from 35,982 in June 2012. The parole population includes offenders paroled from the state correctional system, special county probation and parole cases and offenders transferred pursuant to the interstate compact 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. Act 83 of 2008 provided for rebuttable and administrative parole. Place of confinement provisions from Act 81 of 2008 went into effect in November 2011. 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 that the jail has sufficient capacity. The judge retains paroling authority. Act 122 of 2012 adopted recommendations from the Justice Reinvestment Initiative to improve the criminal justice system, reduce recidivism and reduce prison costs. The act calls for the commonwealth to redesign its use of community corrections centers by eliminating the Department of Corrections' pre-release program and using the centers for technical parole violators. The provisions that change the placement for technical parole violators went into effect in January 2013. Act 196 of 2012 created the Justice Reinvestment Fund to recognize, and distribute via formula, savings that will be realized by the Department of Corrections as a result of the changes within Act 122. Acts 111 of 2011 and 91 of 2012 expanded the board's role relating to sex offenders to include updating and verifying the registry information for any offenders that are under board supervision. This responsibility went into effect in December 2012.

### **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 the 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. A validated risk and needs assessment instrument is used to maintain consistency and accuracy in parole decisions and to ensure that justice is administered fairly.

### **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 introduced to the commonwealth's CareerLink services and given assistance with the basics of job search preparation. Upon release, an offender's needs are reassessed every six months or more frequently if deemed appropriate. Act 122 of 2012 created the Safe Community Reentry Program and provides for a renewed focus on reentry preparation for offenders. In addition, the board employs parole agents who receive specialized training to qualify as facilitators for 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 or community contract facility.

### **Program Element: Supervision and Case Management**

The reentry of an offender into the community requires effective parole supervision that is a balance of monitoring and enforcement of parole conditions coupled with effective case management. As part of the board's responsibility to public safety, the field parole agent uses problem-solving case management and other evidence-based strategies to help manage and reduce the offender's

## Program: Reintegration of the Adult Offender (continued)

risk to re-offend. Parole staff also helps the offender with challenges regarding his 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. Act 95 of 2010 authorized the use of technical parole violator centers for certain offenders. With the implementation of Act 122, the number of parole violator centers will increase. These secure centers will continue to immediately address the issues causing the offender to struggle with their adjustment to life outside of prison with the goal to reduce the number of technical parole violators returned to prison. The board has implemented a violent offender management protocol that includes 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 has the responsibility of administering a grant-in-aid program to support county adult probation personnel and services. Act 134 of 1986, which amended the Parole Act, provides that counties shall be reimbursed for up to 80 percent of the personnel costs for pre-sentence investigations and for improved probation supervision and programs, provided that sufficient funds are appropriated. The grant-in-aid program provides these funds to counties based on a historically-designated staffing level established in 1991.

### Program Element: Other Probation and Parole Programs

Act 35 of 1991 mandates that a monthly supervision fee be paid by all offenders under state supervision unless a waiver is granted. In addition, Act 35 requires that the

sentencing judge of the Court of Common Pleas impose upon county offenders, as a condition of supervision, a monthly supervision fee of at least \$25 unless reduced, waived or deferred.

Act 8 of Special Session 1 of 1995 created the Office of Victim Advocate, an independent entity within the board, to represent the interests of crime victims before the board or the Department of Corrections.

Act 24 of 1995, or Megan's Law as it is commonly known, established the Sexual Offenders Assessment Board. This board is responsible for conducting court-ordered assessments of convicted sexual offenders. The assessments are provided to district attorneys to assist in the determination prior to sentencing of those offenders who may be found by the court to be sexually violent predators. Prior to parole considerations, the Board of Probation and Parole requests assessments of Megan's Law offenders unless the court has already requested an assessment. Act 111 of 2011 updated Megan's Law to fully implement the federal Adam Walsh Act of 2006. Under Act 111, all sex offenders are classified into three classes, or tiers, based on the severity of the sex crimes for which they have been convicted. The act also adds additional sex offenses that require registration, therefore increasing the number of individuals whose assessments will ultimately be under the purview of the Sexual Offenders Assessment Board. Under Act 21 of 2003, certain sexually violent adolescent sex offenders are subject to an assessment by the Sexual Offenders Assessment Board upon reaching age 20. The assessment is used by the courts to determine the need for involuntary commitment and treatment of these offenders.

Act 204 of 2012 created tiered sentencing for juveniles convicted of first and second degree murder. This legislation was passed following a United States Supreme Court decision that stated mandatory life without parole for juveniles was not constitutional. These offenders are eligible for parole every five years.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<b>GENERAL FUND</b>	
	<b>General Government Operations</b>
\$ 7,820	—to continue current program.
2,133	—Initiative—Justice Reinvestment Staffing. To provide resources to monitor anticipated workload increases resulting from the Justice Reinvestment Initiative and to enhance reentry programs.
492	—Initiative—Workforce Development. To maintain caseload ratios for an increased parolee population.
300	—Initiative—Workforce Development. To provide Global Positioning System monitoring.
<hr/>	
\$ 10,745	<i>Appropriation Increase</i>

<b>Sexual Offenders Assessment Board</b>	
\$ 265	—to continue current program.

The Improvement of Adult Probation Services appropriation is recommended at the current year funding level.

# Probation and Parole

## Program: Reintegration of the Adult Offender (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 103,410	\$ 110,281	\$ 121,026	\$ 122,048	\$ 122,048	\$ 122,048	\$ 122,048
Sexual Offenders Assessment Board .....	4,751	5,164	5,429	5,429	5,429	5,429	5,429
Improvement of Adult Probation Services .	16,222	16,222	16,222	16,222	16,222	16,222	16,222
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 124,383</b>	<b>\$ 131,667</b>	<b>\$ 142,677</b>	<b>\$ 143,699</b>	<b>\$ 143,699</b>	<b>\$ 143,699</b>	<b>\$ 143,699</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Reintegration of the Adult Offender</b>							
<b>Board Parole Process</b>							
Average monthly number of offenders eligible for parole interviews	3,017	2,955	2,745	2,730	2,715	2,700	2,685
Average monthly number of offenders interviewed	1,829	1,850	1,865	1,880	1,890	1,905	1,915
Average monthly percentage of scheduled interviews held	61%	63%	68%	68%	69%	69%	70%
Average monthly number of offenders granted parole or reparole	1,162	1,110	1,120	1,125	1,135	1,140	1,150
Average monthly number of offenders released to parole from state correctional institutions	922	950	975	985	990	995	995
<b>State Supervision Process</b>							
State parolees and probationers supervised at fiscal year end	35,982	37,800	39,400	40,400	41,000	41,500	41,700
Annual state sentence releases to parole supervision	11,821	11,990	12,090	12,190	12,260	12,340	12,410
Employment rate (percentage) of offenders who are able to work	62%	61%	61%	62%	62%	63%	63%
Successful completions of parole as a percentage of monthly cases closed (revocations or successful completions)	53%	55%	58%	62%	62%	61%	60%
Average monthly percentage of supervised offenders in absconder status	3.30%	3.30%	3.30%	3.20%	3.20%	3.20%	3.20%
Average monthly number of state-sentenced technical parole violators returned to prison	273	250	175	105	110	115	120
Average monthly percentage of state-sentenced technical parole violators returned to prison	1.08%	1%	0.60%	0.40%	0.40%	0.40%	0.40%
Average monthly number of state-sentenced convicted parole violators returned to prison	160	165	180	190	200	210	215
Average monthly percentage of state-sentenced population returned to prison as convicted parole violators	0.63%	0.65%	0.65%	0.70%	0.70%	0.70%	0.75%
One-year recidivism rate	19.30%	18.90%	16.30%	13.50%	14.10%	14.60%	15.10%
<b>State Supervision Fee Collection</b>							
Total state supervision fee dollars collected annually	\$3,635,109	\$3,500,000	\$3,650,000	\$3,650,000	\$3,650,000	\$3,650,000	\$3,650,000
<b>Related Program Areas</b>							
Total number of registrations and notifications to registered crime victims	25,299	25,805	26,580	27,375	28,200	29,045	29,915
Total number of sex offender assessments completed	1,975	2,120	3,070	3,130	3,190	3,240	3,290
Probationers and parolees supervised by county probation departments	210,099	214,300	218,600	223,000	227,400	232,000	236,600



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# 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 Objectives**

**Public School Employees' Retirement:** *To provide retirement benefits to public school employees of the Commonwealth of Pennsylvania.*

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# Public School Employees' Retirement System

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b><u>OTHER FUNDS:</u></b>			
<b>SCHOOL EMPLOYEES' RETIREMENT FUND:</b>			
Administration.....	\$ 44,107	\$ 44,144	\$ 41,365
Investment Related Expenses.....	5,944	8,799	15,972
Directed Commissions.....	0	2,000	2,000
(A)Health Insurance - Administration Reimbursement.....	950	959	1,052
(A)Health Options - Administration Reimbursement.....	2,576	2,600	2,831
SCHOOL EMPLOYEES' RETIREMENT FUND TOTAL.....	<u>\$ 53,577</u>	<u>\$ 58,502</u>	<u>\$ 63,220</u>

# Public School Employees' Retirement System

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 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.....	53,577	58,502	63,220	63,220	63,220	63,220	61,220
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 53,577</b>	<b>\$ 58,502</b>	<b>\$ 63,220</b>	<b>\$ 63,220</b>	<b>\$ 63,220</b>	<b>\$ 63,220</b>	<b>\$ 61,220</b>
<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.....	53,577	58,502	63,220	63,220	63,220	63,220	61,220
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 53,577</b>	<b>\$ 58,502</b>	<b>\$ 63,220</b>	<b>\$ 63,220</b>	<b>\$ 63,220</b>	<b>\$ 63,220</b>	<b>\$ 61,220</b>

# Public School Employees' Retirement System

*PROGRAM OBJECTIVE: To provide retirement benefits to public school employees of the Commonwealth of Pennsylvania.*

## Program: Public School Employees' Retirement

The Public School Employees' Retirement System (PSERS) was established in 1917 to provide retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate include all full-time public school employees and part-time hourly and per diem public school employees who meet certain service requirements in any of the 773 reporting entities in Pennsylvania. The School Employees' Retirement Fund is shown in the Other Special Funds Appendix.

PSERS undergoes an annual independent actuarial valuation to calculate the actuarial assets and liabilities of the pension fund. Based on the actuarial valuation process and legal requirements, the actuary develops the recommended employer contribution rate that determines the employer contributions to the pension plan. The valuation process also measures the progress of the pension system towards funding pensions for its active and retired members. The three major sources of current income are earnings from investments and employer and member contributions.

Act 120 of 2010 enacted many significant changes to the pension system. Act 120 amended the benefit structure for most new employees hired after July 1, 2011 and amended the funding provisions. Key benefit changes include 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 when annual returns over a multi-year period are higher or lower than the rate assumed for PSERS' actuarial valuations. The act also included changes to the funding provisions such as the fresh start of liabilities by re-amortizing existing liabilities and future experience gains and losses over 24 years with level percentage of pay amortization and the implementation of employer contribution rate collars which are limits on the amount of year-over-year increases in the employer contribution rate. The collars established by the Act 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.

The Public School Employees' Retirement System 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)

<b>SCHOOL EMPLOYEES' RETIREMENT FUND</b>	
<b>School Employees' Retirement Administration</b>	
\$ -7,173	—transfer of expenses to Investment Related Expenses.
2,394	—to continue current program.
2,000	—Initiative—Information Technology Upgrade. To update computer and phone systems.
<u>\$ -2,779</u>	<i>Appropriation Decrease</i>

In addition, \$15,972,000 in Investment Related Expenses and \$2,000,000 in Directed Commissions will be used to support this program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>SCHOOL EMPLOYEES' RETIREMENT FUND:</b>							
Administration.....	\$ 44,107	\$ 44,144	\$ 41,365	\$ 41,365	\$ 41,365	\$ 41,365	\$ 39,365
Investment Related Expenses .....	5,944	8,799	15,972	15,972	15,972	15,972	15,972
Directed Commissions.....	0	2,000	2,000	2,000	2,000	2,000	2,000
(A)Health Insurance - Administration Reimbursement .....	950	959	1,052	1,052	1,052	1,052	1,052
(A)Health Options - Administration Reimbursement .....	2,576	2,600	2,831	2,831	2,831	2,831	2,831
<b>TOTAL SCHOOL EMPLOYEES' RETIREMENT FUND .....</b>	<u>\$ 53,577</u>	<u>\$ 58,502</u>	<u>\$ 63,220</u>	<u>\$ 63,220</u>	<u>\$ 63,220</u>	<u>\$ 63,220</u>	<u>\$ 61,220</u>

# Public School Employees' Retirement System

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Public School Employees' Retirement</b>							
Total number of members counseled	8,973	9,000	8,500	8,500	8,500	8,500	8,500
Total number of retired employees (annuitants), beneficiaries, and survivor annuitants	204,200	212,600	220,900	228,900	236,200	242,900	248,900
Total Pension and Healthcare Premium Assistance benefit payments (in billions)	\$5.77	\$6.18	\$6.52	\$6.93	\$7.41	\$7.90	\$8.41



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# 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 Objectives**

**Regulation of Public Utilities:** *To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.*

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## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
(R)General Government Operations.....	\$ 55,685	\$ 60,398	\$ 63,090
(F)Natural Gas Pipeline Safety.....	1,501	2,819	2,819
(F)Motor Carrier Safety.....	1,888	1,888	1,888
(F)ARRA - Electric Regulatory Assistance.....	511	150	0
(F)ARRA - Smart Grid Resiliency Initiative (EA).....	224	0	0
<b>Impact Fee Administration.....</b>	<b>250</b>	<b>0</b>	<b>0</b>
Subtotal - State Funds.....	\$ 250	\$ 0	\$ 0
Subtotal - Federal Funds.....	4,124	4,857	4,707
Subtotal - Restricted Revenues.....	55,685	60,398	63,090
Total - General Government.....	<u>\$ 60,059</u>	<u>\$ 65,255</u>	<u>\$ 67,797</u>
STATE FUNDS.....	\$ 250	\$ 0	\$ 0
FEDERAL FUNDS.....	4,124	4,857	4,707
RESTRICTED REVENUES.....	55,685	60,398	63,090
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 60,059</u></b>	<b><u>\$ 65,255</u></b>	<b><u>\$ 67,797</u></b>
<b>OTHER FUNDS:</b>			
<b>MARCELLUS LEGACY FUND:</b>			
Transfer to Highway Bridge Improvement.....	\$ 0	\$ 18,121	\$ 18,818
Transfer to Environmental Stewardship Fund.....	0	7,248	7,527 <sup>a</sup>
County Recreational Planning, Development and Rehabilitation.....	0	10,873	11,291
Transfer to Commonwealth Financing Authority-H2O.....	0	9,061	9,409
Transfer to Commonwealth Financing Authority.....	0	14,497	15,054
<b>MARCELLUS LEGACY FUND TOTAL.....</b>	<b><u>\$ 0</u></b>	<b><u>\$ 59,800</u></b>	<b><u>\$ 62,099</u></b>
<b>UNCONVENTIONAL GAS WELL FUND:</b>			
Gas Well Fee Administration.....	\$ 0	\$ 1,000	\$ 1,000
Transfer to Marcellus Legacy Fund - DEP.....	0	10,000	7,500
Conservation District Grants.....	0	1,250	2,500
Transfer to Conservation District Fund.....	0	1,250	2,500
Transfer to Housing Affordability and Rehabilitation Enhance.....	0	7,926	5,000
Host Counties.....	0	38,241	38,846
Host Municipalities.....	0	34,063	39,925
Local Municipalities.....	0	28,496	29,134
Transfer to Marcellus Legacy Fund.....	0	72,484	75,270
<b>UNCONVENTIONAL GAS WELL FUND TOTAL.....</b>	<b><u>\$ 0</u></b>	<b><u>\$ 194,710</u></b>	<b><u>\$ 201,675</u></b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 250	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	4,124	4,857	4,707
RESTRICTED.....	55,685	60,398	63,090
OTHER FUNDS.....	0	254,510	263,774
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 60,059</u></b>	<b><u>\$ 319,765</u></b>	<b><u>\$ 331,571</u></b>

<sup>a</sup> Not added to the total to avoid double counting with the program expenditures from the Environmental Stewardship Fund shown in various agencies. 2011-12 Actual is \$0; 2012-13 Available is \$0 and 2013-14 Budget is \$20,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>REGULATION OF PUBLIC UTILITIES</b>							
GENERAL FUND.....	\$ 250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	4,124	4,857	4,707	4,707	4,707	4,707	4,707
OTHER FUNDS.....	55,685	314,908	326,864	399,209	461,884	519,768	519,768
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 60,059</b>	<b>\$ 319,765</b>	<b>\$ 331,571</b>	<b>\$ 403,916</b>	<b>\$ 466,591</b>	<b>\$ 524,475</b>	<b>\$ 524,475</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	4,124	4,857	4,707	4,707	4,707	4,707	4,707
OTHER FUNDS.....	55,685	314,908	326,864	399,209	461,884	519,768	519,768
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 60,059</b>	<b>\$ 319,765</b>	<b>\$ 331,571</b>	<b>\$ 403,916</b>	<b>\$ 466,591</b>	<b>\$ 524,475</b>	<b>\$ 524,475</b>

*PROGRAM OBJECTIVE: To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.*

## Program: Regulation of Public Utilities

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 over 8,000 utilities 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 public utilities. 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 1 percent reduction in consumption by 2011, which all but one of the utilities met. With additional benchmarks of a 3 percent reduction in consumption and a 4.5 percent reduction in peak demand by 2013, the commission is continuing to monitor utility compliance. At this time, the utilities appear to be on track to meet the 2013 benchmarks. The law requires the commission to determine whether additional targets can be met in a cost-effective manner and what those targets could be by Nov. 30, 2013, and every five

year thereafter. The commission is currently reviewing the Phase II energy efficiency and conservation plans that have been filed by the utilities. We also are conducting a wholesale review of the cost-effectiveness of the demand response programs. 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 law will sunset on Dec. 14, 2014.

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.

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 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 has adopted default service regulations for electric providers and is exploring means to mitigate electric price increases when rate caps expire. In conjunction with those efforts, the commission is examining methods for enhancing consumer access to demand side response tools and energy conservation programs.

## Program: Regulation of Public Utilities (continued)

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 the Commonwealth of Pennsylvania. The Pipeline 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 13 of 2012 gave the commission oversight of the collection and distribution of the Unconventional Gas Well Impact Fees and review of zoning restrictions.

The commission has established the following goals for 2013-14 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 the 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.
- Implementing 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 Recommendations:

This budget recommends the following changes in appropriations from restricted accounts: (Dollar Amounts in Thousands)

### GENERAL FUND

#### General Government Operations

\$ 2,692 —to continue current program.

In addition this budget includes distributions of \$62,099,000 from the Marcellus Legacy Fund and \$201,675,000 from the Unconventional Gas Well Fund in accordance with Act 13 of 2012.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 55,685	\$ 60,398	\$ 63,090	\$ 63,090	\$ 63,090	\$ 63,090	\$ 63,090
Impact Fee Administration .....	250	0	0	0	0	0	0
<b>TOTAL GENERAL FUND: .....</b>	<b>\$ 55,935</b>	<b>\$ 60,398</b>	<b>\$ 63,090</b>	<b>\$ 63,090</b>	<b>\$ 63,090</b>	<b>\$ 63,090</b>	<b>\$ 63,090</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Regulation of Public Utilities</b>							
<b>Utilities Regulated</b>							
Fixed utilities:							
Electric distribution	16	16	16	16	16	16	16
Electric generation	226	236	241	246	250	250	250
Transportation	7,682	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	46	162	159	168	168	168	169
Management	15	13	7	9	10	10	10
Audits conducted - Enforcement/investigations:							
Gas Safety	1,286	1,500	1,500	1,500	1,500	1,500	1,500
Audits conducted - Transportation:							
Rail safety	1,687	1,700	1,700	1,700	1,700	1,700	1,700
Motor safety	11,297	13,000	14,000	14,000	14,000	14,000	14,000
<b>Consumer Services</b>							
Fixed utilities:							
Complaints received, investigated and resolved	117,500	107,000	107,000	107,000	107,000	107,000	107,000
Electric Deregulation:							
Homes eligible to participate (thousands)	5,061	5,090	5,110	5,150	5,150	5,150	5,150
Businesses eligible to participate (thousands)	688	695	702	709	713	720	724

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# DEPARTMENT OF PUBLIC WELFARE

*The mission of the Department of Public Welfare is to promote, improve and sustain the quality of family life; break the cycle of dependency; protect and serve Pennsylvania's most vulnerable citizens; and manage commonwealth resources effectively.*

This mission is accomplished through the following programs and objectives.

## **Programs and Objectives**

**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.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
<b>General Government Operations.....</b>	<b>\$ 59,294</b>	<b>\$ 60,518<sup>a</sup></b>	<b>\$ 67,381</b>
(F)Child Welfare Services - Administration.....	1,045	1,039	1,039
(F)Child Welfare - Title IV-E - Administration.....	5,021	5,388	5,390
(F)CCDFBG - Administration.....	13,383	14,189	14,189
(F)Medical Assistance - Administration.....	22,931	26,925	27,580
(F)TANFBG - Administration.....	4,980	4,411	4,411
(F)Food Stamps - Administration.....	5,158	6,153	8,520
(F)Developmental Disabilities - Basic Support.....	4,028	4,058	4,056
(F)Refugees and Persons Seeking Asylum - Administration.....	1,552	1,674	1,796
(F)Disabled Education - Administration.....	596	882	700
(F)MHSBG - Administration.....	273	273	276
(F)SSBG - Administration.....	3,641	3,641	3,641
(F)Community Based Family Resource and Support-Administration.....	689	689	689
(F)MCH - Administration.....	208	634	74
(F)Medical Assistance Infrastructure.....	4,187	4,187	0
(F)Early Head Start Expansion Program.....	0	1,400	1,400
(F)ARRA - Early Learning Council.....	1,851	1,468	0
(F)ARRA - Early Headstart.....	1,355	0	0
(F)Early Head Start Expansion Program (EA).....	987	0	0
(F)Mass Care Planning (EA).....	205	0	0
(A)Training Reimbursement.....	457	457	457
(A)Child Abuse Reviews.....	5,236	5,304	5,304
(A)Supplier Diversity R.....	3	0	0
(A)Miscellaneous Reimbursements.....	312	60	44
(A)Adam Walsh Clearance.....	140	150	195
Subtotal.....	<u>\$ 137,532</u>	<u>\$ 143,500</u>	<u>\$ 147,142</u>
<b>Information Systems.....</b>	<b>43,357</b>	<b>45,530<sup>b</sup></b>	<b>57,314</b>
(F)Medical Assistance - Information Systems.....	68,239	91,926	206,445
(F)Child Welfare - Title IV-E - Information Systems.....	411	1,357	1,357
(F)TANFBG - Information Systems.....	9,327	9,235	9,327
(F)Food Stamps - Information Systems.....	13,345	13,883	17,804
(F)Child Support Enforcement - Information Systems.....	10,560	10,619	12,119
(F)ARRA - PELICAN ELN System Support (EA).....	533	879	0
(A)Medical Data Exchange.....	38	50	50
(A)DOI - COMPASS Support - CHIP & Adult Basic.....	577	50	50
Subtotal.....	<u>\$ 146,387</u>	<u>\$ 173,529</u>	<u>\$ 304,466</u>
<b>County Administration - Statewide.....</b>	<b>32,465</b>	<b>31,795<sup>c</sup></b>	<b>29,841</b>
(F)TANFBG - Statewide.....	1,291	1,993	1,072
(F)Medical Assistance - Statewide.....	36,950	37,820	41,804
(F)Food Stamps - Statewide.....	37,602	49,080	48,975
(F)ARRA - Health Information Technology.....	3,176	15,134	3,442
(F)Ryan White - Statewide.....	753	0	0
(F)CHIPRA - Statewide.....	3,310	3,444	3,812
(A)Fee for Material from Outside Vendors.....	2	5	5
(A)Food Stamps - Retained Collections.....	1,710	1,780	1,780
Subtotal.....	<u>\$ 117,259</u>	<u>\$ 141,051</u>	<u>\$ 130,731</u>
<b>County Assistance Offices.....</b>	<b>252,110</b>	<b>244,973<sup>d</sup></b>	<b>268,186</b>
(F)TANFBG - County Assistance Offices.....	29,369	55,799	57,168
(F)Medical Assistance - County Assistance Offices.....	78,431	84,662	86,152
(F)Food Stamps - County Assistance Offices.....	93,261	95,749	98,040
(F)SSBG - County Assistance Offices.....	5,597	6,262	6,262
(F)LIHEABG - Administration.....	18,900	22,000	24,000
(F)Summer 2011 Storm Disaster-Ind & Family Assistance Adm (EA).....	1,575	1,565	0
(A)Miscellaneous Reimbursements.....	1	0	0
Subtotal.....	<u>\$ 479,244</u>	<u>\$ 511,010</u>	<u>\$ 539,808</u>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Child Support Enforcement</b> .....	<b>13,382</b>	<b>13,608<sup>e</sup></b>	<b>13,824</b>
(F)Child Support Enforcement - Title IV - D.....	152,914	153,678	153,678
(A)Title IV - D Incentive Collections.....	6,500	12,909	11,618
(A)State Retained Support Collections.....	1,178	1,269	1,269
Subtotal.....	\$ 173,974	\$ 181,464	\$ 180,389
<b>New Directions</b> .....	<b>17,011</b>	<b>16,796<sup>f</sup></b>	<b>17,240</b>
(F)TANFBG - New Directions.....	123,154	124,554	124,554
(F)Medical Assistance - New Directions.....	4,213	4,450	4,786
(F)Food Stamps - New Directions.....	10,778	11,129	11,692
Subtotal.....	\$ 155,156	\$ 156,929	\$ 158,272
Subtotal - State Funds.....	\$ 417,619	\$ 413,220	\$ 453,786
Subtotal - Federal Funds.....	775,779	872,229	986,250
Subtotal - Augmentations.....	16,154	22,034	20,772
Total - General Government.....	\$ 1,209,552	\$ 1,307,483	\$ 1,460,808
<b>Institutional:</b>			
<b>Youth Development Institutions and Forestry Camps</b> .....	<b>\$ 69,645</b>	<b>\$ 64,600<sup>g</sup></b>	<b>\$ 63,381</b>
(F)SSBG - Basic Institutional Programs.....	10,000	10,000	10,000
(F)Food Nutrition Services.....	657	800	800
(A)Institutional Reimbursements.....	52	15	15
Subtotal.....	\$ 80,354	\$ 75,415	\$ 74,196
<b>Mental Health Services</b> .....	<b>702,819</b>	<b>662,311</b>	<b>689,380</b>
(F)Medical Assistance - Mental Health.....	207,783	208,333	198,298
(F)Medicare Services - State Mental Hospitals.....	21,662	26,994	24,664
(F)Homeless Mentally Ill.....	2,496	2,496	2,496
(F)MHSBG - Community Mental Health Services.....	14,213	14,286	17,458
(F)SSBG - Community Mental Health Services.....	10,366	10,366	10,366
(F)Renewable Resource Program.....	150	0	0
(F)Mental Health Transformation Grant.....	750	750	0
(F)Suicide Prevention.....	500	514	500
(F)Mental Health Data Infrastructure.....	169	169	145
(F)Jail Diversion & Trauma Recovery.....	414	494	400
(F)Child Mental Health Initiative.....	2,600	3,500	3,500
(F)Justice & Mental Health Collaboration Program.....	200	189	0
(F)Systems of Care Expansion Planning Grant.....	2,000	2,000	0
(F)System of Care Expansion Implementation.....	0	1,000	1,000
(F)Biodefense Hospital Preparedness (EA).....	250	250	250
(F)Summer 2011 Storm Disaster - Crisis Counseling Services (EA).....	2,389	598	0
(F)Summer 2011 Storm Disaster - Disaster Case Management (EA).....	250	727	0
(A)Institutional Collections.....	8,582	7,884	8,460
(A)Miscellaneous Institutional Reimbursements.....	1,688	1,565	989
Subtotal.....	\$ 979,281	\$ 944,426	\$ 957,906
<b>Intellectual Disabilities - State Centers</b> .....	<b>103,121</b>	<b>107,023<sup>h</sup></b>	<b>119,163</b>
(F)Medical Assistance - State Centers.....	153,819	164,994	167,548
(F)Medicare Services - State Centers.....	756	669	662
(A)Institutional Collections - State Centers.....	10,595	10,508	10,403
(A)ID Assessment - State Centers.....	17,484	17,856	18,017
Subtotal.....	\$ 285,775	\$ 301,050	\$ 315,793
Subtotal - State Funds.....	\$ 875,585	\$ 833,934	\$ 871,924
Subtotal - Federal Funds.....	431,424	449,129	438,087
Subtotal - Augmentations.....	38,401	37,828	37,884
Total - Institutional.....	\$ 1,345,410	\$ 1,320,891	\$ 1,347,895

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Grants and Subsidies:</b>			
<b>Cash Grants.....</b>	<b>\$ 212,998</b>	<b>\$ 60,690</b>	<b>\$ 60,690</b>
(F)TANFBG - Cash Grants.....	318,002	322,679	319,393
(F)Other Federal Support - Cash Grants.....	27,588	33,551	20,619
(F)LIHEABG - Low-Income Families and Individuals.....	199,677	320,000	320,000
(F)Refugees and Persons Seeking Asylum - Social Services.....	9,785	9,785	9,785
(F)Summer 2011 Storm Disaster-Individual & Family Assist (EA).....	31,500	21,000	0
(A)AmeriGas Settlement.....	194	0	0
Subtotal.....	<u>\$ 799,744</u>	<u>\$ 767,705</u>	<u>\$ 730,487</u>
<b>Supplemental Grants - Aged, Blind and Disabled.....</b>	<b>149,084</b>	<b>142,901</b> i	<b>147,341</b>
<b>Payment to Federal Government - Medicare Drug Program.....</b>	<b>472,264</b>	<b>512,992</b> j	<b>550,267</b>
<b>Medical Assistance - Outpatient.....</b>	<b>645,095</b>	<b>539,644</b> k	<b>369,311</b>
(F)Medical Assistance - Outpatient.....	1,204,135	1,063,102 l	928,750
(A)Hospital Assessment.....	125,706	148,252	148,252
(A)Statewide Hospital Assessment.....	5,717	5,288	5,385
(A)Physician Public Private Collaboration.....	0	0	55,856
Subtotal.....	<u>\$ 1,980,653</u>	<u>\$ 1,756,286</u>	<u>\$ 1,507,554</u>
<b>Medical Assistance - Inpatient.....</b>	<b>325,685</b>	<b>220,927</b> m	<b>121,719</b>
(F)Medical Assistance - Inpatient.....	860,565	783,111	522,055
(F)ARRA - MA - Health Information Technology.....	128,251	135,820	92,760
(A)Statewide Hospital Assessment.....	373,486	368,300	332,322
Subtotal.....	<u>\$ 1,687,987</u>	<u>\$ 1,508,158</u>	<u>\$ 1,068,856</u>
<b>Medical Assistance - Capitation.....</b>	<b>3,301,109</b>	<b>3,622,809</b> n	<b>3,830,192</b>
(F)Medical Assistance - Capitation.....	5,210,745	5,456,287	5,692,991
(F)Asthma Control Program (EA).....	62	11	0
(A)Managed Care Assessment.....	70	0	0
(A)Medicaid Managed Care Gross Receipt Tax.....	642,798	668,796	754,112
(A)Statewide Hospital Assessment.....	190,426	243,408	295,297
(A)CHCS Red Disp P Site.....	6	0	0
(A)Health Home Environment Program.....	20	0	0
Subtotal.....	<u>\$ 9,345,236</u>	<u>\$ 9,991,311</u>	<u>\$ 10,572,592</u>
<b>Medical Assistance - Obstetric and Neonatal Services.....</b>	<b>3,313</b>	<b>3,681</b>	<b>3,681</b>
(F)Medical Assistance - Obstetric and Neonatal Services.....	4,512	4,810	4,239
Subtotal.....	<u>\$ 7,825</u>	<u>\$ 8,491</u>	<u>\$ 7,920</u>
<b>Long-Term Care.....</b>	<b>737,356</b>	<b>775,871</b> o	<b>844,284</b>
(F)Medical Assistance - Long-Term Care.....	2,044,507	2,090,069	2,073,743
(A)Long Term Care.....	222	0	0
(A)Nursing Home Assessment.....	456,870	463,851	473,160
Subtotal.....	<u>\$ 3,238,955</u>	<u>\$ 3,329,791</u>	<u>\$ 3,391,187</u>
<b>Home and Community - Based Services.....</b>	<b>175,162</b>	<b>200,199</b> p	<b>200,199</b>
(F)Medical Assistance - Home & Community-Based Services.....	217,070	236,250 q	251,972
Subtotal.....	<u>\$ 392,232</u>	<u>\$ 436,449</u>	<u>\$ 452,171</u>
<b>Long-Term Care Managed Care.....</b>	<b>65,551</b>	<b>75,872</b>	<b>85,008</b>
(F)Medical Assistance - Long-Term Care Managed Care.....	88,601	99,266	98,827
Subtotal.....	<u>\$ 154,152</u>	<u>\$ 175,138</u>	<u>\$ 183,835</u>
<b>Hospital-Based Burn Centers.....</b>	<b>3,404</b>	<b>3,782</b>	<b>3,782</b>
(F)Medical Assistance - Hospital-Based Burn Centers.....	4,636	4,942	4,355
Subtotal.....	<u>\$ 8,040</u>	<u>\$ 8,724</u>	<u>\$ 8,137</u>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Medical Assistance - Critical Access Hospitals</b> .....	<b>3,218</b>	<b>4,076</b>	<b>3,576</b>
(F)Medical Assistance - Critical Access Hospitals.....	4,384	5,273	4,118
Subtotal.....	\$ 7,602	\$ 9,349	\$ 7,694
<b>Trauma Centers</b> .....	<b>7,790</b>	<b>8,656</b>	<b>8,656</b>
(F)Medical Assistance - Trauma Centers.....	10,610	11,313	9,967
Subtotal.....	\$ 18,400	\$ 19,969	\$ 18,623
<b>Medical Assistance - Academic Medical Centers</b> .....	<b>12,618</b>	<b>12,618</b>	<b>12,831</b>
(F)Medical Assistance - Academic Medical Centers.....	15,555	15,100	14,887
Subtotal.....	\$ 28,173	\$ 27,718	\$ 27,718
<b>Medical Assistance - Physician Practice Plans</b> .....	<b>6,437</b>	<b>7,937</b>	<b>6,545</b>
(F)Medical Assistance - Physician Practice Plans.....	7,935	9,499	7,595
Subtotal.....	\$ 14,372	\$ 17,436	\$ 14,140
<b>Medical Assistance - Transportation</b> .....	<b>69,221</b>	<b>72,799</b>	<b>76,179</b>
(F)Medical Assistance - Transportation.....	68,594	71,926	72,685
Subtotal.....	\$ 137,815	\$ 144,725	\$ 148,864
<b>Expanded Medical Services for Women</b> .....	<b>4,794</b>	<b>5,044</b>	<b>5,294</b>
(F)TANFBG - Alternatives to Abortion.....	1,000	1,000	1,000
Subtotal.....	\$ 5,794	\$ 6,044	\$ 6,294
<b>Special Pharmaceutical Services</b> .....	<b>2,978</b>	<b>2,157</b>	<b>2,309</b>
<b>Behavioral Health Services</b> .....	<b>45,513</b>	<b>43,117</b>	<b>43,117</b>
<b>Intellectual Disabilities - Intermediate Care Facilities</b> .....	<b>143,803</b>	<b>143,005</b>	<b>149,576</b>
(F)Medical Assistance - ID/ICF.....	199,811	195,911	198,433
(A)ID Assessment - ID/ICF.....	18,564	19,800	19,842
Subtotal.....	\$ 362,178	\$ 358,716	\$ 367,851
<b>Intellectual Disabilities - Community Base Program</b> .....	<b>158,194</b>	<b>151,223</b>	<b>150,918</b>
(F)Medical Assistance - Community ID Services.....	57,960	57,749	54,128
(F)SSBG - Community ID Services.....	6,500	7,451	7,451
Subtotal.....	\$ 222,654	\$ 216,423	\$ 212,497
<b>Intellectual Disabilities - Community Waiver Program</b> .....	<b>854,863</b>	<b>919,885</b>	<b>1,026,790</b>
(F)Medical Assistance - Community ID Waiver Program.....	949,606	1,003,119	1,059,115
Subtotal.....	\$ 1,804,469	\$ 1,923,004	\$ 2,085,905
<b>Early Intervention</b> .....	<b>111,712</b>	<b>126,185</b>	<b>127,974</b>
(F)Medical Assistance - Early Intervention.....	53,231	58,276	58,276
(F)Education for Children with Disabilities-Early Intervention.....	11,964	18,184	18,184
(F)ARRA-Educ. for Children with Disabilities-Early Intervention.....	10,574	0	0
Subtotal.....	\$ 187,481	\$ 202,645	\$ 204,434
<b>Autism Intervention and Services</b> .....	<b>12,194</b>	<b>13,000</b>	<b>15,151</b>
(F)Medical Assistance - Autism Intervention Services.....	15,701	12,208	13,932
Subtotal.....	\$ 27,895	\$ 25,208	\$ 29,083
<b>Intellectual Disabilities - Lansdowne Residential Services</b> .....	<b>340</b>	<b>340</b>	<b>340</b>
<b>County Child Welfare</b> .....	<b>990,470</b>	<b>1,040,029</b>	<b>1,063,333</b>
(F)Child Welfare Services.....	14,372	14,372	14,372
(F)Child Welfare - Title IV-E.....	306,140	309,965	303,965
(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.....	13,319	13,319	13,319

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
(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.....	1,400	1,400	1,400
(F)Children's Justice Act.....	571	571	1,150
(F)DFSC-Juvenile Aftercare Services (EA).....	118	0	0
(A)Casey Family Project (EA).....	142	118	118
Subtotal.....	\$ 1,400,706	\$ 1,453,948	\$ 1,471,831
<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>154,265</b>	<b>141,369</b>	<b>148,488</b>
(F)CCDFBG - Child Care Services.....	194,967	190,067	190,067
(F)ARRA - CCDFBG - Child Care Services.....	10,990	0	0
(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	225
Subtotal.....	\$ 392,684	\$ 363,898	\$ 371,017
<b>Child Care Assistance.....</b>	<b>164,435</b>	<b>156,728</b>	<b>152,609</b>
(F)TANFBG - Child Care Assistance.....	31,686	31,686	31,686
(F)CCDFBG - Child Care Assistance.....	156,596	145,996	145,996
(F)Food Stamps - Child Care Assistance.....	15,915	14,389	13,508
(A)Early Childhood Education Revenue.....	805	2,750	2,750
Subtotal.....	\$ 369,437	\$ 351,549	\$ 346,549
<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.....	5,176	5,176	5,176
Subtotal.....	\$ 19,698	\$ 19,698	\$ 19,698
<b>Domestic Violence.....</b>	<b>12,261</b>	<b>12,566</b>	<b>13,826</b>
(F)Family Violence Prevention Services.....	3,000	3,000	3,000
(F)SSBG - Domestic Violence Programs.....	5,705	5,705	5,705
(F)PHHSBG - Domestic Violence.....	150	150	0
(F)Date Violence Prevention (EA).....	19	0	0
(A)Marriage Law Fees.....	833	833	833
Subtotal.....	\$ 21,968	\$ 22,254	\$ 23,364
<b>Rape Crisis.....</b>	<b>7,016</b>	<b>7,016</b>	<b>7,716</b>
(F)SSBG - Rape Crisis.....	1,721	1,721	1,721
Subtotal.....	\$ 8,737	\$ 8,737	\$ 9,437
<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
<b>Human Services Development Fund.....</b>	<b>14,208</b>	<b>13,460</b>	<b>13,460</b>
Subtotal.....	\$ 14,208	\$ 13,460	\$ 13,460
<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

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Homeless Assistance</b> .....	<b>20,551</b>	<b>18,496</b>	<b>18,496</b>
(F)SSBG - Homeless Services.....	4,183	4,183	4,183
(F)SABG - Homeless Services.....	1,983	1,983	1,983
Subtotal.....	\$ 26,717	\$ 24,662	\$ 24,662
<b>Services to Persons with Disabilities</b> .....	<b>163,987</b>	<b>192,655</b> <sup>u</sup>	<b>227,880</b>
(F)Medical Assistance - Services to Persons with Disabilities.....	199,981	229,567 <sup>v</sup>	263,152
Subtotal.....	\$ 363,968	\$ 422,222	\$ 491,032
<b>Attendant Care</b> .....	<b>102,704</b>	<b>100,343</b> <sup>w</sup>	<b>115,031</b>
(F)Medical Assistance - Attendant Care.....	78,479	92,767 <sup>x</sup>	103,534
(A)Attendant Care Parking Fines.....	103	103	103
(A)Attendant Care Patient Fee.....	901	875	875
Subtotal.....	\$ 182,187	\$ 194,088	\$ 219,543
<b>Medical Assistance - Workers with Disabilities</b> .....	<b>27,305</b>	<b>35,056</b> <sup>y</sup>	<b>18,645</b>
(F)Medical Assistance - Workers with Disabilities.....	37,380	50,750	21,589
Subtotal.....	\$ 64,685	\$ 85,806	\$ 40,234
<b>Health Care Clinics</b> .....	<b>900</b>	<b>1,000</b>	<b>0</b>
Subtotal - State Funds.....	\$ 9,202,118	\$ 9,407,448	\$ 9,644,534
Subtotal - Federal Funds.....	12,971,883	13,289,430	13,109,737
Subtotal - Augmentations.....	1,816,863	1,922,374	2,088,905
Total - Grants and Subsidies.....	\$ 23,990,864	\$ 24,619,252	\$ 24,843,176
STATE FUNDS.....	\$ 10,495,322	\$ 10,654,602	\$ 10,970,244
FEDERAL FUNDS.....	14,179,086	14,610,788	14,534,074
AUGMENTATIONS.....	1,871,418	1,982,236	2,147,561
<b>GENERAL FUND TOTAL</b> .....	<b>\$ 26,545,826</b>	<b>\$ 27,247,626</b>	<b>\$ 27,651,879</b>
<b>LOTTERY FUND:</b>			
<i>Grants and Subsidies:</i>			
Medical Assistance - Long-Term Care.....	\$ 178,438	\$ 309,081	\$ 309,081
Home and Community-Based Services.....	0	0	21,000
Total - .....	\$ 178,438	\$ 309,081	\$ 330,081
<b>LOTTERY FUND TOTAL</b> .....	<b>\$ 178,438</b>	<b>\$ 309,081</b>	<b>\$ 330,081</b>
<b>TOBACCO SETTLEMENT FUND:</b>			
<i>Grants and Subsidies:</i>			
Medical Care for Workers with Disabilities (EA).....	\$ 62,007	\$ 64,694	\$ 93,177
(F)Medical Assistance - Workers with Disabilities (EA).....	76,440	77,421	108,113
Subtotal.....	\$ 138,447	\$ 142,115	\$ 201,290
Uncompensated Care (EA).....	25,348	25,850	25,407
(F)Medical Assistance - Uncompensated Care (EA).....	31,248	30,690	29,255
Subtotal.....	\$ 56,596	\$ 56,540	\$ 54,662
Home and Community-Based Services (EA).....	41,579 <sup>z</sup>	42,401	40,377
(F)Medical Assistance - Community Services (EA).....	47,785 <sup>aa</sup>	48,490	44,965
Subtotal.....	\$ 89,364	\$ 90,891	\$ 85,342

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Medical Assistance - Long-Term Care</b> .....	<b>162,583</b>	<b>121,713</b>	<b>88,565</b>
Subtotal - State Funds.....	\$ 291,517	\$ 254,658	\$ 247,526
Subtotal - Federal Funds.....	155,473	156,601	182,333
Total - Grants and Subsidies.....	<u>\$ 446,990</u>	<u>\$ 411,259</u>	<u>\$ 429,859</u>
STATE FUNDS.....	\$ 291,517	\$ 254,658	\$ 247,526
FEDERAL FUNDS.....	155,473	156,601	182,333
<b>TOBACCO SETTLEMENT FUND TOTAL</b> .....	<u><b>\$ 446,990</b></u>	<u><b>\$ 411,259</b></u>	<u><b>\$ 429,859</b></u>
<b>OTHER FUNDS:</b>			
<b>CHILDREN'S TRUST FUND:</b>			
Children's Trust Fund (EA).....	\$ 1,300	\$ 1,300	\$ 1,300
<b>ENERGY CONSERVATION AND ASSISTANCE FUND:</b>			
Low Income Energy Assistance.....	\$ 0	\$ 0	\$ 8
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 10,495,322	\$ 10,654,602	\$ 10,970,244
SPECIAL FUNDS.....	469,955	563,739	577,607
FEDERAL FUNDS.....	14,334,559	14,767,389	14,716,407
AUGMENTATIONS.....	1,871,418	1,982,236	2,147,561
OTHER FUNDS.....	1,300	1,300	1,308
<b>TOTAL ALL FUNDS</b> .....	<u><b>\$ 27,172,554</b></u>	<u><b>\$ 27,969,266</b></u>	<u><b>\$ 28,413,127</b></u>

- <sup>a</sup> Reflects recommended appropriation reduction of \$638,000.
- <sup>b</sup> Reflects recommended appropriation reduction of \$438,000.
- <sup>c</sup> Reflects recommended appropriation reduction of \$998,000.
- <sup>d</sup> Reflects recommended appropriation reduction of \$14,997,000.
- <sup>e</sup> Reflects recommended appropriation reduction of \$188,000.
- <sup>f</sup> Reflects recommended appropriation reduction of \$387,000.
- <sup>g</sup> Reflects recommended appropriation reduction of \$7,832,000.
- <sup>h</sup> Reflects recommended appropriation reduction of \$2,855,000.
- <sup>i</sup> Reflects recommended appropriation reduction of \$10,113,000.
- <sup>j</sup> Includes recommended supplemental appropriation of \$2,077,000.
- <sup>k</sup> Includes recommended supplemental appropriation of \$179,507,000.
- <sup>l</sup> Includes recommended supplemental appropriation of \$47,994,000.
- <sup>m</sup> Includes recommended supplemental appropriation of \$16,260,000.
- <sup>n</sup> Reflects recommended appropriation reduction of \$157,865,000.
- <sup>o</sup> Includes recommended supplemental appropriation of \$9,948,000.
- <sup>p</sup> Includes recommended supplemental appropriation of \$25,687,000.
- <sup>q</sup> Includes recommended supplemental appropriation of \$27,552,000.
- <sup>r</sup> Reflects recommended appropriation reduction of \$388,000.
- <sup>s</sup> Includes recommended supplemental appropriation of \$4,312,000.

## Summary by Fund and Appropriation

<sup>t</sup> Includes recommended supplemental appropriation of \$6,220,000.

<sup>u</sup> Includes recommended supplemental appropriation of \$25,225,000.

<sup>v</sup> Includes recommended supplemental appropriation of \$30,106,000.

<sup>w</sup> Includes recommended supplemental appropriation of \$1,415,000.

<sup>x</sup> Includes recommended supplemental appropriation of \$3,105,000.

<sup>y</sup> Includes recommended supplemental appropriation of \$1,562,000.

<sup>z</sup> Includes \$32,183,000 appropriated as Home and Community - Based Services (EA) in the Department of Aging.

<sup>aa</sup>Includes \$36,202,000 appropriated as Medical Assistance - Community Services (EA) in the Department of Aging.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>HUMAN SERVICES SUPPORT</b>							
GENERAL FUND.....	\$ 102,651	\$ 106,048	\$ 124,695	\$ 124,695	\$ 124,695	\$ 124,695	\$ 124,695
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	174,505	204,910	320,813	320,813	320,813	320,813	320,813
OTHER FUNDS.....	6,763	6,071	6,100	6,100	6,100	6,100	6,100
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 283,919</b>	<b>\$ 317,029</b>	<b>\$ 451,608</b>				
<b>MEDICAL ASSISTANCE</b>							
GENERAL FUND.....	\$ 4,886,131	\$ 5,053,178	\$ 5,012,987	\$ 5,102,537	\$ 5,447,803	\$ 5,759,787	\$ 5,919,933
SPECIAL FUNDS.....	87,355	90,544	118,584	118,584	118,584	118,584	118,584
FEDERAL FUNDS.....	7,666,052	7,721,055	7,514,359	7,662,266	8,213,398	8,678,825	8,919,270
OTHER FUNDS.....	1,338,229	1,434,044	1,591,224	1,619,449	1,647,476	1,647,476	1,647,476
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 13,977,767</b>	<b>\$ 14,298,821</b>	<b>\$ 14,237,154</b>	<b>\$ 14,502,836</b>	<b>\$ 15,427,261</b>	<b>\$ 16,204,672</b>	<b>\$ 16,605,263</b>
<b>LONG TERM LIVING</b>							
GENERAL FUND.....	\$ 1,244,760	\$ 1,344,940	\$ 1,472,402	\$ 1,519,673	\$ 1,589,803	\$ 1,665,543	\$ 1,747,342
SPECIAL FUNDS.....	382,600	473,195	459,023	469,023	479,023	489,023	499,023
FEDERAL FUNDS.....	2,676,423	2,796,409	2,836,193	2,845,560	2,827,136	2,809,106	2,791,467
OTHER FUNDS.....	458,096	464,829	474,138	474,138	474,138	474,138	474,138
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 4,761,879</b>	<b>\$ 5,079,373</b>	<b>\$ 5,241,756</b>	<b>\$ 5,308,394</b>	<b>\$ 5,370,100</b>	<b>\$ 5,437,810</b>	<b>\$ 5,511,970</b>
<b>INCOME MAINTENANCE</b>							
GENERAL FUND.....	\$ 677,050	\$ 510,763	\$ 537,122	\$ 535,879	\$ 535,879	\$ 535,879	\$ 535,879
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,187,826	1,374,334	1,335,234	1,333,988	1,333,988	1,333,988	1,333,988
OTHER FUNDS.....	9,585	15,963	14,680	14,672	14,672	14,672	14,672
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,874,461</b>	<b>\$ 1,901,060</b>	<b>\$ 1,887,036</b>	<b>\$ 1,884,539</b>	<b>\$ 1,884,539</b>	<b>\$ 1,884,539</b>	<b>\$ 1,884,539</b>
<b>MENTAL HEALTH</b>							
GENERAL FUND.....	\$ 748,332	\$ 705,428	\$ 732,497	\$ 729,699	\$ 729,643	\$ 729,587	\$ 729,530
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	266,192	272,666	259,077	259,077	259,077	259,077	259,077
OTHER FUNDS.....	10,270	9,449	9,449	9,449	9,449	9,449	9,449
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,024,794</b>	<b>\$ 987,543</b>	<b>\$ 1,001,023</b>	<b>\$ 998,225</b>	<b>\$ 998,169</b>	<b>\$ 998,113</b>	<b>\$ 998,056</b>
<b>INTELLECTUAL DISABILITIES</b>							
GENERAL FUND.....	\$ 1,272,515	\$ 1,334,476	\$ 1,461,938	\$ 1,478,309	\$ 1,480,682	\$ 1,480,045	\$ 1,480,079
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,384,153	1,442,101	1,501,269	1,515,190	1,511,238	1,510,340	1,510,271
OTHER FUNDS.....	46,643	48,164	48,262	48,262	48,257	48,064	47,967
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 2,703,311</b>	<b>\$ 2,824,741</b>	<b>\$ 3,011,469</b>	<b>\$ 3,041,761</b>	<b>\$ 3,040,177</b>	<b>\$ 3,038,449</b>	<b>\$ 3,038,317</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>HUMAN SERVICES</b>							
GENERAL FUND.....	\$ 1,118,235	\$ 1,160,251	\$ 1,184,296	\$ 1,181,910	\$ 1,181,877	\$ 1,181,845	\$ 1,181,812
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	455,135	448,392	442,821	442,821	442,821	442,821	442,821
OTHER FUNDS.....	1,027	966	966	966	966	966	966
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,574,397</b>	<b>\$ 1,609,609</b>	<b>\$ 1,628,083</b>	<b>\$ 1,625,697</b>	<b>\$ 1,625,664</b>	<b>\$ 1,625,632</b>	<b>\$ 1,625,599</b>
<b>CHILD DEVELOPMENT</b>							
GENERAL FUND.....	\$ 445,648	\$ 439,518	\$ 444,307	\$ 444,307	\$ 444,307	\$ 444,307	\$ 444,307
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	524,273	507,522	506,641	506,641	506,641	506,641	506,641
OTHER FUNDS.....	2,105	4,050	4,050	4,050	4,050	4,050	4,050
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 972,026</b>	<b>\$ 951,090</b>	<b>\$ 954,998</b>				
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 10,495,322	\$ 10,654,602	\$ 10,970,244	\$ 11,117,009	\$ 11,534,689	\$ 11,921,688	\$ 12,163,577
SPECIAL FUNDS.....	469,955	563,739	577,607	587,607	597,607	607,607	617,607
FEDERAL FUNDS.....	14,334,559	14,767,389	14,716,407	14,886,356	15,415,112	15,861,611	16,084,348
OTHER FUNDS.....	1,872,718	1,983,536	2,148,869	2,177,086	2,205,108	2,204,915	2,204,818
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 27,172,554</b>	<b>\$ 27,969,266</b>	<b>\$ 28,413,127</b>	<b>\$ 28,768,058</b>	<b>\$ 29,752,516</b>	<b>\$ 30,595,821</b>	<b>\$ 31,070,350</b>

*PROGRAM OBJECTIVE: To provide effective administrative and support systems through which the substantive programs of the department can be operated.*

## Program: Human Services Support

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 mental retardation 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 FUND		Information Systems	
	<b>General Government Operations</b>	\$ 1,996	—to continue current program.
\$ 4,666	—to continue current program.	–3,705	—nonrecurring projects.
2,197	—annualization of the adult protective services initiative.	13,493	—Initiative—Affordable Care Act Requirements. To implement the changes needed to meet the federally mandated Affordable Care Act information systems requirements.
<u>6,863</u>	<i>Appropriation Increase</i>	<u>11,784</u>	<i>Appropriation Increase</i>

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 59,294	\$ 60,518	\$ 67,381	\$ 67,381	\$ 67,381	\$ 67,381	\$ 67,381
Information Systems.....	43,357	45,530	57,314	57,314	57,314	57,314	57,314
<b>TOTAL GENERAL FUND .....</b>	<u>\$ 102,651</u>	<u>\$ 106,048</u>	<u>\$ 124,695</u>	<u>\$ 124,695</u>	<u>\$ 124,695</u>	<u>\$ 124,695</u>	<u>\$ 124,695</u>

*PROGRAM OBJECTIVE: To support a health care delivery system that provides comprehensive health care services in appropriate settings for eligible populations.*

## Program: Medical Assistance

The Medical Assistance program ensures 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. Some individuals with slightly higher income but who spend a significant portion of their income on medical expenses may also qualify for a reduced package of benefits. 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.

### **Program Element: Outpatient Services**

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.

Some service restrictions, comparable to private insurance, apply to adult recipients. For example, most adults who are eligible for pharmacy benefits are limited to six prescriptions per month, and most adults have limited coverage of certain dental benefits such as exams or dentures. An exception process is available for unusual circumstances.

With the HealthChoices Physical Health program expansion, the ACCESS Plus Enhanced Primary Care Case Management program will end February 28, 2013, allowing the HealthChoices Physical Health program to operate statewide.

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.

### **Program Element: Inpatient Services**

Inpatient hospital services include services in acute care, rehabilitation and private psychiatric hospitals.

Medical Assistance does not cover hospital care solely for cosmetic procedures nor diagnostic or therapeutic procedures solely for experimental, research or educational purposes. All inpatient admissions are reviewed for medical necessity unless exempt from prior authorization such as deliveries and burns that fall into specific diagnosis related groups (DRGs).

The department uses the All Patient Refined Diagnosis Related Grouping (APR-DRG), a prospective payment system, to reimburse general acute care hospitals. General acute care hospitals are paid a calculated amount per discharge based on the patient's diagnosis, the procedures performed and the patient's age, sex and discharge status. The APR-DRG system is used to classify the various diagnoses based on the amount of resources hospitals customarily use for treatment. The department's payment for compensable inpatient hospital services under the APR-DRG payment system is the product of the hospital specific base rate multiplied by the relative value of the DRG assigned to the discharge. A cost outlier policy provides reimbursement to hospitals for cost outliers when the cost of treating the case exceeds or is below a certain cost threshold. These "outlier" costs are reimbursed on an exceptional cost basis in the prospective payment to the hospital. The department pays practitioners for their services rendered in the inpatient hospital setting separately, in accordance with the fees and regulations established under the Medical Assistance Fee Schedule through the Medical Assistance - Outpatient appropriation.

Freestanding psychiatric and rehabilitation hospitals and distinct part psychiatric and rehabilitation units of acute care hospitals are reimbursed on a prospective basis through per diem payments.

Additional payments are also provided 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: Capitation**

The department contracts with managed care organizations (MCOs) and counties to provide health care for Medical Assistance recipients. The department

**Program: Medical Assistance (continued)**

pays a fixed monthly rate per enrolled recipient. 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 use of limited health care resources.

Pennsylvania's mandatory managed care program is known as HealthChoices. The statewide HealthChoices Behavioral Health program is administered by the Office of Mental Health and Substance Abuse Services. The Behavioral Health program is provided through contracts with counties that use an independent BH-MCO or through contracts directly with BH-MCOs. Services provided include psychiatric inpatient treatment, partial hospitalization, psychiatric outpatient services, behavioral rehabilitation services for children, case management, drug and alcohol detoxification, and rehabilitation services.

Physical health mandatory managed care services are administered by the Office of Medical Assistance Programs, Bureau of Managed Care Operations. The HealthChoices Physical Health program is mandatory for most recipients in five counties in southeastern Pennsylvania, 14 counties in southwestern Pennsylvania, 13 counties in the Lehigh/Capital region of Pennsylvania and 13 counties in northwestern Pennsylvania. The physical health program will expand to the remaining 22 Pennsylvania counties in the northeast region in 2012-13. The voluntary managed care program will cease operations effective February 28, 2013. The physical health program does not include recipients age 21 and older who are dually eligible and have Medicare benefits. Physical health MCO enrollees receive the full array of physical health services, which primarily include inpatient, outpatient, primary care, pharmaceuticals, home health, dental and vision services. Currently, the department contracts with seven MCOs, and as of March 2013, an eighth MCO will be added to provide these services with the potential of qualified new MCOs entering the program through the department's procurement and readiness review process as existing contracts expire.

**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.

MATP provides funding to 65 county programs, 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: Special Pharmaceutical Benefits Program**

The mental health component of the Special Pharmaceutical Benefits Program pays for limited mental health drug therapy for persons residing in the community who suffer from schizophrenia and who are not eligible for drug coverage through the regular Medical Assistance program or some other entity such as Medicare Part D. Mental health applicants with a gross annual income of less than \$35,000 for an individual plus an allowance of \$2,893 for each additional family member and who have the appropriate medical diagnosis are eligible for the mental health component of this program.

The HIV/AIDS component of the Special Pharmaceutical Benefits Program successfully transitioned to the Department of Health effective July 1, 2012.

**Program Element: Expanded Medical Services for Women**

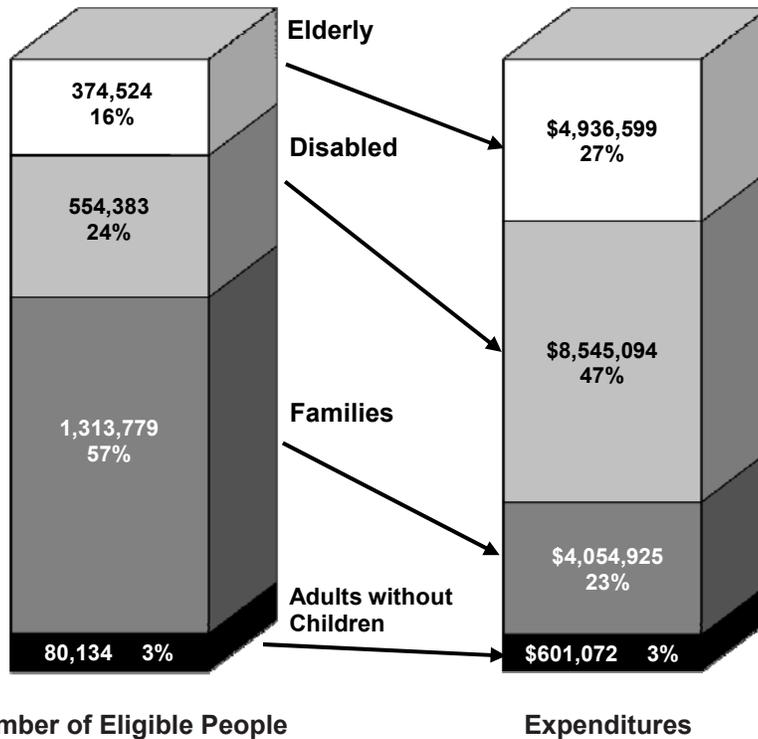
The Expanded Medical Services for Women program provides counseling and other services to women. Grants are provided to nonprofit agencies whose primary purpose is to assist pregnant women seeking alternatives to abortions. Services are provided up to 12 months after childbirth and include food, shelter, 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 2013-14

(Dollar Amounts in Thousands)



Although the disabled and elderly are only 40% of the total Medical Assistance population, they account for 74% of the Medical Assistance expenditures.

#### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>			
	<b>Payment to Federal Government - Medicare Drug Program</b>		-8,310	—Initiative—Fair Share Premiums. Savings as a result of implementing a cost sharing requirement for families with children enrolled in the Medicaid Special Needs program.
\$	37,275	—reflects increase in mandated payback for pharmacy services.		
			\$ -170,333	<i>Appropriation Decrease</i>
	<b>Medical Assistance - Outpatient</b>			
\$	5,683	—change in caseload and utilization.	\$	11,949
	30,078	—to provide for increased utilization and cost of prescription drugs.		1,859
	13,808	—increase in costs and clients eligible for Medicare Part B premiums.		-897
	-8,899	—impact of increase in pharmacy rebates.		53,834
	-9,918	—savings from administrative and other cash flow initiatives.		12,256
	23,829	—nonrecurring prior year carryover funds.		-174,990
	11,917	—revision of federal financial participation from 54.28% to 53.52%.		-219
	-4,338	—nonrecurring ACCESS Plus payments due to HealthChoices expansion.		-3,000
	-28,425	—impact of public private collaboration project.		
	-193,758	—annualization of HealthChoices expansion and other prior year initiatives.		
	-2,000	—Initiative—Audit Enhancements. Savings as a result of expanded and improved provider audit activities.		
			\$ -99,208	<i>Appropriation Decrease</i>
				<b>Medical Assistance - Inpatient</b>
				—change in caseload and utilization.
				—increase in costs and clients eligible for Medicare Part A premiums.
				—savings from administrative and other cash flow initiatives.
				—nonrecurring prior year carryover funds.
				—revision of federal financial participation from 54.28% to 53.52%.
				—annualization of HealthChoices expansion and other prior year initiatives.
				—Initiative—Operational Efficiencies. To outsource the third party liability function, including payment recovery and the health insurance premium payment program.
				—Initiative—Audit Enhancements. Savings as a result of expanded and improved provider audit activities.

## Program: Medical Assistance (continued)

### Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>Medical Assistance - Capitation</b></p> <p>\$ 46,890 —change in caseload and utilization.</p> <p>117,581 —to provide for rate increases.</p> <p>5,780 —impact of administrative and other cash flow initiatives.</p> <p>83,218 —net change in monthly payment lag due to HealthChoices expansion.</p> <p>-7,329 —nonrecurring prior year costs.</p> <p>-41,393 —elimination of voluntary participation in managed care due to HealthChoices expansion.</p> <p>-59,394 —impact of increase in pharmacy rebates.</p> <p>-112,332 —impact of increase in Quality Care Assessment Revenue and Gross Receipts Tax assessments.</p> <p>82,519 —revision of federal financial participation from 54.28% to 53.52%.</p> <p>252,139 —annualization of HealthChoices expansion and other prior year initiatives.</p> <p>-70,296 —annualization of General Assistance program reform.</p> <p>-75,000 —one-time impact of the use of prior year federal funds.</p> <p>-15,000 —Initiative—Audit Enhancements. Savings as a result of expanded and improved provider audit activities.</p> <hr/> <p>\$ 207,383 <i>Appropriation Increase</i></p>	<p><b>Medical Assistance - Transportation</b></p> <p>\$ 1,504 —increased cost per trip.</p> <p>1,587 —increased utilization.</p> <p>289 —revision of federal financial participation from 54.28% to 53.52%.</p> <hr/> <p>\$ 3,380 <i>Appropriation Increase</i></p> <p><b>Expanded Medical Services for Women</b></p> <p>\$ 250 —increase in the availability of services.</p> <p><b>Special Pharmaceutical Services</b></p> <p>\$ 152 —change in caseload and utilization.</p> <p><b>Medical Care for Workers with Disabilities</b></p> <p>\$ 12,765 —change in caseload and utilization.</p> <p>1,852 —revision of federal financial participation from 54.28% to 53.52%.</p> <p>-31,028 —impact of increase in Tobacco Settlement Funds available for program.</p> <hr/> <p>\$ -16,411 <i>Appropriation Decrease</i></p> <p><b>Health Care Clinics</b></p> <p>\$ -1,000 —program elimination.</p>
<p><b>Medical Assistance - Critical Access Hospitals</b></p> <p>\$ -500 —program reduction.</p> <p><b>Medical Assistance - State-Related Academic Medical Centers</b></p> <p>\$ 213 —revision of federal financial participation from 54.28% to 53.52%.</p> <p><b>Medical Assistance - Physician Practice Plans</b></p> <p>\$ 134 —revision of federal financial participation from 54.28% to 53.52%.</p> <p>-1,526 —program reduction.</p> <hr/> <p>\$ -1,392 <i>Appropriation Decrease</i></p>	<p><b>TOBACCO SETTLEMENT FUND</b></p> <p><b>Medical Care for Workers with Disabilities (EA)</b></p> <p>\$ 28,483 —increase in Tobacco Settlement Funds available for transfer.</p> <p><b>Uncompensated Care (EA)</b></p> <p>\$ -443 —decrease in Tobacco Settlement Funds available for transfer.</p>

All other appropriations are funded at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Payment to Federal Government -							
Medicare Drug Program .....	\$ 472,264	\$ 512,992	\$ 550,267	\$ 567,168	\$ 576,015	\$ 585,001	\$ 594,127
Medical Assistance - Outpatient .....	645,095	539,644	369,311	366,445	371,770	392,630	414,522
Medical Assistance - Inpatient .....	325,685	220,927	121,719	126,649	134,279	142,267	150,628
Medical Assistance - Capitation .....	3,301,109	3,622,809	3,830,192	3,900,777	4,224,241	4,498,391	4,619,158
Medical Assistance - Obstetric and							
Neonatal Services .....	3,313	3,681	3,681	3,681	3,681	3,681	3,681
Hospital-Based Burn Centers .....	3,404	3,782	3,782	3,782	3,782	3,782	3,782
Medical Assistance - Critical Access							
Hospitals .....	3,218	4,076	3,576	3,576	3,576	3,576	3,576
Trauma Centers .....	7,790	8,656	8,656	8,656	8,656	8,656	8,656
Medical Assistance - Academic Medical							
Centers .....	12,618	12,618	12,831	12,831	12,831	12,831	12,831

## Program: Medical Assistance (continued)

## Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND: (continued)</b>							
Medical Assistance - Physician Practice							
Plans.....	\$ 6,437	\$ 7,937	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545
Medical Assistance - Transportation.....	69,221	72,799	76,179	76,179	76,179	76,179	76,179
Expanded Medical Services for Women....	4,794	5,044	5,294	5,294	5,294	5,294	5,294
Special Pharmaceutical Services.....	2,978	2,157	2,309	2,309	2,309	2,309	2,309
Medical Assistance - Workers with							
Disabilities.....	27,305	35,056	18,645	18,645	18,645	18,645	18,645
Health Care Clinics.....	900	1,000	0	0	0	0	0
TOTAL GENERAL FUND.....	<u>\$ 4,886,131</u>	<u>\$ 5,053,178</u>	<u>\$ 5,012,987</u>	<u>\$ 5,102,537</u>	<u>\$ 5,447,803</u>	<u>\$ 5,759,787</u>	<u>\$ 5,919,933</u>
<b>TOBACCO SETTLEMENT FUND:</b>							
Medical Care for Workers with							
Disabilities (EA).....	\$ 62,007	\$ 64,694	\$ 93,177	\$ 93,177	\$ 93,177	\$ 93,177	\$ 93,177
Uncompensated Care (EA).....	25,348	25,850	25,407	25,407	25,407	25,407	25,407
TOTAL TOBACCO SETTLEMENT FUND.....	<u>\$ 87,355</u>	<u>\$ 90,544</u>	<u>\$ 118,584</u>	<u>\$ 118,584</u>	<u>\$ 118,584</u>	<u>\$ 118,584</u>	<u>\$ 118,584</u>

*PROGRAM OBJECTIVE: 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.*

**Program: Long-Term Living**

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>			
\$	44,258	—for increased rates, utilization and costs.	—5,000 —impact of increased federal funds.
	3,785	—to provide for administrative and other cash flow initiatives.	—35,828 —reflects impact of prior year change in timing of nursing facilities payments.
	33,148	—reflects impact of decrease in available Tobacco Settlement Funds.	28,050 —revision of federal financial participation from 54.28% to 53.52%.
			<u>        </u>
			\$ 68,413 <i>Appropriation Increase</i>

## Program: Long-Term Living (continued)

### Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

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The General Fund Home and Community Based Services appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Long-Term Care.....	\$ 737,356	\$ 775,871	\$ 844,284	\$ 876,620	\$ 946,750	\$ 1,022,490	\$ 1,104,289
Home and Community - Based Services...	175,162	200,199	200,199	200,199	200,199	200,199	200,199
Long-Term Care Managed Care.....	65,551	75,872	85,008	85,008	85,008	85,008	85,008
Services to Persons with Disabilities.....	163,987	192,655	227,880	242,020	242,020	242,020	242,020
Attendant Care .....	102,704	100,343	115,031	115,826	115,826	115,826	115,826
TOTAL GENERAL FUND.....	<u>\$ 1,244,760</u>	<u>\$ 1,344,940</u>	<u>\$ 1,472,402</u>	<u>\$ 1,519,673</u>	<u>\$ 1,589,803</u>	<u>\$ 1,665,543</u>	<u>\$ 1,747,342</u>
<b>LOTTERY FUND:</b>							
Medical Assistance - Long-Term Care.....	\$ 178,438	\$ 309,081	\$ 309,081	\$ 309,081	\$ 309,081	\$ 309,081	\$ 309,081
Home and Community-Based Services .....	0	0	21,000	31,000	41,000	51,000	61,000
TOTAL LOTTERY FUND .....	<u>\$ 178,438</u>	<u>\$ 309,081</u>	<u>\$ 330,081</u>	<u>\$ 340,081</u>	<u>\$ 350,081</u>	<u>\$ 360,081</u>	<u>\$ 370,081</u>
<b>TOBACCO SETTLEMENT FUND:</b>							
Home and Community-Based Services (EA).....	\$ 41,579	\$ 42,401	\$ 40,377	\$ 40,377	\$ 40,377	\$ 40,377	\$ 40,377
Medical Assistance - Long-Term Care.....	162,583	121,713	88,565	88,565	88,565	88,565	88,565
TOTAL TOBACCO SETTLEMENT FUND .....	<u>\$ 204,162</u>	<u>\$ 164,114</u>	<u>\$ 128,942</u>	<u>\$ 128,942</u>	<u>\$ 128,942</u>	<u>\$ 128,942</u>	<u>\$ 128,942</u>

*PROGRAM OBJECTIVE: 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.*

## Program: Income Maintenance

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

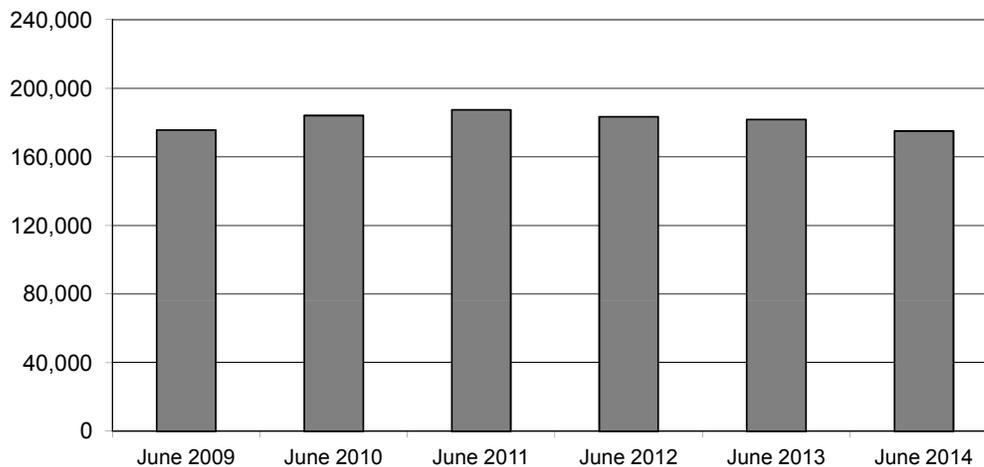
Caseworkers in the county assistance offices (CAOs) review financial and non-financial criteria with applicants of Temporary Assistance for Needy Families (TANF), Medical Assistance (MA) and the Supplemental Nutrition Assistance Program (SNAP) to determine eligibility for benefits. As a condition of eligibility for TANF cash assistance, adult recipients who are 18 years of age and older are required to sign and comply with the economic self-sufficiency plan in their Agreement of Mutual Responsibility (AMR). The AMR outlines the steps the individual will take and the services the caseworkers in the CAOs will provide to enable the family to become independent from public assistance. After assessing potential barriers to employment, most adult welfare 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 who are disabled to the extent that substantial gainful employment is not possible are required to cooperate in applying for federal benefits.

Temporary Assistance to Needy Families 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 AMR. The TANF program provides state and federal funds for temporary cash support for families in transition to self-sufficiency. State Blind Pension, on the other hand, is entirely state-funded. State Blind Pension recipients are persons who meet age, vision and personal resource requirements specified in the Public Welfare Code.

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, arranging and paying for emergency deliveries or expediting payments to avoid utility shut offs and by providing furnace repairs through other agencies. The eligibility standard, which is subject to annual revision based on the availability of funding, includes every household member's income. Payments

**Cash Grants  
(TANF Caseload)**



**Program: Income Maintenance (continued)**

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.

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 \$710 and \$1,066 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 welfare recipients to enter the workforce and achieve economic independence. Pennsylvania's employment and training program for welfare clients emphasizes that the responsibility for self-sufficiency belongs to the welfare recipient. A RESET program design change has been implemented as 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 welfare 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 Pennsylvania Department of Public Welfare and Pennsylvania 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 a welfare 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 children born outside of marriage; the determination, establishment and enforcement of a financial child support obligation paid by a noncustodial parent to meet the ongoing daily needs of the children; and the procurement of medical support, including health insurance and/or the reimbursement of uninsured medical expenses for the children.

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 courts 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 children 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 collecting child support amounts ordered. Pennsylvania's program exceeds federal standards for establishing paternity and court orders for support: 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 OBJECTIVE: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.*

## Program: Mental Health

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 consist of 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.

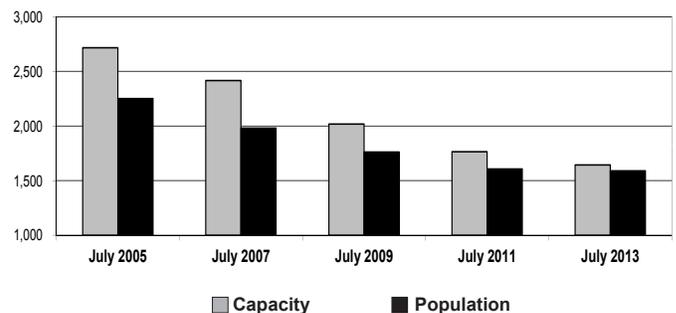
### **Program Element: Substance Abuse Services**

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 661 (or 29 percent) since July of 2005, as more people receive mental health services in the community. During that same period, capacity at the state mental hospitals has declined by 1,072 (or 39 percent).*

Program: Mental Health (continued)

Expenditures by Hospital, Restoration Center and Community Programs

(Dollar Amounts in Thousands)

	2011-12	2012-13	2013-14		2011-12	2012-13	2013-14
	Actual	Available	Budget		Actual	Available	Budget
<b>Allentown</b>				<b>Torrance</b>			
State Funds.....	\$ 2,500	\$ 4,963	\$ 738	State Funds.....	\$ 59,139	\$ 30,157	\$ 37,068
Federal Funds.....	1,235	168	0	Federal Funds.....	8,387	38,120	35,900
Augmentations.....	280	320	0	Augmentations.....	1,235	1,589	1,400
TOTAL.....	<u>\$ 4,015</u>	<u>\$ 5,451</u>	<u>\$ 738</u>	TOTAL.....	<u>\$ 68,761</u>	<u>\$ 69,866</u>	<u>\$ 74,368</u>
<b>Clarks Summit</b>				<b>Warren</b>			
State Funds.....	\$ 41,422	\$ 20,966	\$ 17,564	State Funds.....	\$ 36,633	\$ 14,238	\$ 25,266
Federal Funds.....	5,665	24,803	31,300	Federal Funds.....	5,123	27,164	18,550
Augmentations.....	1,359	1,465	1,320	Augmentations.....	1,391	1,127	1,140
TOTAL.....	<u>\$ 48,446</u>	<u>\$ 47,234</u>	<u>\$ 50,184</u>	TOTAL.....	<u>\$ 43,147</u>	<u>\$ 42,529</u>	<u>\$ 44,956</u>
<b>Danville</b>				<b>Wernersville</b>			
State Funds.....	\$ 34,442	\$ 18,399	\$ 16,862	State Funds.....	\$ 50,166	\$ 28,598	\$ 31,934
Federal Funds.....	4,912	22,458	28,600	Federal Funds.....	6,677	29,365	29,214
Augmentations.....	972	1,136	1,060	Augmentations.....	1,766	1,753	1,759
TOTAL.....	<u>\$ 40,326</u>	<u>\$ 41,993</u>	<u>\$ 46,522</u>	TOTAL.....	<u>\$ 58,609</u>	<u>\$ 59,716</u>	<u>\$ 62,907</u>
<b>Mayview</b>				<b>Administrative Cost</b>			
State Funds.....	\$ 4	\$ 0	\$ 0	State Funds.....	\$ 3,861	\$ 4,605	\$ 5,484
Federal Funds.....	0	0	0	Federal Funds.....	9	36	0
Augmentations.....	0	0	0	Augmentations.....		1	0
TOTAL.....	<u>\$ 4</u>	<u>\$ 0</u>	<u>\$ 0</u>	TOTAL.....	<u>\$ 3,870</u>	<u>\$ 4,642</u>	<u>\$ 5,484</u>
<b>Norristown</b>				<b>Community Programs</b>			
State Funds.....	\$ 65,592	\$ 30,341	\$ 36,375	State Funds.....	\$ 385,812	\$ 496,907	\$ 501,639
Federal Funds.....	9,961	46,122	36,300	Federal Funds.....	221,023	67,752	66,163
Augmentations.....	1,792	1,129	1,640	Augmentations.....	62	0	0
TOTAL.....	<u>\$ 77,345</u>	<u>\$ 77,592</u>	<u>\$ 74,315</u>	TOTAL.....	<u>\$ 606,897</u>	<u>\$ 564,659</u>	<u>\$ 567,802</u>
<b>South Mountain State Restoration Center</b>				<b>Budgetary Reserve</b>			
State Funds.....	\$ 23,248	\$ 13,137	\$ 16,450	State Funds.....	\$ 0	\$ 0	\$ 0
Federal Funds.....	3,200	14,378	13,050	Federal Funds.....	0	2,300	0
Augmentations.....	1,413	929	1,130	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 27,861</u>	<u>\$ 28,444</u>	<u>\$ 30,630</u>	TOTAL.....	<u>\$ 0</u>	<u>\$ 2,300</u>	<u>\$ 0</u>

## Program: Mental Health (continued)

### Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year

State Mental Hospitals	Population July 2011	Population July 2012	Projected Population July 2013	Projected Bed Capacity July 2013	Projected Percentage of Capacity July 2013
Clarks Summit.....	219	217	223	223	100.0%
Danville.....	165	173	175	178	98.3%
Norristown.....	345	307	274	274	100.0%
South Mountain.....	134	140	145	159	91.2%
Torrance.....	313	325	335	345	97.1%
Warren.....	166	173	173	190	91.1%
Wernersville.....	264	266	265	275	96.4%
<b>TOTAL.....</b>	<b>1,606</b>	<b>1,601</b>	<b>1,590</b>	<b>1,644</b>	<b>96.7%</b>

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>			
	<b>Mental Health Services</b>		-1,606	—Initiative—Act 534/632 Reform. Savings as a result of limiting full-salary benefits to three years for employees injured as a result of interactions with state hospital residents.
\$ 20,186	—to continue current program.			
10,000	—nonrecurring prior year federal funds.			
-4,815	—reflects savings from the closure of Allentown State Hospital.			
-1,421	—reflects savings from prior year Norristown CHIPPs.	\$ 27,069		<i>Appropriation Increase</i>
4,725	—Initiative—Expanded Services for Individuals with Disabilities. To provide home and community-based services for 90 individuals currently residing in state hospitals.			

The Behavioral Health Services appropriation is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Mental Health Services.....	\$ 702,819	\$ 662,311	\$ 689,380	\$ 686,582	\$ 686,526	\$ 686,470	\$ 686,413
Behavioral Health Services .....	45,513	43,117	43,117	43,117	43,117	43,117	43,117
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 748,332</b>	<b>\$ 705,428</b>	<b>\$ 732,497</b>	<b>\$ 729,699</b>	<b>\$ 729,643</b>	<b>\$ 729,587</b>	<b>\$ 729,530</b>

*PROGRAM OBJECTIVE: To maximize each individual's capacity for more independent living and participation in community life by providing needed training and support services.*

## Program: Intellectual Disabilities

The Department of Public Welfare 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 provides 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.

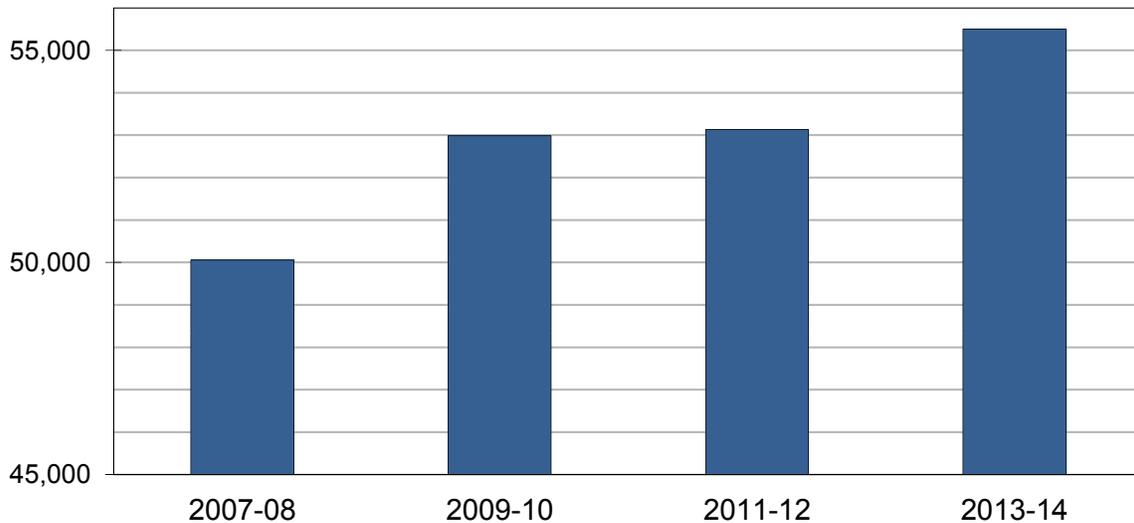
### **Program Element: Services for Individuals with Autism**

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 5,000 since 2007-08.

### State Centers Population for the Prior, Current and Upcoming Years

	Population July 2011	Population July 2012	Projected Population July 2013	Projected Bed Capacity July 2013	Projected Percentage Capacity July 2013
<b>State Centers</b>					
Ebensburg.....	274	267	260	402	64.7%
Hamburg.....	120	112	105	237	44.3%
Polk.....	291	277	250	521	48.0%
Selinsgrove.....	310	291	268	584	45.9%
White Haven.....	161	155	139	275	50.5%
<b>TOTAL.....</b>	<b>1,156</b>	<b>1,102</b>	<b>1,022</b>	<b>2,019</b>	<b>50.6%</b>

## Program: Intellectual Disabilities (continued)

### Expenditures by State Center (Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget		2011-12 Actual	2012-13 Available	2013-14 Budget
<b>Ebensburg</b>				<b>Selinsgrove</b>			
State funds.....	\$ 23,244	\$ 24,348	\$ 27,066	State funds.....	\$ 26,453	\$ 27,392	\$ 30,845
Federal funds.....	36,119	36,264	37,917	Federal funds.....	39,952	40,546	42,939
Augmentations.....	6,563	6,730	6,707	Augmentations.....	7,620	7,546	7,494
<b>TOTAL.....</b>	<b>\$ 65,926</b>	<b>\$ 67,342</b>	<b>\$ 71,690</b>	<b>TOTAL.....</b>	<b>\$ 74,025</b>	<b>\$ 75,484</b>	<b>\$ 81,278</b>
<b>Embreeville</b>				<b>White Haven</b>			
State funds.....	\$ 592	\$ 405	\$ 405	State funds.....	\$ 14,908	\$ 16,190	\$ 17,530
Federal funds.....	0	0	0	Federal funds.....	22,457	23,519	23,997
Augmentations.....	0	0	0	Augmentations.....	3,871	4,008	4,095
<b>TOTAL.....</b>	<b>\$ 592</b>	<b>\$ 405</b>	<b>\$ 405</b>	<b>TOTAL.....</b>	<b>\$ 41,236</b>	<b>\$ 43,717</b>	<b>\$ 45,622</b>
<b>Hamburg</b>				<b>Non-Facility</b>			
State funds.....	\$ 12,507	\$ 12,615	\$ 14,371	State funds.....	\$ 790	\$ 824	\$ 839
Federal funds.....	18,103	18,021	18,990	Federal funds.....	0	0	0
Augmentations.....	2,781	2,995	3,037	Augmentations.....	0	0	0
<b>TOTAL.....</b>	<b>\$ 33,391</b>	<b>\$ 33,631</b>	<b>\$ 36,398</b>	<b>TOTAL.....</b>	<b>\$ 790</b>	<b>\$ 824</b>	<b>\$ 839</b>
<b>Laurelton</b>				<b>Budgetary Reserve</b>			
State funds.....	\$ 8	\$ 0	\$ 0	State funds.....	\$ 0	\$ 0	\$ 0
Federal funds.....	0	0	0	Federal funds.....	0	9,850	5,000
Augmentations.....	0	0	0	Augmentations.....	0	0	0
<b>TOTAL.....</b>	<b>\$ 8</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 9,850</b>	<b>\$ 5,000</b>
<b>Polk</b>							
State funds.....	\$ 24,619	\$ 25,249	\$ 28,107				
Federal funds.....	37,944	37,463	39,367				
Augmentations.....	7,244	7,085	7,087				
<b>TOTAL.....</b>	<b>\$ 69,807</b>	<b>\$ 69,797</b>	<b>\$ 74,561</b>				

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 10,440	<b>Intellectual Disabilities - State Centers</b>				
2,431	—to continue current program.				
	—revision of federal financial participation from 54.28% to 53.52%.	\$	–305		<b>Intellectual Disabilities - Community Base Program</b>
–731	—Initiative—Act 534/632 Reform. Savings as a result of limiting full-salary benefits to three years for employees injured as a result of interactions with state center residents.				—to continue current program.
\$ 12,140	<i>Appropriation Increase</i>			\$ 8,624	<b>Intellectual Disabilities - Community Waiver Program</b>
				38,662	—to continue current program.
				17,924	—increase in utilization and costs.
					—to annualize previous program revisions providing enhanced community services.
				737	—to reflect individuals transferring from the ICF/ID program.
				14,719	—revision of federal financial participation from 54.28% to 53.52%.
\$ –728	<b>Intellectual Disabilities - Intermediate Care Facilities</b>			6,372	—prior year settlements and appeals.
	—to reflect individuals transferring to the community program.			19,867	—Initiative—Expanded Services for Individuals with Disabilities. To provide home and community-based services for 380 individuals on the waiting list, 700 students graduating from Special Education and 100 individuals currently residing in state centers.
–1,630	—to annualize prior individuals transferring to the community program.				
6,200	—prior year settlements and appeals.				
2,729	—revision of federal financial participation from 54.28% to 53.52%.				
\$ 6,571	<i>Appropriation Increase</i>			\$ 106,905	<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>
\$	1,344	—to continue current program.
	-690	—nonrecurring project.
	1,497	—Initiative—Expanded Services for Individuals with Disabilities. To provide home and community-based services for 118 additional individuals with autism spectrum disorders.
<hr/>	<hr/>	
\$	2,151	<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)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Intellectual Disabilities - State Centers.....	\$ 103,121	\$ 107,023	\$ 119,163	\$ 117,677	\$ 116,921	\$ 116,284	\$ 116,318
Intellectual Disabilities - Intermediate Care Facilities .....	143,803	143,005	149,576	149,576	149,576	149,576	149,576
Intellectual Disabilities - Community Base Program.....	158,194	151,223	150,918	150,918	150,918	150,918	150,918
Intellectual Disabilities - Community Waiver Program.....	854,863	919,885	1,026,790	1,043,907	1,047,036	1,047,036	1,047,036
Autism Intervention and Services.....	12,194	13,000	15,151	15,891	15,891	15,891	15,891
Intellectual Disabilities - Lansdowne Residential Services .....	340	340	340	340	340	340	340
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,272,515</b>	<b>\$ 1,334,476</b>	<b>\$ 1,461,938</b>	<b>\$ 1,478,309</b>	<b>\$ 1,480,682</b>	<b>\$ 1,480,045</b>	<b>\$ 1,480,079</b>

*PROGRAM OBJECTIVE: To enhance the social and economic well-being of families and individuals through the provision of an array of services and support programs.*

**Program: Human Services**

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 Public Welfare 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 July 2011	Population July 2012	Population July 2013	Projected Capacity July 2013	Projected Percentage of Capacity July 2013
YFC-Hickory Run.....	36	36	32	49	65.3%
YFC-Trough Creek .....	47	41	35	50	72.0%
Cresson .....	33	19	25	52	48.1%
New Castle .....	92	52	0	0	NA
Loysville.....	<u>219</u>	<u>205</u>	<u>207</u>	<u>271</u>	<u>76.4%</u>
<b>Total Current Program</b>	<u>427</u>	<u>353</u>	<u>300</u>	<u>422</u>	<u>83.0%</u>

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 200 clinics across the state.

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,

## Program: Human Services (continued)

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 to 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

In 2012-13, a 20 county pilot program was implemented to provide local governments with increased flexibility to address local needs. As part of this pilot 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. This 20 county pilot program will be expanded statewide in 2013-14, allowing additional counties to participate on a voluntary basis. Funding will continue to be provided from the individual appropriations.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND	
	<b>Youth Development Institutions and Forestry Camps</b>
\$ 7,511	—to continue current program.
-8,556	—annualized savings from the closure of the New Castle youth development center. These savings will be reinvested into juvenile delinquency prevention initiatives in this department, the Juvenile Court Judges Commission and the Pennsylvania Commission on Crime and Delinquency.
1,000	—Initiative—Juvenile Justice Reinvestment. To improve educational and employment opportunities for delinquent youths returning to the community from residential placement.
-1,174	—Initiative—Act 534/632 Reform. Savings as a result of limiting full-salary benefits to three years for employees injured as a result of interactions with youth development center residents.
<hr/>	
\$ -1,219	<i>Appropriation Decrease</i>

\$ 23,304	<b>County Child Welfare</b> —for county needs-based budgets as mandated by Act 30 of 1991.
\$ 1,260	<b>Domestic Violence</b> —to expand the availability of domestic violence programs and services.
\$ 700	<b>Rape Crisis</b> —to expand the availability of rape crisis programs and services.

All other appropriations are recommended at the current year funding levels.

## Program: Human Services (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Youth Development Institutions and							
Forestry Camps .....	\$ 69,645	\$ 64,600	\$ 63,381	\$ 61,072	\$ 61,039	\$ 61,007	\$ 60,974
County Child Welfare.....	990,470	1,040,029	1,063,333	1,063,256	1,063,256	1,063,256	1,063,256
Domestic Violence.....	12,261	12,566	13,826	13,826	13,826	13,826	13,826
Rape Crisis.....	7,016	7,016	7,716	7,716	7,716	7,716	7,716
Breast Cancer Screening .....	1,623	1,623	1,623	1,623	1,623	1,623	1,623
Human Services Development Fund.....	14,208	13,460	13,460	13,460	13,460	13,460	13,460
Legal Services.....	2,461	2,461	2,461	2,461	2,461	2,461	2,461
Homeless Assistance .....	20,551	18,496	18,496	18,496	18,496	18,496	18,496
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,118,235</b>	<b>\$ 1,160,251</b>	<b>\$ 1,184,296</b>	<b>\$ 1,181,910</b>	<b>\$ 1,181,877</b>	<b>\$ 1,181,845</b>	<b>\$ 1,181,812</b>

*PROGRAM OBJECTIVE: 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.*

**Program: Child Development**

The Department of Public Welfare, 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. In 2012-13, the department launched the Rising STARS initiative, the next innovative phase in the Keystone STARS program. Pennsylvania’s Rising STARS initiative 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. Local 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. In 2012-13, the child care information services agencies were consolidated to improve program efficiency and reduce administrative costs.

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 their home, community setting or early childhood education setting so that children are 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.

<b>Child Care Funding</b> (Dollar Amounts in Thousands)	
	<b>2013-14</b>
<b>Low-Income Working Families</b>	
State Funds <sup>1</sup> .....	\$ 148,488
Federal Funds .....	<u>222,529</u>
Total.....	<u>\$ 371,017</u>
<b>TANF Recipients / Former TANF Recipients</b>	
State Funds <sup>2</sup> .....	\$ 152,609
Federal Funds .....	191,190
Other Funds.....	<u>2,750</u>
Total.....	<u>\$ 346,549</u>
<b>Grand Total</b> .....	<u><b>\$ 717,566</b></u>

<sup>1</sup> Child Care Services appropriation.  
<sup>2</sup> Child Care Assistance appropriation.

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND**  
**Early Intervention**  
\$ 1,789 —to continue current program.

Program: Child Development (continued)

**Program Recommendations: (continued)** This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ -3,000</p> <p>7,119</p> <p>3,000</p> <hr/> <p>\$ 7,119</p>	<p><b>Child Care Services</b></p> <p>—annualized savings from the consolidation of child care information services agencies. These savings will be reinvested to address the child care services waiting list.</p> <p>—Initiative—Expanded Services for Children. Annualized savings from the consolidation of child care information services agencies are reinvested to provide subsidized child care services for approximately 1,400 additional children of low-income families.</p> <p>—Initiative—Child Care Quality Enhancements. To further improve the quality of child care services through enhanced incentives for providers participating in the Rising Stars initiative.</p> <p>Appropriation Increase</p>	<p>\$ -4,119</p> <p>Child Care Assistance</p> <p>—annualized savings from the consolidation of child care information services agencies. These savings will be reinvested in the Child Care Services appropriation to address the child care waiting list.</p>
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The Community Based Family Centers and Nurse Family Partnership appropriations are recommended at the current year funding levels.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Early Intervention.....	\$ 111,712	\$ 126,185	\$ 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.....	154,265	141,369	148,488	148,488	148,488	148,488	148,488
Child Care Assistance .....	164,435	156,728	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
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 445,648</b>	<b>\$ 439,518</b>	<b>\$ 444,307</b>	<b>\$ 444,307</b>	<b>\$ 444,307</b>	<b>\$ 444,307</b>	<b>\$ 444,307</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Human Services Support</b>							
Third-party liability cases referred for recovery	23,749	23,000	24,200	25,900	27,200	28,600	30,000
Total dollars recovered (in thousands)	\$156,917	\$156,900	\$164,700	\$176,200	\$185,000	\$194,300	\$204,000
Recipient appeals cases receiving final disposition	83,475	85,000	95,000	89,000	90,000	92,000	92,000
Provider appeals cases receiving final disposition	1,701	2,100	2,500	2,300	2,300	2,300	2,200
On-line applications submitted through COMPASS	773,021	829,580	882,905	931,810	975,140	1,011,715	1,040,670
<b>Program: Medical Assistance</b>							
Persons participating in Medical Assistance (monthly average)	2,225,011	2,256,790	2,322,820	2,369,275	2,416,660	2,464,995	2,514,295
Medical Assistance recipients served (monthly average): Fee-for-service delivery - Physical Health Only	947,429	787,170	685,560	543,435	554,305	565,395	576,700
Medical Assistance recipients served (monthly average): Average Managed Care Enrollment - Physical Health	1,277,582	1,469,620	1,637,260	1,825,840	1,862,355	1,899,600	1,937,595
Medical Assistance recipients served (monthly average): Average HealthChoices Behavioral Health enrollment	1,885,531	1,895,810	1,901,715	1,939,750	1,978,545	2,018,115	2,058,475
<b>Outpatient (Fee for Service Population Only)</b>							
Services/visits per 1,000 enrollees:							
Physician visits	2,476	790	800	810	820	830	840
Clinic visits	480	317	340	365	395	425	460
Emergency Room visits	461	298	300	300	300	300	300
Average prescriptions filled per enrollee per month	2	2	2	2	2	2	2
Percent of generic and over the counter prescriptions	81%	83%	80%	80%	80%	80%	80%
Percent of brand name prescriptions filled	19%	17%	20%	20%	20%	20%	20%
Average cost - generic and over the counter drugs	\$13.29	\$13.49	\$15.80	\$17.20	\$18.75	\$20.45	\$21.45
Average prescription cost - brand name	\$328.67	\$380.05	\$414.20	\$451.50	\$461.80	\$474.75	\$487.70
<b>Inpatient (Fee for Service Population Only)</b>							
Admissions per 1,000 enrollees:							
General Hospital	128	119	110	100	90	85	80
Rehabilitation Hospital	1	1	1	1	1	1	1
Private psychiatric hospital	3	3	3	3	3	3	3
Percent of children from birth to 15 months visiting a physician 6 or more times in the past year	65.30%	66.70%	68%	69.50%	71%	72.50%	74%
<b>Capitation</b>							
Percent of children age 12 to 24 months visiting a doctor or nurse in the past year	96.90%	97.30%	97.50%	98%	98.50%	99%	99%

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Percent of children 25 months to 6 years visiting a doctor or nurse in the past year	88.10%	88.20%	88.50%	88.50%	88.50%	88.50%	88.50%
Percent of pregnant women who received over 80% of the recommended prenatal visits	72.90%	73%	73%	73%	73%	73%	73%
<b>Transportation Program</b>							
One-way trips (in thousands)	11,557	11,000	11,175	11,175	11,175	11,175	11,175
Cost per trip	\$12.59	\$13.15	\$13.30	\$13.30	\$13.30	\$13.30	\$13.30
<b>Medical Care for Workers with Disabilities</b>							
Recipients enrolled in program (monthly average)	27,208	28,275	30,815	31,815	32,815	33,815	34,815
Physician visits, Clinic visits and Emergency room visits decrease in 2012-13 to reflect HealthChoices expansion and the elimination of ACCESS Plus.							
Average prescription cost - brand name increases in 2012-13 since single source brands increased 13.9%. This percentage does not reflect the offset in cost to the department after rebates are collected. Nationally, commercial insurers report that brand name prescriptions rose more than 15%.							
Percent of children from birth to 15 months visiting a physician 6 or more times in the past year is revised from 3 or more times per year as reported in last year's budget.							

### Program: Long Term Living

#### Long-Term Care

Recipients under age 60 receiving institutional care (annual unduplicated users)	8,774	9,230	9,325	9,325	9,325	9,325	9,325
Recipients over age 60 receiving institutional care (monthly average)	51,134	51,463	52,000	52,540	53,090	53,640	54,200
Percentage of long term care recipients receiving institutional care	55%	52%	51%	50%	48%	47%	46%
Average monthly cost of nursing home care	\$4,372	\$4,941	\$5,040	\$5,040	\$5,040	\$5,040	\$5,040
Recipients over age 60 receiving home and community-based waiver services	26,227	29,398	30,885	32,065	32,490	32,900	33,295
Average monthly cost of home and community-based waiver services (age 60 age over)	\$1,832	\$1,873	\$1,910	\$1,950	\$1,990	\$2,030	\$2,030
Percentage of long term care recipients receiving services in the community	45%	48%	49%	50%	52%	53%	54%
Recipients receiving services through the LIFE program	4,212	4,841	5,235	5,660	5,660	5,660	5,660
<b>Other Long-Term Living Services</b>							
Recipients under age 60 receiving attendant care services (Waiver and Act 150)	9,907	10,472	11,090	11,090	11,090	11,090	11,090
Persons with developmental disabilities served in the community	9,179	10,534	12,075	12,075	12,075	12,075	12,075

Recipients over age 60 receiving institutional care reflects a change in the data collection methodology.

### Program: Income Maintenance

Persons receiving cash assistance (monthly average)	248,298	185,187	180,240	180,240	180,240	180,240	180,240
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## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Persons receiving State Supplemental Grants (monthly average)	377,930	388,118	400,422	408,670	416,840	425,180	433,680
Households receiving energy cash payments	392,336	336,535	241,500	241,500	241,500	241,500	241,500
Households receiving energy crisis payments	105,183	114,286	114,285	114,285	114,285	114,285	114,285
TANF recipients enrolled in RESET employment and training program (monthly average)	21,930	22,040	22,040	22,040	22,040	22,040	22,040
TANF recipients obtaining employment	15,512	15,510	15,510	15,510	15,510	15,510	15,510
Child support orders established	381,777	382,000	382,000	382,000	382,000	382,000	382,000
Child support collected (in millions)	\$1,383	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500

Persons receiving cash assistance decrease in 2012-13 reflects elimination of cash assistance benefits provided through the General Assistance program.

**Program: Mental Health****Community Mental Health Services**

Total persons provided mental health services	655,577	656,030	656,480	656,480	656,480	656,480	656,480
Persons receiving mental health inpatient and outpatient services from non-Medical Assistance funding (unduplicated)	216,773	217,225	217,675	217,675	217,675	217,675	217,675
Persons receiving services through Medical Assistance expenditures (fee for service and HealthChoices) (unduplicated)	411,678	411,680	411,680	411,680	411,680	411,680	411,680
Persons receiving services through BHSI funds (unduplicated)	27,126	27,125	27,125	27,125	27,125	27,125	27,125
Average cost per person served	\$2,322	\$2,320	\$2,320	\$2,320	\$2,320	\$2,320	\$2,320

**Substance Abuse Services**

Total persons receiving DPW administered substance abuse services	125,470	130,285	130,285	130,285	130,285	130,285	130,285
Persons receiving services through Medical Assistance expenditures (fee-for-service and HealthChoices) (unduplicated)	62,056	62,055	62,055	62,055	62,055	62,055	62,055
Non-hospital detoxification and rehabilitation clients	25,318	25,320	25,320	25,320	25,320	25,320	25,320
Persons receiving services through BHSI funds (unduplicated)	38,096	42,910	42,910	42,910	42,910	42,910	42,910
Average cost per person served	\$2,792	\$2,690	\$2,690	\$2,690	\$2,690	\$2,690	\$2,690

**State Mental Hospitals**

Total persons served in State Mental Hospitals	2,812	2,731	2,731	2,650	2,650	2,650	2,650
Total admissions to State Mental Hospitals	964	965	965	965	965	965	965
Cost per person in State Mental Hospital population	\$136,892	\$139,086	\$143,272	\$143,272	\$143,272	\$143,272	\$143,272
Forensic admissions to State Mental Hospitals	431	430	430	430	430	430	430
Percentage of adults readmitted to State Mental Hospitals within one year of last discharge	9%	9%	9%	9%	9%	9%	9%

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Percentage of persons in State Mental Hospitals with stay longer than two years	40%	40%	40%	40%	40%	40%	40%
<b>Program: Intellectual Disabilities</b>							
Persons receiving Autism services during fiscal year	398	430	548	548	548	548	548
Persons receiving Intellectual Disability services during fiscal year	53,569	54,699	55,748	55,748	55,748	55,748	55,748
Persons receiving residential services (during fiscal year):							
Private Intermediate Care Facilities for Persons with Intellectual Disabilities	2,432	2,380	2,349	2,349	2,349	2,349	2,349
State Centers	1,163	1,117	1,033	893	853	813	773
Persons receiving Intellectual Disability services during fiscal year: Home and Community Services	50,700	51,964	53,152	53,152	53,152	53,152	53,152
Average cost of individuals served in the community:							
Consolidated Waiver Services	\$101,911	\$101,908	\$106,633	\$108,456	\$108,456	\$108,456	\$108,456
Person/Family Directed Supports Waiver Services	\$16,045	\$16,531	\$17,390	\$17,644	\$17,644	\$17,644	\$17,644
<b>Program: Human Services</b>							
<b>Youth Development Centers</b>							
Youth served	1,004	800	750	750	750	750	750
Occupancy rates	73%	68%	71%	71%	71%	71%	71%
Youth in work experience	610	525	480	480	480	480	480
<b>Family Support Services</b>							
Unduplicated annual number of children receiving child welfare services at home	171,353	173,925	176,530	179,180	181,870	184,595	187,320
Out of home placements in:							
Community residential programs	22,905	22,445	22,000	21,560	21,125	20,705	20,285
In-state institutional care programs (annual unduplicated recipients)	3,295	3,260	3,230	3,195	3,165	3,135	3,105
Children in out of state programs	302	290	285	275	265	260	255
Percentage of children reunited with parents or primary caregiver within twelve months of placement	48.80%	49.50%	50%	50.50%	51%	51.50%	52%
Percentage of children not returning to care within 12 months of discharge to parents or primary caregivers	70.50%	71%	71.50%	71.50%	71.50%	71.50%	71.50%
Finalized Adoptions	2,193	2,215	2,235	2,260	2,280	2,305	2,325
Children reaching permanency outside of adoption	1,572	1,595	1,620	1,645	1,670	1,695	1,720
Investigations of reported child abuse	23,259	23,220	22,875	22,530	22,195	21,860	21,525
Percentage of child abuse investigations substantiated	13.50%	15%	15%	15%	15%	15%	15%
<b>Homeless Assistance</b>							
Total persons receiving homeless services	84,210	75,800	75,800	75,800	75,800	75,800	75,800

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Human Services</b>							
Domestic violence victims served	46,410	46,410	51,064	51,064	51,064	51,064	51,064
Rape crisis/sexual assault persons served	23,875	23,875	26,257	26,257	26,257	26,257	26,257
Breast cancer screening clients	114,455	114,455	114,455	114,455	114,455	114,455	114,455
Legal service clients	18,719	20,325	20,325	20,325	20,325	20,325	20,325
<b>Program: Child Development</b>							
<b>Child Development</b>							
Children enrolled in Keystone STARS facilities	179,285	179,285	179,285	179,285	179,285	179,285	179,285
Number of Keystone STARS facilities	4,459	4,460	4,460	4,460	4,460	4,460	4,460
Percent of child care centers participating in Keystone STARS	68%	70%	70%	70%	70%	70%	70%
Children participating in subsidized child care (unduplicated)	220,530	210,050	212,460	212,460	212,460	212,460	212,460
Children participating in subsidized child care (monthly average):							
Welfare/TANF Families	33,469	29,920	29,920	29,920	29,920	29,920	29,920
Former TANF Families	31,907	31,755	31,755	31,755	31,755	31,755	31,755
Low-income working families	61,025	59,940	61,600	61,600	61,600	61,600	61,600
Percentage of children participating in subsidized child care enrolled in a department regulated setting:							
TANF Families	80%	80%	80%	80%	80%	80%	80%
Former TANF Families (%)	76%	75%	75%	75%	75%	75%	75%
Low-income working families (%)	83%	85%	85%	85%	85%	85%	85%
<b>Early Intervention</b>							
Children participating in Early Intervention (EI) services	36,333	36,900	36,900	36,900	36,900	36,900	36,900
Children who met their individual goals and no longer needed EI services prior to their third birthday	4,917	4,900	4,900	4,900	4,900	4,900	4,900
Children who met their individual goals at their third birthday and no longer needed EI services	402	500	500	500	500	500	500
Percent of EI children served in typical early childhood educational settings (e.g. home, child care, Head Start)	99%	99%	99%	99%	99%	99%	99%



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# 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 Objectives**

**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.*

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## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 128,347</b>	<b>\$ 124,554</b>	<b>\$ 124,989</b>
(A)Cigarette Fines and Penalties.....	86	33	33
(A)Cigarette Tax Enforcement.....	0	450	450
(A)Services to Special Funds.....	11,023	11,465	10,535
(A)EDP and Staff Support.....	6,644	6,700	6,578
(A)Tax Information.....	627	825	825
(A)Private Letter Valuation Charges.....	0	1	1
(A)Local Sales Tax.....	4,037	4,303	3,972
(A)Small Games of Chance.....	188	205	205
(A)Reimbursed Costs from Other Agencies.....	1,716	1,750	1,750
(A)BTFT - Fines and Penalties.....	121	100	100
(A)RTT Local Collection.....	164	280	280
(A)Sale of Equipment.....	0	10	10
(A)Enhanced Revenue Collections.....	4,300	10,000	15,000
(A)Prepaid Wireless E-911.....	185	67	67
<b>Commissions - Inheritance &amp; Realty Transfer Taxes (EA).....</b>	<b>7,156</b>	<b>7,156</b>	<b>6,834</b>
<b>Technology and Process Modernization.....</b>	<b>21,450</b>	<b>20,450</b>	<b>14,500</b>
Subtotal - State Funds.....	\$ 156,953	\$ 152,160	\$ 146,323
Subtotal - Augmentations.....	29,091	36,189	39,806
Total - General Government.....	<u>\$ 186,044</u>	<u>\$ 188,349</u>	<u>\$ 186,129</u>
<i>Grants and Subsidies:</i>			
<b>Distribution of Public Utility Realty Tax.....</b>	<b>\$ 30,663</b>	<b>\$ 32,976</b>	<b>\$ 32,521</b>
STATE FUNDS.....	\$ 187,616	\$ 185,136	\$ 178,844
AUGMENTATIONS.....	29,091	36,189	39,806
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 216,707</u></b>	<b><u>\$ 221,325</u></b>	<b><u>\$ 218,650</u></b>
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
<b>Collections - Liquid Fuels Tax.....</b>	<b>\$ 14,668</b>	<b>\$ 16,068</b>	<b>\$ 17,028</b>
(F)Federal Fuel Tax Evasion Project (EA).....	122	120	135
Subtotal - State Funds.....	\$ 14,668	\$ 16,068	\$ 17,028
Subtotal - Federal Funds.....	122	120	135
Total - General Government.....	<u>\$ 14,790</u>	<u>\$ 16,188</u>	<u>\$ 17,163</u>
<i>Refunds:</i>			
<b>Refunding Liquid Fuels Tax (EA).....</b>	<b>\$ 11,000</b>	<b>\$ 11,000</b>	<b>\$ 11,000</b>
STATE FUNDS.....	\$ 25,668	\$ 27,068	\$ 28,028
FEDERAL FUNDS.....	122	120	135
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b><u>\$ 25,790</u></b>	<b><u>\$ 27,188</u></b>	<b><u>\$ 28,163</u></b>
<b>LOTTERY FUND:</b>			
<i>General Government:</i>			
<b>General Operations (EA).....</b>	<b>\$ 36,176</b>	<b>\$ 39,897</b>	<b>\$ 24,000</b>
(A)License Fees.....	148	146	148
(A)Annuity Assignment Fees.....	15	16	16
<b>Operating Expenses (EA).....</b>	<b>0</b>	<b>0</b>	<b>29,000</b>
<b>Management Expenses (EA).....</b>	<b>0</b>	<b>0</b>	<b>9,000</b>
<b>Lottery Advertising (EA).....</b>	<b>37,000</b>	<b>37,000</b>	<b>48,000</b>
<b>Property Tax Rent Rebate - General Operations (EA).....</b>	<b>13,272</b>	<b>13,847</b>	<b>13,833</b>
<b>On-Line Vendor Commissions (EA).....</b>	<b>35,153</b>	<b>32,923</b>	<b>35,000</b>
<b>Instant Vendor Commissions (EA).....</b>	<b>22,532</b>	<b>23,400</b>	<b>23,000</b>

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Payment of Prize Money (EA)</b> .....	<b>347,414</b>	<b>414,739</b>	<b>447,000</b>
Subtotal - State Funds.....	\$ 491,547	\$ 561,806	\$ 628,833
Subtotal - Augmentations.....	163	162	164
Total - General Government.....	<u>\$ 491,710</u>	<u>\$ 561,968</u>	<u>\$ 628,997</u>
<b>Grants and Subsidies:</b>			
<b>Property Tax &amp; Rent Assistance for Older Pennsylvanians (EA)</b> .....	<b>\$ 284,870</b>	<b>\$ 286,100</b>	<b>\$ 292,400</b>
STATE FUNDS.....	\$ 776,417	\$ 847,906	\$ 921,233
AUGMENTATIONS.....	163	162	164
<b>LOTTERY FUND TOTAL</b> .....	<u><b>\$ 776,580</b></u>	<u><b>\$ 848,068</b></u>	<u><b>\$ 921,397</b></u>
<b>RACING FUND:</b>			
<b>General Government:</b>			
<b>Collections - State Racing (EA)</b> .....	<b>\$ 234</b>	<b>\$ 238</b>	<b>\$ 237</b>
<b>OTHER FUNDS:</b>			
<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>			
(R)General Operations.....	\$ 9,501	\$ 9,501	\$ 9,513
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> .....	<u><b>\$ 9,501</b></u>	<u><b>\$ 9,501</b></u>	<u><b>\$ 9,513</b></u>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 187,616	\$ 185,136	\$ 178,844
SPECIAL FUNDS.....	802,319	875,212	949,498
FEDERAL FUNDS.....	122	120	135
AUGMENTATIONS.....	29,254	36,351	39,970
OTHER FUNDS.....	9,501	9,501	9,513
<b>TOTAL ALL FUNDS</b> .....	<u><b>\$ 1,028,812</b></u>	<u><b>\$ 1,106,320</b></u>	<u><b>\$ 1,177,960</b></u>

<sup>a</sup> Not added to the total to avoid double counting with the program expenditures from the Lottery Fund: 2011-12 Actual is \$164,100,000; 2012-13 Available is \$166,800,000; and 2013-14 Budget is \$166,400,000.

<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: 2011-12 Actual is \$7,590,000; 2012-13 Available is \$7,900,000; and 2013-14 Budget is \$8,200,000 (including \$3,000,000 for Drug and Alcohol Treatment Services in each of those fiscal years).

<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: 2011-12 Actual is \$612,100,000; 2012-13 Available is \$615,600,000; and 2013-14 Budget is \$615,600,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>REVENUE COLLECTION AND ADMINISTRATION</b>							
GENERAL FUND.....	\$ 156,953	\$ 152,160	\$ 146,323	\$ 146,323	\$ 146,323	\$ 146,323	\$ 146,323
SPECIAL FUNDS.....	517,449	589,112	657,098	657,050	662,267	719,401	762,550
FEDERAL FUNDS.....	122	120	135	135	135	135	135
OTHER FUNDS.....	38,755	45,852	49,483	49,483	49,483	49,483	49,483
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 713,279</b>	<b>\$ 787,244</b>	<b>\$ 853,039</b>	<b>\$ 852,991</b>	<b>\$ 858,208</b>	<b>\$ 915,342</b>	<b>\$ 958,491</b>
<b>COMMUNITY DEVELOPMENT AND PRESERVATION</b>							
GENERAL FUND.....	\$ 30,663	\$ 32,976	\$ 32,521	\$ 32,521	\$ 32,521	\$ 32,521	\$ 32,521
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 30,663</b>	<b>\$ 32,976</b>	<b>\$ 32,521</b>	<b>\$ 32,521</b>	<b>\$ 32,521</b>	<b>\$ 32,521</b>	<b>\$ 32,521</b>
<b>HOMEOWNERS AND RENTERS ASSISTANCE</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	284,870	286,100	292,400	293,500	294,400	295,400	296,500
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 284,870</b>	<b>\$ 286,100</b>	<b>\$ 292,400</b>	<b>\$ 293,500</b>	<b>\$ 294,400</b>	<b>\$ 295,400</b>	<b>\$ 296,500</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 187,616	\$ 185,136	\$ 178,844	\$ 178,844	\$ 178,844	\$ 178,844	\$ 178,844
SPECIAL FUNDS.....	802,319	875,212	949,498	950,550	956,667	1,014,801	1,059,050
FEDERAL FUNDS.....	122	120	135	135	135	135	135
OTHER FUNDS.....	38,755	45,852	49,483	49,483	49,483	49,483	49,483
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 1,028,812</b>	<b>\$ 1,106,320</b>	<b>\$ 1,177,960</b>	<b>\$ 1,179,012</b>	<b>\$ 1,185,129</b>	<b>\$ 1,243,263</b>	<b>\$ 1,287,512</b>

*PROGRAM OBJECTIVE: To assure the availability of resources for the commonwealth's programs through the equitable and efficient administration of Pennsylvania's revenue system.*

## Program: Revenue Collection and Administration

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. Recent expansions include participation in the multi-state Powerball and Mega Millions games, mid-day drawings and Player-Activated Terminal installations. This budget marks the initial fiscal year in which a private manager will be responsible for the general day-to-day operations of the Pennsylvania Lottery under a Private Management Agreement.

### 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>Collections - Liquid Fuels Tax</b>	
\$ 10,000	—to continue current program.		\$ -40	—to continue current program.	
-5,000	—impact of Enhanced Revenue Collections Account.		1,000	—Initiative—Motor Fuel Tax Compliance Strategy. To continue to enhance collection capabilities and streamline organizational processes to achieve higher compliance.	
-3,483	—Initiative—Electronic Efficiencies. To implement processing efficiencies from Corporate Tax transition to new system.				
-448	—Initiative—Electronic Efficiencies. Join Free File Alliance to eliminate FastFile booklet.		\$ 960	<i>Appropriation Increase</i>	
-115	—Initiative—Electronic Efficiencies. To decrease administrative costs due to an Increase in Corporate Tax Electronic Filing.				
-30	—Initiative—Electronic Efficiencies. To decrease administrative costs due to an Increase in Corporate Tax Payment Electronic Filing.		\$ -24,897	<b>LOTTERY FUND</b>	
			9,000	<b>General Operations (EA)</b>	
-924	—Initiative—Tax Account Collection Savings. To contract for inheritance tax collection services.		\$ -15,897	—to contract lottery operations	
435	—Initiative—Tax Appeals Commission. To provide administrative resources for a new, independent Tax Appeals Commission.			—transition to contracted management.	
\$ 435	<i>Appropriation Increase</i>		\$ 29,000	<i>Appropriation Decrease</i>	
				<b>Operating Expenses (EA)</b>	
	<b>Commissions - Inheritance &amp; Realty Transfer Taxes (EA)</b>		\$ 9,000	—to provide administrative resources for operational costs of the private manager.	
\$ -322	—based on current revenue estimates.		\$ 11,000	<b>Management Expenses (EA)</b>	
				—to provide resources for management expenses of the private manager.	
	<b>Technology and Process Modernization</b>			<b>Lottery Advertising (EA)</b>	
\$ -5,950	—decrease in current project costs.		\$ -14	—to increase advertising for sales growth.	
				<b>Property Tax Rent Rebate - General Operations (EA)</b>	
				—to continue current program.	

**Program: Revenue Collection and Administration (continued)**

**Program Recommendations: (continued)**

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	2,077	<b>On-Line Vendor Commissions (EA)</b> —based on the latest projection of program requirements.	\$	-1	<b>RACING FUND</b> <b>Collections - Racing (EA)</b> —to continue current program.
\$	-400	<b>Instant Vendor Commissions (EA)</b> —based on the latest projection of program requirements.	The Refunding Liquid Fuels Tax appropriation in the Motor License Fund is recommended at the current funding level.		
\$	32,261	<b>Payment of Prize Money (EA)</b> —based on the latest projection of program requirements.			

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Commissions - Inheritance & Realty							
Transfer Taxes (EA) .....	\$ 7,156	\$ 7,156	\$ 6,834	\$ 6,834	\$ 6,834	\$ 6,834	\$ 6,834
Technology and Process Modernization....	21,450	20,450	14,500	14,500	14,500	14,500	14,500
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 156,953</b>	<b>\$ 152,160</b>	<b>\$ 146,323</b>	<b>\$ 146,323</b>	<b>\$ 146,323</b>	<b>\$ 146,323</b>	<b>\$ 146,323</b>
<b>MOTOR LICENSE FUND:</b>							
Collections - Liquid Fuels Tax.....	\$ 14,668	\$ 16,068	\$ 17,028	\$ 16,678	\$ 15,578	\$ 15,378	\$ 15,178
Refunding Liquid Fuels Tax (EA).....	11,000	11,000	11,000	11,000	11,000	11,000	11,000
<b>TOTAL MOTOR LICENSE FUND.....</b>	<b>\$ 25,668</b>	<b>\$ 27,068</b>	<b>\$ 28,028</b>	<b>\$ 27,678</b>	<b>\$ 26,578</b>	<b>\$ 26,378</b>	<b>\$ 26,178</b>
<b>LOTTERY FUND:</b>							
General Operations (EA).....	\$ 36,176	\$ 39,897	\$ 24,000	\$ 13,000	\$ 13,000	\$ 14,000	\$ 14,000
Operating Expenses (EA).....	0	0	29,000	34,000	48,000	61,000	67,000
Management Expenses (EA).....	0	0	9,000	9,000	10,000	11,000	12,000
Lottery Advertising (EA).....	37,000	37,000	48,000	46,000	45,000	45,000	45,000
Property Tax Rent Rebate - General							
Operations (EA).....	13,272	13,847	13,833	14,135	14,452	14,786	15,135
On-Line Vendor Commissions (EA).....	35,153	32,923	35,000	38,000	37,000	42,000	46,000
Instant Vendor Commissions (EA).....	22,532	23,400	23,000	24,000	24,000	24,000	19,000
Payment of Prize Money (EA).....	347,414	414,739	447,000	451,000	444,000	481,000	518,000
<b>TOTAL LOTTERY FUND.....</b>	<b>\$ 491,547</b>	<b>\$ 561,806</b>	<b>\$ 628,833</b>	<b>\$ 629,135</b>	<b>\$ 635,452</b>	<b>\$ 692,786</b>	<b>\$ 736,135</b>
<b>RACING FUND:</b>							
Collections - State Racing (EA).....	\$ 234	\$ 238	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237

*PROGRAM OBJECTIVE: To equitably distribute the Public Utility Realty Tax to all reporting local taxing authorities.*

## Program: Community Development and Preservation

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)

**Distribution of Public Utility Realty Tax**  
 \$ -455 —reflects normal fluctuations in tax assessments.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Distribution of Public Utility Realty Tax .....	\$ 30,663	\$ 32,976	\$ 32,521	\$ 32,521	\$ 32,521	\$ 32,521	\$ 32,521

*PROGRAM OBJECTIVE: To increase economic stability by assisting eligible Pennsylvania citizens to maintain their homes.*

**Program: Homeowners and Renters Assistance**

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. In 2011-12, the average tax assistance payment was \$438.40, and the average rent rebate was \$537.44.

Act 1 of Special Session No. 1 of 2006 expanded the Property Tax / 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.

**Program Recommendation:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

**Property Tax & Rent Assistance for Older Pennsylvanians (EA)**  
 \$ 6,300 —based on current estimates for participation.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>LOTTERY FUND:</b>							
Property Tax & Rent Assistance for Older Pennsylvanians (EA).....	\$ 284,870	\$ 286,100	\$ 292,400	\$ 293,500	\$ 294,400	\$ 295,400	\$ 296,500

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Revenue Collection and Administration</b>							
<b>Active accounts by tax type</b>							
Corporation	371,971	370,000	370,000	132,000	130,000	129,000	127,000
Sales and Use	342,443	346,500	350,500	354,500	358,750	363,000	367,350
Employer	369,591	374,000	376,850	382,000	386,900	392,000	397,100
Personal Income Tax	6,217,212	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000
Liquid Fuels	851	875	900	900	925	950	975
Motor Carrier - IFTA	12,952	12,875	13,000	13,000	13,250	13,250	13,500
Motor Carrier - Pennsylvania only	13,023	12,250	12,500	12,500	12,750	12,750	13,000
<b>Electronic Filings</b>							
Percentage of corporation tax returns filed electronically	39%	45%	50%	40%	40%	40%	40%
Percentage of sales and use tax returns filed electronically	99%	99%	99.10%	99.20%	99.30%	99.40%	99.40%
Percentage of employer tax returns filed electronically	97.50%	97.75%	98%	98.25%	98.50%	98.75%	99%
Percentage of personal income tax returns filed electronically	73%	76%	77%	78%	79%	80%	81%
Percentage of motor fuels tax returns filed electronically	20%	28%	40%	50%	100%	100%	100%
<b>Delinquent Collections</b>							
Collections from delinquent accounts (in millions)	\$721	\$680	\$685	\$690	\$695	\$700	\$705
Delinquent taxes collected per dollar spent	\$11.29	\$10.19	\$10.37	\$10	\$9.66	\$9.34	\$9.06
Enhanced Revenue Collections Account collections (in millions)	\$117	\$100	\$100	\$100	\$100	\$100	\$0
Enhanced Revenue Collection Account collections per dollar spent	\$27.21	\$10	\$10	\$10	\$10	\$10	\$0
<b>Taxpayer Services Provided</b>							
Appeals filed with the Board of Appeals (all tax types)	26,796	25,443	25,443	25,443	25,443	25,443	25,443
Average time to close Board of Appeals cases (in days)	83.19	88	88	88	88	88	88
Taxpayer Service and Information Center calls answered	406,468	400,000	400,000	400,000	400,000	400,000	400,000
Average call wait time for TS&IC (in minutes)	7.31	8	8	8	8	8	8
Cases opened by the Taxpayer Rights Advocate (TRA)	1,107	1,400	1,700	2,000	2,000	2,000	2,000
Average time to close TRA cases (in days)	N/A	30	30	30	30	30	30
<b>Operating Efficiency</b>							
Percentage of administrative and IT personnel to total personnel (all funds)	14.57%	14.49%	14.49%	14.49%	14.49%	14.49%	14.49%
Span of control - total employees to total supervisors	5.10	5.10	5.10	5.20	5.20	5.30	5.30
<b>Lottery Operations</b>							
Lottery operating costs as a percentage of ticket sales (includes advertising and commissions)*	3.76%	3.71%	3.94%	3.87%	3.81%	3.75%	3.67%
Lottery operating costs as a percentage of ticket sales (includes cost of lottery administration only)*	1%	1.11%	1.23%	1.20%	1.18%	1.16%	1.13%

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
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\* New Program Measure

### Program: Community Development and Preservation

Taxing authorities receiving funds	2,961	3,052	3,052	3,052	3,052	3,052	3,052
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### Program: Homeowners and Renters Assistance

Households provided property tax or rent assistance	603,726	600,000	601,000	601,000	602,000	603,000	603,000
Households applying by June 30	587,240	587,000	588,000	588,000	589,000	590,000	590,000
Rebates mailed by July 31	540,890	555,000	555,000	555,000	555,000	555,000	555,000

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# 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 of Pennsylvania.*

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.

## **Programs and Objectives**

**Consumer Protection:** *To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.*

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# Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 3,408</b>	<b>\$ 3,369</b>	<b>\$ 3,524</b>
(F)Federal Election Reform.....	37,000	34,809	29,265
(A)Departmental Services.....	0 <sup>a</sup>	0 <sup>a</sup>	0 <sup>a</sup>
(R)Professional and Occupational Affairs.....	35,552 <sup>b</sup>	37,072 <sup>b</sup>	38,858 <sup>b</sup>
(R)State Board of Medicine.....	6,665 <sup>b</sup>	6,948 <sup>b</sup>	7,330 <sup>b</sup>
(R)State Board of Osteopathic Medicine.....	960 <sup>b</sup>	1,006 <sup>b</sup>	1,065 <sup>b</sup>
(R)State Board of Podiatry.....	189 <sup>b</sup>	198 <sup>b</sup>	209 <sup>b</sup>
(R)State Athletic Commission.....	509 <sup>b</sup>	509 <sup>b</sup>	509 <sup>b</sup>
(R)Corporation Bureau (EA).....	5,016 <sup>c</sup>	8,533 <sup>c</sup>	5,533 <sup>c</sup>
Subtotal.....	<u>\$ 89,299</u>	<u>\$ 92,444</u>	<u>\$ 86,293</u>
<b>Statewide Uniform Registry of Electors.....</b>	<b>3,397</b>	<b>4,257</b>	<b>4,257</b>
<b>Voter Registration.....</b>	<b>437</b>	<b>451</b>	<b>442</b>
(F)Elections Assistance - Grants to Counties.....	1,800	1,808	1,589
Subtotal.....	<u>\$ 2,237</u>	<u>\$ 2,259</u>	<u>\$ 2,031</u>
<b>Lobbying Disclosure.....</b>	<b>666</b>	<b>562</b>	<b>491</b>
<b>Electoral College.....</b>	<b>0</b>	<b>10</b>	<b>0</b>
<b>Publishing State Reapportionment Maps.....</b>	<b>1,690</b>	<b>0</b>	<b>0</b>
<b>Publishing Federal Reapportionment Maps.....</b>	<b>300</b>	<b>0</b>	<b>0</b>
Subtotal - State Funds.....	\$ 9,898	\$ 8,649	\$ 8,714
Subtotal - Federal Funds.....	38,800	36,617	30,854
Subtotal - Restricted Revenues.....	48,891	54,266	53,504
Total - General Government.....	<u>\$ 97,589</u>	<u>\$ 99,532</u>	<u>\$ 93,072</u>
<i>Grants and Subsidies:</i>			
<b>Voting of Citizens in Military Service.....</b>	<b>\$ 40</b>	<b>\$ 60</b>	<b>\$ 20</b>
<b>County Election Expenses (EA).....</b>	<b>393</b>	<b>400</b>	<b>375</b>
Total - Grants and Subsidies.....	<u>\$ 433</u>	<u>\$ 460</u>	<u>\$ 395</u>
STATE FUNDS.....	\$ 10,331	\$ 9,109	\$ 9,109
FEDERAL FUNDS.....	38,800	36,617	30,854
RESTRICTED REVENUES.....	48,891	54,266	53,504
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 98,022</u></b>	<b><u>\$ 99,992</u></b>	<b><u>\$ 93,467</u></b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Lobbying Disclosure (R).....	\$ 175	\$ 300	\$ 300
<b>REAL ESTATE RECOVERY FUND:</b>			
Real Estate Recovery Payments (EA).....	\$ 150	\$ 150	\$ 150

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 10,331	\$ 9,109	\$ 9,109
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	38,800	36,617	30,854
RESTRICTED.....	48,891	54,266	53,504
OTHER FUNDS.....	325	450	450
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 98,347</b>	<b>\$ 100,442</b>	<b>\$ 93,917</b>

<sup>a</sup> Not added to the total to avoid double counting: 2011-12 Actual is \$5,171,000, 2012-13 Available is \$4,629,000 and 2013-14 Budget is \$5,002,000.

<sup>b</sup> Appropriated from restricted revenue account.

<sup>c</sup> Executive Authorization from a restricted revenue account.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>CONSUMER PROTECTION</b>							
GENERAL FUND.....	\$ 10,331	\$ 9,109	\$ 9,109	\$ 9,109	\$ 9,109	\$ 9,139	\$ 9,109
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	38,800	36,617	30,854	30,854	30,854	30,854	30,854
OTHER FUNDS.....	49,216	54,716	53,954	53,954	53,954	53,954	53,954
SUBCATEGORY TOTAL.....	<u>\$ 98,347</u>	<u>\$ 100,442</u>	<u>\$ 93,917</u>	<u>\$ 93,917</u>	<u>\$ 93,917</u>	<u>\$ 93,947</u>	<u>\$ 93,917</u>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 10,331	\$ 9,109	\$ 9,109	\$ 9,109	\$ 9,109	\$ 9,139	\$ 9,109
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	38,800	36,617	30,854	30,854	30,854	30,854	30,854
OTHER FUNDS.....	49,216	54,716	53,954	53,954	53,954	53,954	53,954
DEPARTMENT TOTAL.....	<u>\$ 98,347</u>	<u>\$ 100,442</u>	<u>\$ 93,917</u>	<u>\$ 93,917</u>	<u>\$ 93,917</u>	<u>\$ 93,947</u>	<u>\$ 93,917</u>

*PROGRAM OBJECTIVE: To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.*

## Program: Consumer Protection

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 9,300 election precincts.

Act 61 of 2001 amended the Pennsylvania Voter Registration Act and requires the department to develop and maintain a Statewide Uniform Registry of Electors (SURE) – an integrated voter registration database containing all electors in the commonwealth. The act also created an advisory board to establish the requirements of a SURE 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 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 a restricted 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, rather than from a General Fund appropriation.

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. There are approximately 2.6 million corporate entities, 11,000 charities and 500 professional fundraisers registered in the database. The bureau processes approximately 120,000 corporate filings, 12,400 charity registrations, 470 professional fundraiser registrations, 2,500 professional fundraiser contract filings and registers approximately 126,000 UCC filings annually. 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.

**Program: Consumer Protection (continued)**

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 Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

<b>GENERAL FUND</b>	
	<b>General Government Operations</b>
\$ 155	—to continue current program.
	<b>Voter Registration</b>
\$ -9	—funding reduction.
	<b>Lobbying Disclosure</b>
\$ -71	—based on most recent projection of biennial fees.
	<b>Electoral College</b>
\$ -10	—nonrecurring travel and contingent expenses of presidential electors.
	<b>Voting of Citizens in Military Service</b>
\$ -40	—funding reduction.
	<b>County Election Expenses (EA)</b>
\$ -25	—funding reduction.

The Statewide Uniform Registry of Electors appropriation is recommended at the current year funding level.

This budget also recommends the following changes in appropriations and executive authorizations from restricted accounts:

	<b>Professional and Occupational Affairs</b>
\$ 1,786	—to continue current program.
	<b>State Board of Medicine</b>
\$ 284	—to continue current program.
98	—Initiative—Medical Board Personnel. To provide administrative support for new license requirements.
<u>382</u>	<i>Appropriation Increase</i>
	<b>State Board of Osteopathic Medicine</b>
\$ 59	—to continue current program.
	<b>State Board of Podiatry</b>
\$ 11	—to continue current program.
	<b>Corporation Bureau (EA)</b>
\$ -3,000	—nonrecurring project.

The State Athletic Commission appropriation is recommended at the current year funding level.

Recommendations assume that fees for all boards will be sufficient to fund the recommended expenditure level.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 3,408	\$ 3,369	\$ 3,524	\$ 3,524	\$ 3,524	\$ 3,524	\$ 3,524
Statewide Uniform Registry of Electors .....	3,397	4,257	4,257	4,257	4,257	4,257	4,257
Voter Registration .....	437	451	442	442	442	442	442
Lobbying Disclosure .....	666	562	491	491	491	491	491
Electoral College .....	0	10	0	0	0	10	0
Publishing State Reapportionment Maps ..	1,690	0	0	0	0	0	0
Publishing Federal Reapportionment Maps .....	300	0	0	0	0	0	0
Voting of Citizens in Military Service .....	40	60	20	20	20	40	20
County Election Expenses (EA) .....	393	400	375	375	375	375	375
<b>TOTAL GENERAL FUND .....</b>	<u>\$ 10,331</u>	<u>\$ 9,109</u>	<u>\$ 9,109</u>	<u>\$ 9,109</u>	<u>\$ 9,109</u>	<u>\$ 9,139</u>	<u>\$ 9,109</u>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Consumer Protection</b>							
<b>Electoral Process</b>							
Voter registration transactions	1,529,338	1,500,000	990,000	1,100,000	1,500,000	1,000,000	990,000
Campaign finance reports filed online	2,979	2,800	2,900	2,800	2,900	2,800	2,900
Notary public commissions issued	7,304	6,000	5,500	4,000	5,500	6,000	5,500
Notary public commissions renewed	16,311	16,000	17,500	19,000	18,000	16,000	17,500
Certifications and apostilles completed	18,856	42,500	43,000	43,500	44,000	43,500	43,000
Commissions processed	823	900	900	925	975	1,000	900
<b>Professional Licensing</b>							
Cases opened	11,790	13,500	14,250	14,750	15,250	15,750	16,000
Cases closed	12,010	13,500	14,250	14,750	15,250	15,750	16,000
Disciplinary actions	2,742	3,100	3,300	3,600	3,900	4,200	4,500
Regulation packages proposed and approved	15	30	26	31	27	32	25
<b>Enforcement and Investigation</b>							
Inspections completed	18,881	19,000	19,000	19,000	19,000	19,000	19,000
Investigations opened	3,984	3,600	3,600	3,600	3,600	3,600	3,600
Investigations closed	3,943	3,600	3,600	3,600	3,600	3,600	3,600
<b>Health Monitoring Program:</b>							
Cases opened	1,366	1,400	1,425	1,450	1,475	1,500	1,525
Cases closed	1,353	1,350	1,375	1,400	1,425	1,450	1,475
Licensees who completed a recovery program	172	180	185	195	205	215	225
<b>Corporations and Charitable Organizations</b>							
Business entity and trademark filings	114,750	118,000	120,000	122,000	125,000	127,000	129,000
Uniform Commercial Code filings	125,180	124,000	126,000	129,000	132,000	134,000	137,000
Corporate and Uniform Commercial Code requests	133,649	206,000	210,000	214,000	218,000	223,000	227,000
Charity registrations	10,940	12,000	12,400	12,700	13,000	13,300	13,500
Professional fundraiser registrations	488	470	470	480	480	490	500
Professional fundraiser contract filings	2,153	2,500	2,500	2,600	2,600	2,700	2,800
Investigations opened	96	250	250	250	250	250	250
Investigations closed	124	250	250	250	250	250	250
<b>State Athletic Commission</b>							
Professionals licensed	2,363	2,400	2,400	2,400	2,400	2,400	2,400
Boxing events (professional, amateur and kickboxing) and mixed martial arts events	138	160	160	160	160	160	160
Wrestling events	362	370	370	370	370	370	370



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# STATE EMPLOYEES' RETIREMENT SYSTEM

*The mission of the State Employees' Retirement System is to provide retirement benefits and services to our 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 Deferred Compensation Program.

## **Programs and Objectives**

**State Employees' Retirement:** *To provide an effective administrative system for the operation of the retirement system for state employees.*

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# State Employees' Retirement System

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>Grants and Subsidies:</i>			
National Guard - Employer Contribution.....	\$ 4	\$ 4	\$ 0
<b>OTHER FUNDS:</b>			
<b>STATE EMPLOYEES' RETIREMENT FUND:</b>			
State Employees' Retirement Administration.....	\$ 26,929	\$ 23,660	\$ 20,838
Investment Related Expenses.....	0	0	3,788
Directed Commissions.....	0	1,200	1,500
<b>STATE EMPLOYEES' RETIREMENT FUND TOTAL.....</b>	<b>\$ 26,929</b>	<b>\$ 24,860</b>	<b>\$ 26,126</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 4	\$ 4	\$ 0
SPECIAL FUNDS.....	0	0	0
OTHER FUNDS.....	26,929	24,860	26,126
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 26,933</b>	<b>\$ 24,864</b>	<b>\$ 26,126</b>

# State Employees' Retirement System

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>STATE EMPLOYEES'</b>							
<b>RETIREMENT</b>							
GENERAL FUND.....	\$ 4	\$ 4	\$ 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.....	26,929	24,860	26,126	26,126	26,126	26,126	26,126
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 26,933</b>	<b>\$ 24,864</b>	<b>\$ 26,126</b>	<b>\$ 26,126</b>	<b>\$ 26,126</b>	<b>\$ 26,126</b>	<b>\$ 26,126</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 4	\$ 4	\$ 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.....	26,929	24,860	26,126	26,126	26,126	26,126	26,126
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 26,933</b>	<b>\$ 24,864</b>	<b>\$ 26,126</b>	<b>\$ 26,126</b>	<b>\$ 26,126</b>	<b>\$ 26,126</b>	<b>\$ 26,126</b>

# State Employees' Retirement System

*PROGRAM OBJECTIVE: To provide an effective administrative system for the operation of the retirement system for state employees.*

## Program: State Employees' Retirement

The State Employees' Retirement System was established to administer the pension system created in 1923. The State Employees' Retirement Fund uses contributions by the employees and the employing agencies and earnings from investments for payment of annuities and disability benefits and for administration of the system. The State Employees' Retirement Fund is shown in the Other Special Funds Appendix.

The net assets available for benefits are in excess of \$24 billion dollars. The system is funded in accordance with generally accepted actuarial standards; the funding is reviewed annually by a contracted actuarial firm, and an experience review is completed every five years.

The three major sources of current income for the system are earnings from investments and employer and member contributions. The employer contribution rate is established annually by the board upon the recommendation of the actuary. Employer contribution rates differ in accordance with the class of employees for which they are contributing. As a result of Act 9 of 2001, effective January 2002, most system members contribute 6.25 percent of pay to the system, depending upon individual employee election of membership. Through December 31, 2010, normal retirement for most employees was at age 60, age 50 for safety employees and members of the Legislature or at any age with 35 years of service. Retirement before those times is possible after five years of service but is actuarially reduced to the equivalent of the annuity which would have been payable at superannuation retirement.

Act 120 of 2010 enacted many significant changes to the pension system. Act 120 amended the benefit structure for most new employees hired after December 31, 2010

and amended the funding provisions. Key benefit changes include: 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 when annual returns over a multi-year period are higher or lower than the rate assumed for SERS' actuarial valuations. The Act also included changes to the funding provisions such as the fresh start of liabilities by re-amortizing existing liabilities and future experience gains and losses over 30 years with level dollar payments, and the implementation of employer contribution rate collars which are limits on the amount of year-over-year increases in the employer contribution rate. The collars established by the Act 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.

The State Employees' Retirement Board 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)

GENERAL FUND		STATE EMPLOYEES' RETIREMENT FUND	
	<b>National Guard - Employer Contribution</b>		<b>State Employees' Retirement Administration</b>
\$	—4 —program elimination.	\$	—transfer of expenses to Investment Related Expenses.
			—to continue current program.
		966	
		\$	—2,822 <i>Appropriation Decrease</i>

In addition, \$3,788,000 in Investment Related Expenses and \$1,500,000 in Directed Commissions will be used to support this program.

# State Employees' Retirement System

Program: State Employees' Retirement (continued)

## Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
National Guard - Employer Contribution....	\$ 4	\$ 4	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>STATE EMPLOYEES' RETIREMENT FUND:</b>							
State Employees' Retirement							
Administration .....	\$ 26,929	\$ 23,660	\$ 20,838	\$ 20,838	\$ 20,838	\$ 20,838	\$ 20,838
Investment Related Expenses .....	0	0	3,788	3,788	3,788	3,788	3,788
Directed Commissions.....	0	1,200	1,500	1,500	1,500	1,500	1,500
<b>TOTAL STATE EMPLOYEES' RETIREMENT FUND.....</b>	<b>\$ 26,929</b>	<b>\$ 24,860</b>	<b>\$ 26,126</b>	<b>\$ 26,126</b>	<b>\$ 26,126</b>	<b>\$ 26,126</b>	<b>\$ 26,126</b>

# State Employees' Retirement System

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: State Employees' Retirement</b>							
Retirement Counseling Sessions	10,000	8,000	8,000	12,000	8,000	8,000	8,000
Total number of retired employees and beneficiaries	114,000	116,000	118,000	120,000	122,000	124,000	126,000
Total benefit payments (in billions)	\$2.76	\$2.81	\$3.00	\$3.13	\$3.25	\$3.39	\$3.50

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# 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 Objectives**

**Public Protection and Law Enforcement:** *The State Police 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.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 174,630</b>	<b>\$ 176,604</b>	<b>\$ 187,804</b>
(F)Drug Enforcement.....	1,500	1,500	0
(F)Motor Carrier Safety.....	13,768	13,768	13,768
(F)Office of Homeland Security (EA).....	1,632	4,264	4,312
(F)Homeland Security Grants (EA).....	5,000	3,000	3,680
(F)Area Computer Crime.....	8,000	8,500	8,200
(F)Law Enforcement Preparedness (EA).....	5,110	5,000	4,615
(F)Construction Zone Patrolling (EA).....	10,000	0	0
(F)Combat Underage Drinking (EA).....	140	150	150
(F)PA Port Security Grant (EA).....	500	230	0
(F)Law Enforcement Projects (EA).....	2,300	500	575
(F)ARRA - JAG Protection from Abuse Database (EA).....	173	174	10
(F)ARRA - JAG Instant Check System Rewrite (EA).....	1,347	1,348	850
(F)ARRA - JAG Megan's Law Modernization (EA).....	1,655	1,455	1,000
(A)Turnpike Commission.....	35,994	35,500	36,000
(A)Construction Zone Patrolling.....	0	5,000	5,000
(A)Sale of Automobiles.....	6	100	100
(A)Criminal History Record Checks.....	6,765	7,000	6,400
(A)Training Fees.....	3	10	5
(A)Reimbursement for Services.....	2,252	3,150	2,000
(A)Superload Reimbursements.....	1,790	0	1,500
(A)Electronic Surveillance.....	40	45	40
(A)Fingerprint Record Checks.....	2,117	2,125	2,050
(A)Registry of Protection.....	152	130	150
(A)Littering Fines.....	6	6	6
(A)PATCH Credit Card Receipts.....	4,852	4,000	4,200
(A)Photographic Services.....	7	15	10
(A)Delaware River Toll Bridge.....	2,120	1,750	1,800
(A)Miscellaneous Revenue.....	461	152	202
Subtotal.....	<b>\$ 282,320</b>	<b>\$ 275,476</b>	<b>\$ 284,427</b>
<b>Statewide Public Safety Radio System.....</b>	<b>6,724<sup>a</sup></b>	<b>6,724</b>	<b>7,063</b>
(F)Public Safety Interoperable Communications (EA).....	15,310 <sup>a</sup>	0	0
(F)Interoperable Emergency Communications Grant (EA).....	306 <sup>a</sup>	12	0
(F)ARRA - Broadband Project for Northern PA (EA).....	26,846 <sup>a</sup>	18,176	18,176
Subtotal.....	<b>\$ 49,186</b>	<b>\$ 24,912</b>	<b>\$ 25,239</b>
<b>Law Enforcement Information Technology.....</b>	<b>6,372</b>	<b>6,372</b>	<b>6,372</b>
<b>Municipal Police Training.....</b>	<b>998</b>	<b>998</b>	<b>989</b>
(A)Pre-Employment Testing.....	67	0	0
(A)Retired Law Enforcement ID.....	4	0	0
Subtotal.....	<b>\$ 1,069</b>	<b>\$ 998</b>	<b>\$ 989</b>
<b>Forensic Laboratory Support.....</b>	<b>1,425</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>2,195</b>	<b>2,195</b>	<b>2,195</b>
(R)Firearm Records Check.....	2,491	3,830	4,514
Subtotal.....	<b>\$ 4,686</b>	<b>\$ 6,025</b>	<b>\$ 6,709</b>
Subtotal - State Funds.....	\$ 193,205	\$ 195,254	\$ 205,284
Subtotal - Federal Funds.....	93,587	58,077	55,336
Subtotal - Augmentations.....	56,636	58,983	59,463
Subtotal - Restricted Revenues.....	2,491	3,830	4,514
Total - General Government.....	<b>\$ 345,919</b>	<b>\$ 316,144</b>	<b>\$ 324,597</b>
STATE FUNDS.....	\$ 193,205	\$ 195,254	\$ 205,284
FEDERAL FUNDS.....	93,587	58,077	55,336

**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
AUGMENTATIONS.....	56,636	58,983	59,463
RESTRICTED REVENUES.....	2,491	3,830	4,514
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 345,919</b>	<b>\$ 316,144</b>	<b>\$ 324,597</b>
<b><u>MOTOR LICENSE FUND:</u></b>			
<b><i>General Government:</i></b>			
General Government Operations.....	\$ 524,619	\$ 529,813	\$ 563,411
Statewide Public Safety Radio System.....	14,878 <sup>a</sup>	14,878	15,721
Law Enforcement Information Technology.....	19,503	19,116	19,116
Municipal Police Training.....	1,081	1,039	1,030
Patrol Vehicles.....	11,000	11,000	11,000
Automated Fingerprint Identification System.....	87	85	85
Commercial Vehicles Inspection.....	8,770	8,770	8,700
(A)Sale of Vehicles.....	15	0	0
(A)Waste Transportation Safety Enforcement.....	550	0	0
Subtotal.....	\$ 580,503	\$ 584,701	\$ 619,063
Subtotal - State Funds.....	\$ 579,938	\$ 584,701	\$ 619,063
Subtotal - Augmentations.....	565	0	0
Total - General Government.....	\$ 580,503	\$ 584,701	\$ 619,063
STATE FUNDS.....	\$ 579,938	\$ 584,701	\$ 619,063
AUGMENTATIONS.....	565	0	0
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 580,503</b>	<b>\$ 584,701</b>	<b>\$ 619,063</b>
<b><u>OTHER FUNDS:</u></b>			
<b>GENERAL FUND:</b>			
Seized/Forfeited Property - Federal.....	\$ 5,299	\$ 315	\$ 315
State Drug Act Forfeiture Funds.....	1,552	430	430
State Criminal Enforcement Forfeiture Funds.....	12	65	65
Crime Lab User Fees.....	1,330	600	600
Auto Theft & Insurance Fraud Investigation Fund.....	2,336	2,850	2,850
Firearms License Validation System.....	214	150	150
Vehicle Code Fines.....	0	0	1,000 <sup>b</sup>
Radio Systems Development Project.....	0	1,048	0
Tower Management.....	0	350	0
GENERAL FUND TOTAL.....	\$ 10,743	\$ 5,808	\$ 5,410
<b>MOTOR LICENSE FUND:</b>			
Vehicle Sales and Purchases.....	\$ 897	\$ 2,000	\$ 2,000
Vehicle Code Fines.....	0	1,000	0 <sup>b</sup>
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 897</b>	<b>\$ 3,000</b>	<b>\$ 2,000</b>
<b>DNA DETECTION FUND:</b>			
DNA Detection of Offenders (EA).....	\$ 1,891	\$ 1,891	\$ 1,891
<b>STATE GAMING FUND:</b>			
(R)Gaming Enforcement.....	\$ 16,845	\$ 20,117	\$ 22,531
<b>STATE STORES FUND:</b>			
Liquor Control Enforcement.....	\$ 24,662	\$ 25,428	\$ 25,663

## Summary by Fund and Appropriation

DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 193,205	\$ 195,254	\$ 205,284
SPECIAL FUNDS.....	579,938	584,701	619,063
FEDERAL FUNDS.....	93,587	58,077	55,336
AUGMENTATIONS.....	57,201	58,983	59,463
RESTRICTED.....	2,491	3,830	4,514
OTHER FUNDS.....	55,038	56,244	57,495
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 981,460</b>	<b>\$ 957,089</b>	<b>\$ 1,001,155</b>

<sup>a</sup> Appropriated in Executive Offices.

<sup>b</sup> This budget proposes to redirect vehicle code fines revenue and subsequent distribution from the Motor License Fund to the General Fund.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>PUBLIC PROTECTION AND LAW ENFORCEMENT</b>							
GENERAL FUND.....	\$ 193,205	\$ 195,254	\$ 205,284	\$ 205,284	\$ 205,284	\$ 205,284	\$ 205,284
SPECIAL FUNDS.....	579,938	584,701	619,063	619,063	619,063	619,063	619,063
FEDERAL FUNDS.....	93,587	58,077	55,336	35,300	35,300	35,300	35,300
OTHER FUNDS.....	114,730	119,057	121,472	121,472	121,472	121,472	121,472
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 981,460</b>	<b>\$ 957,089</b>	<b>\$ 1,001,155</b>	<b>\$ 981,119</b>	<b>\$ 981,119</b>	<b>\$ 981,119</b>	<b>\$ 981,119</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 193,205	\$ 195,254	\$ 205,284	\$ 205,284	\$ 205,284	\$ 205,284	\$ 205,284
SPECIAL FUNDS.....	579,938	584,701	619,063	619,063	619,063	619,063	619,063
FEDERAL FUNDS.....	93,587	58,077	55,336	35,300	35,300	35,300	35,300
OTHER FUNDS.....	114,730	119,057	121,472	121,472	121,472	121,472	121,472
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 981,460</b>	<b>\$ 957,089</b>	<b>\$ 1,001,155</b>	<b>\$ 981,119</b>	<b>\$ 981,119</b>	<b>\$ 981,119</b>	<b>\$ 981,119</b>

*PROGRAM OBJECTIVE: The State Police 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.*

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## Program: Public Protection and Law Enforcement

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### **Program Element: Management**

This program element provides direction and coordination for all line and staff activities of the State Police, including administrative and overhead systems for the operation of various law enforcement programs. Protection for the governor and visiting dignitaries, security of the executive residence and background investigations on state job applicants are also components of this program.

State-of-the-art technology continues to automate a broad range of State Police functions. The Commonwealth Law Enforcement Assistance Network (CLEAN) upgrade was implemented statewide in 2012. CLEAN is used 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 and 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. With the implementation of the CLEAN upgrade, law enforcement across the commonwealth will have a more functional interface to critical information. The department is also finalizing an upgrade to its Automated Fingerprint Identification System to increase capacity and meet the needs for fingerprint-based identification across the state.

The Pennsylvania Criminal Intelligence Center provides analytical assistance to Pennsylvania law enforcement agencies, emergency managers, and the owners/operators of critical infrastructure. Trained, professional intelligence analysts supply law enforcement agencies with various information and intelligence products needed for tactical and strategic planning. Intelligence analysts also offer access to archived public information, investigative information and intelligence information from a multitude of statewide and national databases.

The State Police operational resources are coordinated through an incident analysis and police management tool, Problem Specific Policing, that utilizes case data mapping with the goal of reducing traffic crashes and criminal activity, thereby improving the quality of life of citizens. The Problem Specific Policing tool is built on the principles of accurate and timely statistical data, effective tactics, rapid deployments of existing resources and follow-up assessments.

### **Program Element: Vehicle Standards Control**

The vehicle inspection program within the commonwealth is conducted jointly by the Department of Transportation and the State Police. This program was established to provide vehicle safety through periodic inspection of motor vehicles and removal of unsafe vehicles from the commonwealth's highways through supervision of motor vehicle safety inspection stations, emissions inspection stations and motor vehicle dealers. The State Police continues to administer the school bus and mass transit vehicle inspection function and investigate complaints of improper practices by official inspection stations and motor vehicle dealers.

### **Program Element: Traffic Supervision**

Enforcing the commonwealth's traffic laws is a major responsibility of the State Police. The department emphasizes reducing traffic crashes and bringing the motoring public into voluntary compliance with all traffic laws through patrol and enforcement activities. All police services and traffic enforcement is provided by the State Police in those municipalities where there are no full-time police departments, the Pennsylvania Turnpike and on interstate highways. Traffic assistance is also provided, upon request, to municipalities with full-time police departments.

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 patrolling is provided in construction zones for the safety of motorists and construction workers. Aircraft piloted by State Police troopers routinely monitor the speeds of vehicles on interstate and secondary highways. Aggressive drivers are targeted under the Pennsylvania Aggressive Driving Enforcement and Education Program. Enforcement efforts continue to be concentrated in areas identified by the Problem Specific Policing initiative.

The department continues the use of DUI sobriety checkpoints to combat drunk driving. The use of trained drug recognition experts is contributing to the steady increase of identifying and removing drug-impaired drivers from our highways. Additionally, each troop conducts troop-specific impaired driving enforcement initiatives as an enforcement tool and psychological deterrent to impaired driving.

**Program: Public Protection and Law Enforcement (continued)**

The commonwealth Commercial Vehicle Enforcement Program is a responsibility of the Pennsylvania State Police, and its goal is to reduce commercial motor vehicle involved crashes, fatalities, and injuries through consistent, uniform, and effective commercial motor vehicle safety programs. Enforcement of the federal motor carrier safety regulations is the responsibility of the department's Motor Carrier Enforcement Operations Unit. These regulations pertain to drivers, equipment, documents, loads and hazardous materials transportation. The federal regulations are applicable to both interstate and intra-state motor carrier vehicles. In addition to enforcing federal motor carrier safety regulations, 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 located along various commonwealth interstate highways.

The State Police collision analysis and reconstruction specialists have a developed eye for detail and investigative expertise in crash reconstruction. Their purpose is to identify, collect, and analyze roadway evidence, debris patterns, vehicle damage and occupant injuries to reconstruct the circumstances surrounding serious, complicated and fatal crashes. Forensic mapping is also conducted, providing for scaled, computer-generated diagrams. Collision analysis and reconstruction specialists are continually and increasingly being used to assist in criminal cases such as homicide and fire investigations. These members offer expert testimony in court proceedings and are required to become accredited by the Accreditation Commission for Traffic Accident Reconstruction.

As part of a program sponsored by the National Highway Traffic Safety Administration, 250 Pennsylvania State Troopers are currently certified as child passenger safety technicians. The State Police maintains permanent child safety fitting stations. Each station conducts inspections on a designated date at posted times at least once a month.

**Program Element: Crime Prevention**

Combating crime is not the responsibility of police alone. It requires the active, organized involvement of the public if any significant results are to be realized. The State Police crime prevention mission is to reduce the incidence of crime through citizen involvement and educational crime prevention techniques. This includes programs such as neighborhood crime watch groups, block parents, crime stoppers, and a new Business Tip program developed to encourage the reporting of suspicious activity for follow-up investigation in support of the Homeland Security mission.

The State Police provides assistance to municipalities in suppression of violent crime through saturation patrols. The State Police work with federal and local law enforcement officials to purge violent crime from urban

neighborhoods. Community involvement and intelligence gathering are essential components of this operation.

Several high schools, alternative learning schools and school-related events utilize the State Police School Resource Officer Program. A School Resource Officer is a specially trained trooper who has the responsibility for general law enforcement, to include the detection and investigation of criminal activity and the protection of life and property. The School Resource Officer helps maintain order and security on a day-to-day basis, ensuring a safe learning environment.

The State Police Megan's Law Unit 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.

The State Police is responsible for managing the Pennsylvania Instant Check System, a state-of-the-art system that 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 Instant Check Unit is a call center conducting the background check requests. This responsibility requires ensuring accurate identification of the subject of the background check; evaluation and research of federal, state and local records; comprehensive documentation; and maintaining positive communication with firearms dealers and county sheriffs.

**Program Element: Criminal Law Enforcement**

The majority of State Police efforts in criminal law enforcement are performed at the station level and consist of investigations of violence and property crimes. At the statewide level, there are special investigations involving drugs and narcotics, 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 oversee and coordinate the Pennsylvania Amber Alert System, a child abduction alert notification system. The 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 the Amber Alert System and notify the public of missing endangered persons of any age.

The Computer Crime Unit provides investigative assistance to all local, state and federal law enforcement

**Program: Public Protection and Law Enforcement (continued)**

agencies in cases where a computer has been utilized for a criminal purpose. The unit is equipped with the newest technology, including a central forensic server that allows investigators to complete forensics from remote locations across the state. The Computer Crime Unit also provides educational information for local law enforcement agencies and prosecutors.

**Program Element: Emergency Assistance**

The State Police are normally called upon whenever any emergency situation occurs within the commonwealth. The department has primary police jurisdiction in 82 percent of the commonwealth's land area, comprising 26 percent of its population and also provides assistance to a variety of local, state and federal agencies, particularly law enforcement agencies. The department classifies emergency assistance into two separate categories: civil disorder and emergency management.

Civil disorders are incidents that may become criminal in nature in such categories as prison disturbances, labor disorders, strikes, educational campus disorders, youth group disorders, terrorism and hostage situations. Emergency management deals with 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 working in conjunction with the Pennsylvania Criminal Intelligence Center to provide accurate 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 develops and manages the two-way public safety radio system used by State Police and eighteen other agencies, including the Departments of Transportation, Health, and Conservation and Natural Resources, the Office of Attorney General, and the Pennsylvania Emergency Management Agency. The Pennsylvania Statewide Radio Network system, known as PA-STARNet, is one of the largest statewide public safety communications systems in the nation, connected by an extensive microwave network, carrying voice and data communications for public safety and emergency response to over 97% of the commonwealth's land area.

The Domestic Security Division administers and coordinates numerous homeland and domestic security

responsibilities. The division's primary mission areas include emergency planning and preparedness, continuity of operations, National Incident Management System implementation, liaison to the Pennsylvania Emergency Management Agency, facility security for department installations, and risk and vulnerability assessments for facilities and critical infrastructures, and management of federal homeland security grants.

The Special Emergency Response Team is comprised of carefully selected, uniquely trained and specially equipped troopers responsible for an incident-specific approach to high-risk and special emergency situations. Specially trained K-9 dog teams provide drug, arson and explosive detection during emergency incidents. The department's aircraft fleet provides assistance, search and rescue operations, and enforcement during emergencies. The Hazardous Device and Explosive Section responds to bomb threats and similar security issues.

**Program Element: Liquor Control and Gaming Enforcement**

The Bureau of Liquor Control Enforcement directs and controls a coordinated enforcement effort toward violations of the Pennsylvania Liquor Code and related sections of the Crimes Code. Operations include covert and overt investigations, assisting municipal police agencies, conducting routine license investigations and performing establishment audits and border patrols. The State Police implemented a high school and middle school education program to deter minors from using alcoholic beverages. The State Police also conduct the Enforcing the Underage Drinking Laws program to effect a change in the culture of college students to reduce binge drinking and deglamorize underage drinking. The project consists of establishing partnerships with college administrators, college students, the alcohol industry and community members to determine and implement effective measures to reduce the harmful consequences caused by underage and binge drinking.

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, authorized casino gaming in Pennsylvania and established the Gaming Control Board to regulate and oversee the implementation and operation of casino gaming activities within the commonwealth. The responsibilities of the Pennsylvania State Police under the act include investigating and prosecuting criminal infractions, conducting various background checks, and providing overall law enforcement services at Pennsylvania gaming facilities.

## Program: Public Protection and Law Enforcement (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND AND MOTOR LICENSE FUND COMBINED</b>			<b>Statewide Public Safety Radio System</b>
	<b>General Government Operations</b>	\$	1,182	—to continue current program.
\$ 24,066	—to continue current program.			
14,735	—Initiative—Trooper Replacement Cadet Classes. Funding for three classes with a total of 290 cadets.	\$	-18	<b>Municipal Police Training</b>
				—to continue current program.
5,997	—Initiative—Civilian Staffing. To provide administrative resources for 90 civilian police communications operators to cover dispatch duties allowing for increased patrol coverage by State Police Troopers.	\$	-1,500	<b>Forensic Laboratory Support</b>
				—program elimination.
		\$	-70	<b>Commercial Vehicles Inspection</b>
				—to continue current program.
\$ 44,798	<i>Appropriation Increase</i>			

The Law Enforcement Information Technology, Automated Fingerprint Identification System and Patrol Vehicles appropriations are recommended at the current year funding levels.

In addition, the Pennsylvania Instant Check System initiative recommends \$4,514,000 from the Firearm Records Check restricted account.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 174,630	\$ 176,604	\$ 187,804	\$ 187,804	\$ 187,804	\$ 187,804	\$ 187,804
Statewide Public Safety Radio System .....	6,724	6,724	7,063	7,063	7,063	7,063	7,063
Law Enforcement Information Technology .....	6,372	6,372	6,372	6,372	6,372	6,372	6,372
Municipal Police Training .....	998	998	989	989	989	989	989
Forensic Laboratory Support .....	1,425	1,500	0	0	0	0	0
Automated Fingerprint Identification System .....	861	861	861	861	861	861	861
Gun Checks .....	2,195	2,195	2,195	2,195	2,195	2,195	2,195
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 193,205</b>	<b>\$ 195,254</b>	<b>\$ 205,284</b>	<b>\$ 205,284</b>	<b>\$ 205,284</b>	<b>\$ 205,284</b>	<b>\$ 205,284</b>
<b>MOTOR LICENSE FUND:</b>							
General Government Operations .....	\$ 524,619	\$ 529,813	\$ 563,411	\$ 563,411	\$ 563,411	\$ 563,411	\$ 563,411
Statewide Public Safety Radio System .....	14,878	14,878	15,721	15,721	15,721	15,721	15,721
Law Enforcement Information Technology .....	19,503	19,116	19,116	19,116	19,116	19,116	19,116
Municipal Police Training .....	1,081	1,039	1,030	1,030	1,030	1,030	1,030
Patrol Vehicles .....	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Automated Fingerprint Identification System .....	87	85	85	85	85	85	85
Commercial Vehicles Inspection .....	8,770	8,770	8,700	8,700	8,700	8,700	8,700
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 579,938</b>	<b>\$ 584,701</b>	<b>\$ 619,063</b>	<b>\$ 619,063</b>	<b>\$ 619,063</b>	<b>\$ 619,063</b>	<b>\$ 619,063</b>

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Public Protection and Law Enforcement</b>							
<b>Operations</b>							
Sworn complement (authorized)	4,677	4,689	4,689	4,689	4,689	4,689	4,689
Sworn complement filled	4,224	4,175	4,250	4,250	4,250	4,250	4,250
Civilian complement (authorized)	1,729	1,733	1,823	1,823	1,823	1,823	1,823
Civilian complement filled	1,602	1,635	1,725	1,725	1,725	1,725	1,725
Percentage of commonwealth population served by the State Police	26%	26%	26%	26%	26%	26%	26%
Percentage of commonwealth geographic area served by the State Police	82%	82%	82%	82%	82%	82%	82%
Percentage of commonwealth highways/roadways patrolled by the State Police	63%	63%	63%	63%	63%	63%	63%
<b>Vehicle Traffic Supervision</b>							
Motor vehicle crashes	76,944	75,700	74,400	73,100	71,800	70,500	69,300
Fatal motor vehicle crashes	641	630	620	610	600	590	580
Traffic citations issued	600,986	611,000	621,000	631,000	641,000	651,000	661,000
Written warnings issued for traffic violations	279,840	284,500	289,200	293,800	298,500	303,200	307,800
Child safety seat inspections conducted	2,803	2,850	2,900	2,900	3,000	3,000	3,100
Traffic citations issued for occupant restraint violations	17,269	17,600	17,800	18,100	18,400	18,700	19,000
DUI-related crashes	4,781	4,700	4,620	4,540	4,460	4,380	4,300
DUI arrests	17,785	18,000	18,400	18,700	19,000	19,300	19,600
DUI sobriety checkpoints	293	310	315	320	325	330	335
Roving DUI patrols	537	300	305	310	315	320	325
Traffic safety education programs aimed at preventing motor vehicle crashes	3,439	3,500	3,600	3,600	3,700	3,700	3,800
Traffic safety education programs aimed at preventing fatal motor vehicle crashes	658	670	680	690	700	710	720
Traffic safety education programs aimed at preventing DUI-related crashes	259	260	270	270	280	280	290
<b>Vehicle Standards Control</b>							
Commercial vehicle safety inspections	97,089	98,700	100,300	101,900	103,600	105,200	106,800
Percentage of commercial vehicle safety inspections resulting in vehicles being placed out of service	13%	13%	13%	13%	13%	13%	13%
<b>Criminal Law Enforcement and Crime Prevention</b>							
Crimes per 100,000 population in State Police jurisdiction areas:							
Violent crimes per 100,000 population	123	121	119	117	115	113	111
Arrests for violent crimes per 100,000 population	64	65	66	67	68	69	70
Percentage of violent crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	70.20%	71.40%	72.50%	73.70%	74.90%	76.10%	77.20%
Property crimes per 100,000 population	1,149	1,130	1,110	1,090	1,070	1,050	1,030

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Arrests for property crimes per 100,000 population	277	280	290	290	295	300	300
Percentage of property crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	30.20%	30.70%	31.20%	31.70%	32.20%	32.70%	33.20%
Community-based crime prevention programs targeting violent crime	976	990	1,010	1,030	1,040	1,060	1,070
Community-based crime prevention programs targeting property crime	540	550	560	570	575	585	590
Community-based drug-prevention programs	355	360	370	370	380	385	390
<b>Enforcement and Investigation</b>							
Drug offenses	7,207	7,090	6,970	6,850	6,730	6,600	6,490
Drug-related arrests	5,212	5,300	5,390	5,470	5,560	5,650	5,730
Clandestine Laboratory Response Team deployments for illegal drug manufacturing facilities (e.g. methamphetamine labs, etc.)	148	150	153	155	158	160	163
Municipal law enforcement agencies receiving information from the Pennsylvania Criminal Intelligence Center	877	890	910	920	940	950	970
Requests for intelligence information from Pennsylvania Criminal Intelligence Center	16,883	17,200	17,400	17,700	18,000	18,300	18,600
Intelligence products disseminated by the Pennsylvania Criminal Intelligence Center	28,731	29,200	29,700	30,200	30,600	31,100	31,600
Megan's Law - registered sex offenders	12,006	12,200	12,400	12,600	12,800	13,000	13,200
CLEAN/NCIC confirmed responses (i.e. computer checks resulting in the identification of wanted persons, stolen property, etc.)	81,951	83,400	84,800	86,200	87,600	89,000	90,400
<b>Crime Lab</b>							
Convicted offender DNA submissions	21,587	21,200	21,500	21,900	22,200	22,600	22,900
DNA evidence submissions	1,895	2,360	2,400	2,440	2,480	2,500	2,560
Criminal suspects identified through DNA evidence submissions	668	1,050	1,070	1,090	1,100	1,120	1,140
Fingerprint card submissions	721,817	733,800	745,900	757,900	769,900	782,000	794,000
Criminal suspects identified through latent fingerprint comparison (i.e. fingerprint evidence)	2,477	4,210	4,280	4,350	4,420	4,490	4,560

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Background Checks</b>							
Pennsylvania Instant Check System firearms purchase background checks	849,329	863,500	877,600	891,800	906,000	920,100	934,300
Pennsylvania Instant Check System firearms purchase initial denials	10,040	10,210	10,380	10,540	10,710	10,880	11,040
<b>Crime and Terrorism Tip Lines</b>							
Drug hotline tips	464	470	480	490	495	500	510
Terrorism hotline tips	617	630	640	650	660	670	680
<b>Emergency Preparedness and Response</b>							
Municipal public safety agencies receiving immediate reports from the Department Watch Center	1,025	1,040	1,060	1,080	1,090	1,110	1,130
Department Watch Center immediate reports	4,014	4,080	4,150	4,220	4,280	4,350	4,420
Requests for Special Emergency Response Team	210	250	250	250	260	260	270
Requests for Hazardous Device and Explosives Section services	203	210	210	210	220	220	220
Domestic terrorism threat assessments conducted	42	43	43	44	45	46	46
<b>Public Safety Radio System</b>							
Percentage of statewide land area covered by Pennsylvania Statewide Radio Network (PA-STARNet)*	96.70%	96.80%	97.10%	97.30%	97.40%	97.50%	97.60%
Percentage of statewide road coverage by PA-STARNet*	97.30%	97.30%	98%	98%	98%	98%	98%
Average monthly transmissions on PA-STARNet*	4,343,365	4,272,000	4,699,000	4,935,000	5,181,000	5,440,000	5,712,000
<b>Liquor Control Enforcement</b>							
Liquor law investigations	45,463	46,200	47,000	47,700	48,500	49,300	50,000
Routine liquor law inspections	2,003	2,040	2,070	2,100	2,140	2,170	2,200
Liquor law violations	11,828	11,600	11,400	11,200	11,000	10,800	10,600
Administrative citation letters issued for liquor law violations	2,114	2,080	2,040	2,010	1,970	1,940	1,900
Administrative warning letters issued for liquor law violations	2,004	1,970	1,940	1,900	1,870	1,840	1,800

\* New Program Measure

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# 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 Objectives**

**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.*

**Intermodal Transportation:** *To support public transportation, intercity bus, intercity rail and aviation options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.*

**Safety Administration and Licensing:** *To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Rail Freight and Intermodal Coordination.....	\$ 873	\$ 855	\$ 0 <sup>a</sup>
Vehicle Sales Tax Collections.....	882	882	904
Voter Registration.....	422	422	504
Photo ID Cards.....	0	1,000	896
PennPORTS.....	3,672 <sup>b</sup>	3,699 <sup>b</sup>	0 <sup>a</sup>
PennPORTS-Philadelphia Regional Port Authority Debt Service.....	4,558 <sup>b</sup>	4,604 <sup>b</sup>	4,605
(F)FTA - Technical Studies Grants.....	1,881	4,465	2,065
(F)Surface Transportation Assistance.....	400	500	500
(F)FTA - Capital Improvement Grants.....	6,800	12,000	12,000
(F)Title IV Rail Assistance.....	26	36	36
(F)Magnetic Levitation.....	1,000	10,000	10,000
Subtotal - State Funds.....	\$ 10,407	\$ 11,462	\$ 6,909
Subtotal - Federal Funds.....	10,107	27,001	24,601
Total - General Government.....	<u>\$ 20,514</u>	<u>\$ 38,463</u>	<u>\$ 31,510</u>
<i>Grants and Subsidies:</i>			
(F)TEA 21 - Access to Jobs.....	\$ 5,400	\$ 6,000	\$ 4,000
(F)Surface Transportation - Operating.....	13,800	16,000	16,000
(F)Surface Transportation Assistance Capital.....	12,000	14,000	18,000
(F)FTA - Capital Improvements.....	4,000	30,000	30,000
(F)FTA - Hybrid Mass Transit Vehicles.....	10,000	30,000	30,000
(F)ARRA - Transit in Non-Urban Areas.....	7,000	10,000	0
(F)ARRA - National Railroad Passenger Corporation.....	8,000	50,000	50,000
(R)Technical Assistance - PTAF (EA).....	930	0	0
(F)Rail Line Relocation.....	0	6,002	6,002
(F)ARRA - Supplemental Rail Freight Projects.....	0	22,000	22,000
(F)ARRA - High Speed Rail.....	36,000	75,000	75,000
(R)Community Transportation Equipment Grants - PTAF (EA).....	171	0	0
Rail Freight Assistance.....	5,175	5,750	0 <sup>a</sup>
Subtotal - State Funds.....	\$ 5,175	\$ 5,750	\$ 0
Subtotal - Federal Funds.....	96,200	259,002	251,002
Subtotal - Restricted Revenues.....	1,101	0	0
Total - Grants and Subsidies.....	<u>\$ 102,476</u>	<u>\$ 264,752</u>	<u>\$ 251,002</u>
STATE FUNDS.....	\$ 15,582	\$ 17,212	\$ 6,909
FEDERAL FUNDS.....	106,307	286,003	275,603
RESTRICTED REVENUES.....	1,101	0	0
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 122,990</u></b>	<b><u>\$ 303,215</u></b>	<b><u>\$ 282,512</u></b>
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 52,456	\$ 53,764	\$ 54,132
(F)Emergency Evacuation Planning (EA).....	119	0	0
(A)Reimbursement - Other Agencies.....	114	215	215
(A)Duplicating Services.....	174	114	114
(A)Aviation Restricted Revenue.....	248	161	161
(A)Administrative Hearings.....	22	40	40
(A)Litter Fine Receipts.....	0	100	100
(A)Reimb Drug & Alcohol Testing.....	0	60	60
Welcome Centers.....	3,158	3,309	3,282
Subtotal.....	<u>\$ 56,291</u>	<u>\$ 57,763</u>	<u>\$ 58,104</u>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Highway and Safety Improvements</b> .....	<b>110,000</b>	<b>110,000</b>	<b>120,000</b>
<b>Expanded Highway and Bridge Program</b> .....	<b>165,000</b>	<b>165,000</b>	<b>110,000</b>
<b>Highway Capital Projects (EA)</b> .....	<b>215,000</b>	<b>220,000</b>	<b>220,000</b>
(F)Highway Research, Planning and Construction.....	689,299	850,000	850,000
(F)ARRA - Highway Infrastructure Improvement.....	154,774	30,000	0
(A)Highway Construction Contributions.....	2,198	13,000	13,000
(A)Joint Use Leases.....	496	0	0
(A)Intern Program - PHEAA Reimbursement.....	120	0	0
(A)Reimbursement - Other Agencies.....	1	0	0
(A)Licensing Fees- Engineering Software.....	41	0	0
(A)Proceeds from Sale of Right-of-Way.....	333	0	0
(R)Highway Capital Projects - Excise Tax (EA).....	76,533	74,235	190,095
(R)Bridges - Excise Tax (EA).....	58,291	56,847	82,201
(R)Highway Bridge Projects (EA).....	30,000	40,000	140,000
(F)Federal Aid - Highway Bridge Projects.....	448,693	375,000	375,000
(F)Federal Disaster Reimbursement - FHWA.....	12	0	0
(A)Proceeds from Bond Sales - Bridge Projects.....	174,165	154,301	0
(A)Bridge Construction Contributions.....	1,175	2,800	2,800
(A)Bridge Reimbursement from Local Governments.....	18	200	200
Subtotal.....	<u>\$ 2,126,149</u>	<u>\$ 2,091,383</u>	<u>\$ 2,103,296</u>
<b>Highway Maintenance</b> .....	<b>867,000</b>	<b>810,000</b>	<b>820,000</b>
<b>Secondary Road - Maintenance and Resurfacing (EA)</b> .....	<b>63,797</b>	<b>64,181</b>	<b>61,547</b>
<b>Disaster Recovery</b> .....	<b>58,000</b>	<b>0</b>	<b>0</b>
<b>Reinvestment - Facilities</b> .....	<b>16,000</b>	<b>12,000</b>	<b>16,000</b>
(F)Highway Research, Planning and Construction.....	138,133	150,000	150,000
(F)Federal Disaster Reimbursement - FHWA.....	19,063	12,500	12,500
(F)Disaster Recovery - FEMA.....	2,032	47,500	47,500
(F)Highway Safety - Maintenance (EA).....	3,400	4,000	4,000
(A)Highway Maintenance Contributions.....	7,134	20,000	20,000
(A)Sale of Equipment.....	5,508	5,000	5,000
(A)Heavy Hauling - Bonded Roads.....	787	0	0
(A)Sale of Signs.....	15	0	0
(A)Accident Damage Claims.....	6,740	0	0
(A)Litter Fine Receipts.....	9	0	0
(A)Recovered Permit Compliance Cost.....	344	0	0
(A)Intern Program - PHEAA Reimbursement.....	156	0	0
(A)Reimbursement - Marcellus Shale Road Damage.....	1,949	0	0
(R)Highway Maintenance - Excise Tax (EA).....	189,553	183,189	184,546
(R)Highway Maintenance Enhancement (EA).....	275,937	270,630	235,676
(R)Expanded Highway and Bridge Maintenance (EA).....	0	0	152,970
Subtotal.....	<u>\$ 1,655,557</u>	<u>\$ 1,579,000</u>	<u>\$ 1,709,739</u>
<b>Safety Administration and Licensing</b> .....	<b>125,109</b>	<b>131,402</b>	<b>127,171</b>
(F)Highway Safety - Safety Administration (EA).....	0	500	0
(F)Motor Carrier Safety Improvement (EA).....	1,760	2,510	2,510
(F)REAL ID (EA).....	2,270	4,800	4,800
(F)Judicial Outreach Liaison (EA).....	0	50	50
(A)Administrative Support.....	60	100	100
(A)Photo ID Program.....	27,917	28,000	28,000
(A)Emission Mechanic Training Courses.....	18	35	35
(A)Vehicle Sales Tax Collections.....	0 <sup>c</sup>	0	0
(A)Reimbursement - Data Line Charges.....	71	300	300
(A)Reimbursements - Other Agencies.....	17	25	25
(A)Postage.....	468	474	474
(A)Reimbursement - Inspection Manuals.....	15	28	28
(A)Reimbursement - Dealer Forms.....	30	34	34
Subtotal.....	<u>\$ 157,735</u>	<u>\$ 168,258</u>	<u>\$ 163,527</u>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
(R)Aviation Operations.....	4,099	4,099	4,104
(F)Aviation Planning (EA).....	516	516	516
(F)Airport Inspections (EA).....	30	30	30
(A)Reimbursement - Flight Operations.....	345	640	640
(A)Airport Inspections and Licensing.....	45	7	7
(A)Reimbursement - Statewide Program.....	66	60	60
Subtotal.....	<u>\$ 5,101</u>	<u>\$ 5,352</u>	<u>\$ 5,357</u>
Subtotal - State Funds.....	\$ 1,675,520	\$ 1,569,656	\$ 1,532,132
Subtotal - Federal Funds.....	1,460,101	1,477,406	1,446,906
Subtotal - Augmentations.....	230,799	225,694	71,393
Subtotal - Restricted Revenues.....	634,413	629,000	989,592
Total - General Government.....	<u>\$ 4,000,833</u>	<u>\$ 3,901,756</u>	<u>\$ 4,040,023</u>
<b>Grants and Subsidies:</b>			
Local Road Maintenance and Construction Payments.....	\$ 199,928	\$ 200,223	\$ 209,788
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
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000
(R)Local Road Payments - Excise Tax (EA).....	53,728	53,407	75,523
(R)Payments to Municipalities (EA).....	37,310	37,431	52,516
(R)Local Grants for Bridge Projects (EA).....	25,000	25,000	25,000
(F)Federal Aid - Local Grants for Bridge Projects.....	6,918	15,600	4,200
(A)Bridge Reimbursements From Local Governments.....	5	100	100
(R)Local Bridge Projects (EA).....	0	0	7,000
(R)County Bridges - Excise Tax (EA).....	10,000	10,000	10,000
(R)County Bridge Projects - Marcellus Shale.....	0	18,121	18,818
(F)Federal Aid - County Bridges.....	95	200	200
(R)Toll Roads - Excise Tax (EA).....	63,205	61,690	86,238
(R)Annual Maintenance Payments - Highway Transfer (EA).....	18,788	18,888	18,924
(R)Restoration Projects - Highway Transfer (EA).....	8,000	8,000	8,000
(R)Airport Development.....	7,000	7,000	6,000
(F)Airport Development (EA).....	21,000	21,000	21,000
(R)Real Estate Tax Rebate.....	250	250	250
Subtotal.....	<u>\$ 519,227</u>	<u>\$ 544,910</u>	<u>\$ 611,557</u>
Subtotal - State Funds.....	\$ 267,928	\$ 268,223	\$ 277,788
Subtotal - Federal Funds.....	28,013	36,800	25,400
Subtotal - Augmentations.....	5	100	100
Subtotal - Restricted Revenues.....	223,281	239,787	308,269
Total - Grants and Subsidies.....	<u>\$ 519,227</u>	<u>\$ 544,910</u>	<u>\$ 611,557</u>
<b>Refunds:</b>			
Refunding Collected Monies (EA).....	\$ 2,500	\$ 2,500	\$ 2,500
Subtotal.....	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
STATE FUNDS.....	\$ 1,945,948	\$ 1,840,379	\$ 1,812,420
FEDERAL FUNDS.....	1,488,114	1,514,206	1,472,306
AUGMENTATIONS.....	230,804	225,794	71,493
RESTRICTED REVENUES.....	857,694	868,787	1,297,861
<b>MOTOR LICENSE FUND TOTAL.....</b>	<u><b>\$ 4,522,560</b></u>	<u><b>\$ 4,449,166</b></u>	<u><b>\$ 4,654,080</b></u>

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>LOTTERY FUND:</b>			
<i>Grants and Subsidies:</i>			
Older Pennsylvanians Shared Rides (EA).....	\$ 79,000	\$ 80,975	\$ 80,975
Transfer to Public Transportation Trust Fund (EA).....	0 <sup>d</sup>	0 <sup>d</sup>	0 <sup>d</sup>
Total - Grants and Subsidies.....	\$ 79,000	\$ 80,975	\$ 80,975
<b>LOTTERY FUND TOTAL.....</b>	<b>\$ 79,000</b>	<b>\$ 80,975</b>	<b>\$ 80,975</b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Reimbursements to Municipalities - Vehicle Code Fines.....	\$ 0	\$ 0	\$ 6,000 <sup>e</sup>
Federal Grants - Railroad Freight Rehabilitation.....	136	200	200
Child Passenger Restraint Fund.....	232	100	200
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 368</b>	<b>\$ 300</b>	<b>\$ 6,400</b>
<b>MOTOR LICENSE FUND:</b>			
Federal Reimbursements - Highway Safety Program.....	\$ 11,096	\$ 19,000	\$ 15,000
Reimbursements to Municipalities - Vehicle Code Fines.....	13,007	6,000	0 <sup>e</sup>
Federal Reimbursements - Flood Related Costs.....	232	1,200	1,200
Reimbursements to Other States - Apportioned Registration Pl.....	15,010	18,000	18,000
Federal Reimbursements - Local Bridge Projects.....	70,584	70,000	70,000
Motorcycle Safety Education.....	4,694	5,000	5,000
Federal Reimbursements - Political Subdivisions.....	148,148	120,000	140,000
License and Registration Pickups.....	0	15	15
CDL - Hazardous Material Fees.....	477	700	600
Red Light Photo Enforcement.....	405	5,000	5,000
Automated Work Zone Enforcement.....	0	0	2,000
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 263,653</b>	<b>\$ 244,915</b>	<b>\$ 256,815</b>
<b>HIGHWAY BEAUTIFICATION FUND:</b>			
Control of Outdoor Advertising (EA).....	\$ 336	\$ 336	\$ 408
<b>INFRASTRUCTURE BANK FUND:</b>			
Infrastructure Bank Loans (EA).....	\$ 12,985	\$ 30,000	\$ 30,000
<b>LIQUID FUELS TAX FUND:</b>			
Payments to Counties.....	\$ 33,791	\$ 31,250	\$ 31,250
Auditor General's Audit Costs (EA).....	500	500	500
<b>LIQUID FUELS TAX FUND TOTAL.....</b>	<b>\$ 34,291</b>	<b>\$ 31,750</b>	<b>\$ 31,750</b>
<b>MOTOR VEHICLE TRANSACTION RECOVERY FUND:</b>			
Reimbursement to Transportation.....	\$ 0	\$ 80	\$ 80
<b>MULTIMODAL TRANSPORTATION FUND:</b>			
Multimodal Operations.....	\$ 0	\$ 0	\$ 60,000 <sup>a</sup>
<b>PUBLIC TRANSPORTATION ASSISTANCE FUND:</b>			
Mass Transit (EA).....	\$ 162,782	\$ 160,689	\$ 163,251
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>\$ 162,782</b>	<b>\$ 160,689</b>	<b>\$ 163,251</b>
<b>PUBLIC TRANSPORTATION TRUST FUND:</b>			
Mass Transit Operating (EA).....	\$ 687,930	\$ 710,000	\$ 706,050
Asset Improvement (EA).....	16,626	13,300	54,050
Capital Improvement (EA).....	25,546	40,000	3,422
Programs of Statewide Significance (EA).....	69,504	84,510	78,506
Transit Administration and Oversight (EA).....	4,488	4,488	4,488
<b>PUBLIC TRANSPORTATION TRUST FUND TOTAL.....</b>	<b>\$ 804,094</b>	<b>\$ 852,298</b>	<b>\$ 846,516</b>
<b>UNCONVENTIONAL GAS WELL FUND:</b>			
Rail Freight Assistance.....	\$ 0	\$ 1,000	\$ 1,000

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 15,582	\$ 17,212	\$ 6,909
SPECIAL FUNDS.....	2,024,948	1,921,354	1,893,395
FEDERAL FUNDS.....	1,594,421	1,800,209	1,747,909
AUGMENTATIONS.....	230,804	225,794	71,493
RESTRICTED.....	858,795	868,787	1,297,861
OTHER FUNDS.....	1,278,509	1,321,368	1,396,220
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 6,003,059</u></b>	<b><u>\$ 6,154,724</u></b>	<b><u>\$ 6,413,787</u></b>

<sup>a</sup> This budget proposes to include Rail Freight and Intermodal Coordination, PennPORTS and Rail Freight Assistance in the Multimodal Operations appropriation in the Multimodal Transportation Fund.

<sup>b</sup> Appropriated in Community and Economic Development.

<sup>c</sup> Not added to the total to avoid double counting: 2011-12 Actual is \$882,000.

<sup>d</sup> Not added to the total to avoid double counting: 2011-12 Actual is \$89,610,000, 2012-13 Available is \$91,268,000, 2013-14 Budget is \$92,956,000.

<sup>e</sup> This budget proposes to redirect vehicle code fines revenue and subsequent distribution from the Motor License Fund to the General Fund.

<sup>f</sup> Not added to the total to avoid double counting: 2011-12 Actual is \$17,101,000, 2012-13 Available is \$16,938,000, 2013-14 Budget is \$17,176,000.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>TRANSPORTATION SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	54,956	56,264	56,632	56,632	56,632	56,632	56,632
FEDERAL FUNDS.....	119	0	0	0	0	0	0
OTHER FUNDS.....	790	790	890	890	890	890	890
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 55,865</b>	<b>\$ 57,054</b>	<b>\$ 57,522</b>	<b>\$ 57,522</b>	<b>\$ 57,522</b>	<b>\$ 57,522</b>	<b>\$ 57,522</b>
<b>HIGHWAYS AND BRIDGES</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	1,525,955	1,412,490	1,378,829	1,594,047	1,384,299	1,439,621	1,415,004
FEDERAL FUNDS.....	1,455,406	1,469,000	1,439,000	1,404,000	1,404,000	1,404,000	1,404,000
OTHER FUNDS.....	919,125	931,228	1,160,134	1,324,327	1,512,688	1,566,548	1,663,009
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 3,900,486</b>	<b>\$ 3,812,718</b>	<b>\$ 3,977,963</b>	<b>\$ 4,322,374</b>	<b>\$ 4,300,987</b>	<b>\$ 4,410,169</b>	<b>\$ 4,482,013</b>
<b>LOCAL HIGHWAY AND BRIDGE ASSISTANCE</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	239,928	240,223	249,788	251,168	264,012	269,048	277,959
FEDERAL FUNDS.....	7,013	15,800	4,400	1,300	1,300	1,300	1,300
OTHER FUNDS.....	419,266	403,697	468,631	503,864	541,814	555,448	572,828
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 666,207</b>	<b>\$ 659,720</b>	<b>\$ 722,819</b>	<b>\$ 756,332</b>	<b>\$ 807,126</b>	<b>\$ 825,796</b>	<b>\$ 852,087</b>
<b>INTERMODAL TRANSPORTATION</b>							
GENERAL FUND.....	\$ 14,278	\$ 14,908	\$ 4,605	\$ 4,605	\$ 4,605	\$ 4,605	\$ 4,605
SPECIAL FUNDS.....	79,000	80,975	80,975	85,075	87,202	89,381	89,381
FEDERAL FUNDS.....	127,853	307,549	297,149	297,149	297,149	297,149	297,149
OTHER FUNDS.....	980,627	1,028,143	1,083,828	1,093,933	1,224,405	1,238,943	1,348,761
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,201,758</b>	<b>\$ 1,431,575</b>	<b>\$ 1,466,557</b>	<b>\$ 1,480,762</b>	<b>\$ 1,613,361</b>	<b>\$ 1,630,078</b>	<b>\$ 1,739,896</b>
<b>SAFETY ADMINISTRATION AND LICENSING</b>							
GENERAL FUND.....	\$ 1,304	\$ 2,304	\$ 2,304	\$ 2,304	\$ 2,304	\$ 2,304	\$ 2,304
SPECIAL FUNDS.....	125,109	131,402	127,171	127,356	126,965	126,965	126,965
FEDERAL FUNDS.....	4,030	7,860	7,360	7,310	7,310	7,310	7,310
OTHER FUNDS.....	48,300	52,091	52,091	52,091	52,091	52,091	52,091
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 178,743</b>	<b>\$ 193,657</b>	<b>\$ 188,926</b>	<b>\$ 189,061</b>	<b>\$ 188,670</b>	<b>\$ 188,670</b>	<b>\$ 188,670</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 15,582	\$ 17,212	\$ 6,909	\$ 6,909	\$ 6,909	\$ 6,909	\$ 6,909
SPECIAL FUNDS.....	2,024,948	1,921,354	1,893,395	2,114,278	1,919,110	1,981,647	1,965,941
FEDERAL FUNDS.....	1,594,421	1,800,209	1,747,909	1,709,759	1,709,759	1,709,759	1,709,759
OTHER FUNDS.....	2,368,108	2,415,949	2,765,574	2,975,105	3,331,888	3,413,920	3,637,579
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 6,003,059</b>	<b>\$ 6,154,724</b>	<b>\$ 6,413,787</b>	<b>\$ 6,806,051</b>	<b>\$ 6,967,666</b>	<b>\$ 7,112,235</b>	<b>\$ 7,320,188</b>

*PROGRAM OBJECTIVE: To provide an effective administrative system supporting both non-highway and highway transportation programs.*

## Program: Transportation Support Services

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 Safety Administration and Licensing 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 Intermodal Transportation program. Several appropriations within this program reimburse the General Government Operations appropriation for general administrative and overhead services.

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)

**MOTOR LICENSE FUND**  
**General Government Operations**  
 \$ 368 —to continue current program.

Refunding Collected Monies is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

		2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>MOTOR LICENSE FUND:</b>								
General Government Operations .....	\$	52,456	\$ 53,764	\$ 54,132	\$ 54,132	\$ 54,132	\$ 54,132	\$ 54,132
Refunding Collected Monies (EA) .....		2,500	2,500	2,500	2,500	2,500	2,500	2,500
<b>TOTAL MOTOR LICENSE FUND.....</b>	<b>\$</b>	<b>54,956</b>	<b>\$ 56,264</b>	<b>\$ 56,632</b>	<b>\$ 56,632</b>	<b>\$ 56,632</b>	<b>\$ 56,632</b>	<b>\$ 56,632</b>

**PROGRAM OBJECTIVE:** 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: Highways and Bridges

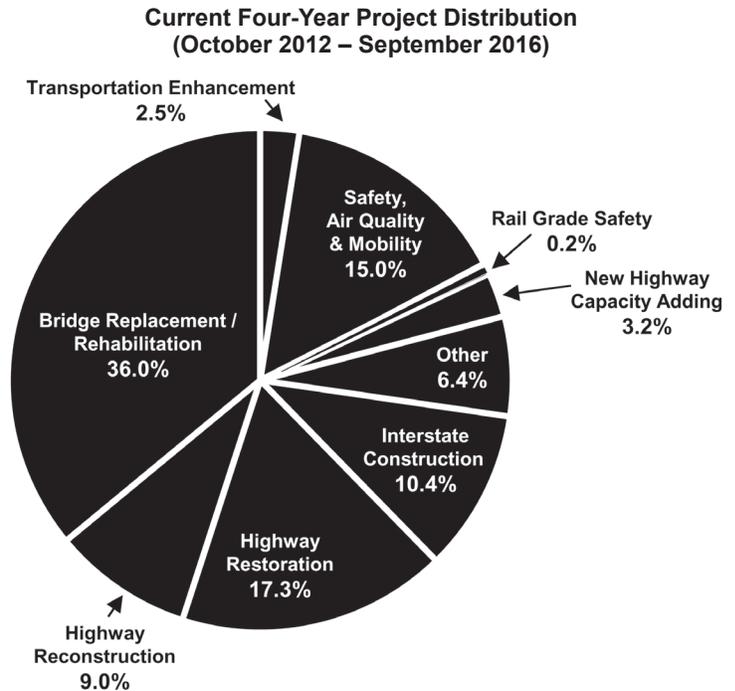
### Program Element: Highway and Bridge Construction/Reconstruction

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.

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.

Recognizing the importance of highway bridges to Pennsylvania's transportation infrastructure, the General Assembly created a special bridge program in Act 234 of 1982. Projects to rehabilitate and replace structures are listed in the Highway, Railroad and Highway Bridge Capital Budget Act for 1982-1983 and its subsequent amendments. Currently, the commonwealth maintains approximately 25,000 state-owned bridges that are more than eight feet in length.

Decisions on regional allocations and project selection for construction and reconstruction investments are determined through two public processes. Act 120 of 1970 requires that a Twelve-Year Transportation program be 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 approved by the General Assembly. The first of these was created in Act 234 of 1982, which established a separate account within the Motor License Fund to be used exclusively for highway bridge rehabilitation and replacement. Bridge improvements are funded through a portion of the annual registration fees for commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds and through a 55 mill Oil Company Franchise Tax. Additional dedicated revenue sources were provided in Act 26 of 1991 and Act 3 of 1997. The Act 26 Oil Company Franchise Tax is allocated among several programs including a portion for state highway and bridge improvement and a portion for bridge rehabilitation and replacement. Most of the Act 3 vehicle registration fee increases are directed toward state highway and bridge improvement. The Pennsylvania Turnpike Commission receives funding from both Act 26 and Act 3 for use on toll road expansion projects.

Act 44 of 2007 provides additional revenue for this program from quarterly Pennsylvania Turnpike Commission contributions. The legislation specifies that funding be provided each fiscal year for an expanded highway and bridge program. These revenues are

## Program: Highways and Bridges (continued)

deposited in the Motor License Fund and are appropriated annually by the General Assembly. All funds are spent for project work with priority on preserving and rehabilitating bridges, resurfacing roadways, improving safety and using technology to improve traffic operations.

### **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. These factors contribute to significant highway and bridge maintenance challenges.

Road and bridge repairs, as well as preventive maintenance activities that prolong the useful life of existing infrastructure, are performed by department forces 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 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 about 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 as has been authorized by the General Assembly.

The department issues special permits to truck operators with excess weight or size loads for the use of certain 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 programs to identify those highway locations that have experienced statistically more accidents than similar roads with similar traffic volumes. Another program identifies locations that have had an inordinate number of accidents in which vehicles ran 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 rate increases enacted in Act 26 of 1991 and in Act 3 of 1997. In addition, the General Assembly has approved special maintenance-related appropriations for accelerated restoration, preventive maintenance and emergency repair based on the financial status of the Motor License Fund.

## Program: Highways and Bridges (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>MOTOR LICENSE FUND</b></p> <p><b>Welcome Centers</b></p> <p>\$ -27 —to continue current program.</p>	<p><b>Highway and Safety Improvement</b></p> <p>\$ 10,000 —Initiative—Transportation Investment. To provide increased funding for construction and reconstruction projects as a result of the proposed phase-in of the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax. New highway construction and reconstruction focuses on projects that will spur economic development and maintain infrastructure.</p> <p>Key projects expected to be under construction in 2013-14 include additional lanes, highway reconstruction and bridge restoration at the Swedsford Exchange off US 202; reconstruction and additional lanes at US 202 Exton Bypass - PA 29 in Chester County; highway restoration on York Road, Bristol PA 413 in Bucks County; safety improvement and construction of new southbound roadway on PA 61 from SR 2014 to SR 895 in Schuylkill County; bridge replacement and construction of new bridge in Schuylkill County, US 422 at PA 363 West Norriton and Lower Providence Townships; additional movements to interchange TIP #M06 in Montgomery County; widening, resurfacing and reconstruction to provide four standard lanes with median barrier PA 28/I-579 E Ohio Street in Allegheny County; and restoration 3-R improvements SR 2001 Milford-Bushkill #2 in Pike County and 219 Garret Earthwork in Somerset County.</p> <p>Another priority is the preservation of the Interstate Highway System. During 2013-14 key projects in this area will include I-95 Roadway &amp; Bridge reconstruction Columbia-Ann Street in Philadelphia; rehabilitation of the Squirrel Hill Tunnel in Allegheny County; mainline, ramp safety improvements and bridge work on the I-83/PA 581 interchange in Cumberland County; reconstruction of the I-83/US 22 interchange in Dauphin County; reconstruction of the I-83/Union Deposit Road interchange in Dauphin County; bituminous overlay on I-95 from MP 25 to MP 35 in Erie County; reconstruction and interchange improvements on I-80 in Monroe County; reconstruction of the PA 51 interchange on I-70 in Westmoreland County; resurfacing and bridge repair on I-376 in Allegheny County; and bridge rehabilitation and resurfacing along I-83 from the Maryland line to PA 214 in York County.</p>	<p><b>Expanded Highway and Bridge Program</b></p> <p>\$ -55,000 —funding is provided by Act 44 of 2007 and the associated lease agreement with the Pennsylvania Turnpike Commission. The budget proposes amendments to Act 44 of 2007 to provide additional operating and capital resources to public and multimodal transportation systems.</p> <p>Major projects expected to start in fiscal year 2013-14 include the bridge replacement on Holme Ave over Roosevelt Boulevard in Philadelphia County; bridge replacement on SR 11 over abandoned RR in Luzerne County; bridge replacement on Brandywine Avenue over Brandywine Creek in Chester County; replacement of 17 span Trafford Bridge viaduct in Westmoreland County; bridge replacement for Glenwood Interchange at SR 885 &amp; SR 837 intersection; bridge rehabilitation on PA 291 over Darby Creek; replacement of Snyders Bridge in Schuylkill County; and a bridge replacement on Butler Avenue over Neshaminy Creek in Bucks County.</p>	<p><b>Bridge Restricted Revenue</b></p> <p>\$ 100,000 —Initiative—Transportation Investment. To provide increased funding for bridge replacement and rehabilitation projects as a result of the proposed phase-in of the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax. Funding is determined by revenues, primarily from a portion of the Oil Company Franchise Tax, that are deposited in the restricted account.</p> <p>Major bridge projects to be started or continued during 2013-14 include the bridge replacement on I-80 over the Susquehanna River in Columbia County; I-84 Delaware River Bridge rehabilitation in Pike County; PA 345 Birdsboro Bridge replacement in Berks County; reconstruction of three bridges carrying SR 0422 over the Schuylkill River, Norfolk Southern Railroad Spur and Norfolk Southern Railroad Mainline; reconstruction of the bridge carrying Armand Hammer Boulevard over SR 0422 in Chester County; rehabilitation of the structures around 30th Street Station and over Amtrak's Northeast Corridor rail lines in the City of Philadelphia; rehabilitation of Platt Bridge over the Schuylkill River in the City of Philadelphia; reconstruction and widening of I-95 including upgrades to several ramps and replacement of seven bridges in the City of Philadelphia; widening of SR 28 from Troy Hill Road to 31st Street Bridge in the City of Pittsburgh; rehabilitation of bridge ramp T over Turtle Creek in Allegheny County; bridge replacement taking I-70 over PA 519 in Washington County; and bridge replacement at the PA 61/I-78 interchange in Berks County.</p>
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## Program: Highways and Bridges (continued)

### Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

	Future projects will be determined by available funds and through the metropolitan and rural planning organization process with the update of their 4-year Transportation Improvement Programs.	\$	-2,634	<b>Secondary Road - Maintenance and Resurfacing (EA)</b> —to continue current program.
		\$	4,000	<b>Reinvestment – Facilities</b> —Initiative—Transportation Investment. To provide increased funding to address safety and operational concerns at department facilities as a result of the proposed phase-in of the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax.
\$ 10,000	<b>Highway Maintenance</b> —Initiative—Transportation Investment. To provide increased funding for restoration, resurfacing and repair projects as a result of the proposed phase-in of the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax.			

For distribution to all 67 counties through a needs-based formula.

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>MOTOR LICENSE FUND:</b>							
Welcome Centers .....	\$ 3,158	\$ 3,309	\$ 3,282	\$ 3,282	\$ 3,282	\$ 3,282	\$ 3,282
Highway and Safety Improvements.....	110,000	110,000	120,000	190,000	160,000	235,000	290,000
Expanded Highway and Bridge Program ..	165,000	165,000	110,000	110,000	55,000	55,000	0
Highway Capital Projects (EA) .....	215,000	220,000	220,000	295,000	230,000	230,000	235,000
Highway Maintenance .....	867,000	810,000	820,000	890,000	830,000	810,000	780,000
Secondary Road - Maintenance and Resurfacing (EA) .....	63,797	64,181	61,547	61,765	62,017	62,339	62,722
Disaster Recovery .....	58,000	0	0	0	0	0	0
Reinvestment - Facilities .....	16,000	12,000	16,000	16,000	16,000	16,000	16,000
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>\$ 1,525,955</b>	<b>\$ 1,412,490</b>	<b>\$ 1,378,829</b>	<b>\$ 1,594,047</b>	<b>\$ 1,384,299</b>	<b>\$ 1,439,621</b>	<b>\$ 1,415,004</b>

*PROGRAM OBJECTIVE: To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.*

## Program: Local Highway and Bridge Assistance

The commonwealth provides a number of programs to assist municipal and county governments in the maintenance and construction of their roads and bridges. The majority of state funds are distributed by statutory formula, while federal funds are allocated in partnership with metropolitan and rural transportation planning organizations.

A portion of the revenues from motor fuel taxes is directed by law to municipal payments. Of the flat tax on gasoline and diesel fuel, 20% of all but a half cent is set aside for municipal governments. The Oil Company Franchise Tax which was created by Act 35 of 1981 provides a 20 percent share to municipalities. Act 26 of 1991 and Act 3 of 1997 provide a 12 percent share of the revenue received from those increased tax rates. The distribution of funds to the commonwealth's 2,562 municipalities is made in accordance with a statutory formula established in Act 655 of 1956 based on 50 percent road mileage and 50 percent population. Grants may be used for a broad range of highway and bridge activities as set forth in the 1956 legislation. The department provides technical assistance to local governments and is responsible for assuring that expenditures are made in accordance with Act 655.

Municipalities benefit from the receipts generated from three other revenue sources. The funds are distributed to municipalities using the same 50 percent road mileage and 50 percent population distribution formula. The largest of these is a \$30 million annual appropriation created in Act 44 of 2007 with funding from the lease agreement with the Pennsylvania Turnpike Commission. An additional \$6 million per year comes from the collection of certain Vehicle Code fines that are split between the state and local governments. The third revenue source is a \$5 million Supplemental Local Roads Maintenance and Construction Payments appropriation which was established by Act 68 of 1980.

The General Assembly authorized improvements to both state and local bridges through the Highway, Railroad and Highway Bridge Capital Budget Act of 1982-1983 and subsequent amendments. A restricted account was

established in the Motor License Fund which receives revenue from a portion of the Oil Company Franchise Tax and annual registration fees from 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 the approximately 6,300 bridges greater than 20 feet long that are owned by these political subdivisions. Projects are selected by metropolitan or rural planning organizations and must be approved in the commonwealth's capital budget.

The highway transfer program began with Act 32 of 1983 to restore and turn back local service roads. A restricted account was created in the Motor License Fund which receives a portion of 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 inception of the program 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 goes back to 1931 with the creation of the Liquid Fuels Tax Fund from a half cent of the flat tax on gasoline and diesel fuel. About \$31 million is distributed to the 67 counties each fiscal year based on a statutory formula. A second program of about \$4.4 million is funded from a share of the Oil Company Franchise Tax which was set aside in Act 26 of 1991 to assist economically distressed counties in funding the local share of bridge improvement projects. A third program was added in Act 44 of 2007 for maintenance and construction of county bridges with funding from the lease agreement with the Pennsylvania Turnpike Commission. Act 44 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 for all counties in the state.

## Program: Local Highway and Bridge Assistance (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>MOTOR LICENSE FUND</b>
	<b>Local Road Maintenance and Construction Payments</b>
\$ 9,565	—Initiative—Transportation Investment. To provide increased funding for improvement of local road systems as a result of the proposed phase-in of the uncapping of the average wholesale price used to calculate the Oil Company Franchise Tax.

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

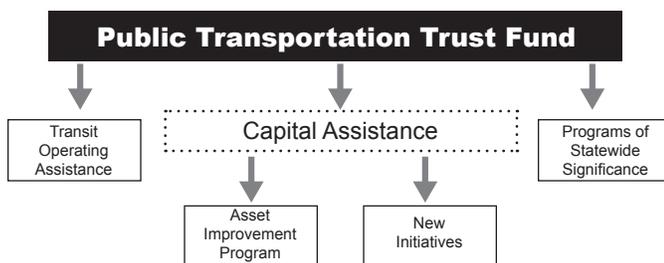
	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>MOTOR LICENSE FUND:</b>							
Local Road Maintenance and Construction Payments.....	\$ 199,928	\$ 200,223	\$ 209,788	\$ 211,168	\$ 224,012	\$ 229,048	\$ 237,959
Supplemental Local 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
<b>TOTAL MOTOR LICENSE FUND.....</b>	<b>\$ 239,928</b>	<b>\$ 240,223</b>	<b>\$ 249,788</b>	<b>\$ 251,168</b>	<b>\$ 264,012</b>	<b>\$ 269,048</b>	<b>\$ 277,959</b>

**PROGRAM OBJECTIVE:** To support public transportation, intercity bus, intercity rail and aviation options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.

## Program: Intermodal Transportation

Act 44 of 2007 significantly changed the way public transportation is funded in Pennsylvania. The foundation of the law rests on providing dedicated and predictable funding through the Public Transportation Trust Fund, which is linked to need and performance. This law also repealed and replaced much of the public transportation provisions enacted in Act 3 of 1997, Act 26 of 1991 and Act 10 of 1976. It strengthened the department's oversight authority and requires transit agencies to be more accountable.

This budget reflects proposed amendments to Act 44 of 2007 intended to increase the overall funding levels for public transportation while incentivizing management and operational efficiencies and increasing local accountability. The proposed amendments reduce the number of accounts in the Public Transportation Trust Fund, eliminating formula funding for the Capital Improvement Program. The Transit Operating Assistance account provides grants to service providers for transit operations. Capital assistance comes from the Asset Improvement Program through capital grants and the New Initiatives Program 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 and Job Access Reverse Commute, technical assistance for performance reviews, demonstration projects and rail safety oversight.



Primary revenue sources for the Public Transportation Trust Fund are a 4.4 percent share of the state sales tax, payments from the Pennsylvania Turnpike Commission, transfers from the Lottery Fund, deposits from the Public Transportation Assistance Fund and certain motor vehicle fees. Transit agencies receive additional state funds from the Public Transportation Assistance Fund and 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 36 transit systems. Operating grants to these organizations are determined by a base allocation based on previous year financial assistance and supplemental funding coming from four weighted performance factors. The factors are total passengers, senior passengers, revenue vehicle miles and revenue vehicle hours. In order to be eligible for operating assistance, transit agencies eventually will be required to collect a local match of 20 percent of the state grant.

Two capital assistance programs are available to transit operators. For the Asset Improvement Program, the amendments establish a formula for the distribution of turnpike funds. Bond funds will continue to be distributed as in the past. This funding requires a local match of 20% of the non federal share of project costs, increasing gradually from the current 3.33% of the state grant. The New Initiatives program, which may be funded at the discretion of the department, is dependent on the Turnpike portion of the Asset Improvement Program.

In addition to traditional transit operations, the commonwealth supports affordable access to designated groups whose mobility would otherwise be limited. This includes programs for persons with disabilities, older Pennsylvanians (discussed under the Older Pennsylvanians Transit program element) and workers who can benefit from welfare to work or reverse commute services.

The Persons with Disabilities (PwD) program provides discounted fares on shared ride services to individuals who do not have access to other publicly funded transportation. Act 44 authorized expansion of this program to all eligible counties, excluding Allegheny and Philadelphia counties. The amendment would make Allegheny County eligible for the PwD program. In 2011-12, individuals with disabilities scheduled over 380,000 shared ride trips and paid only 15% of the fare.

Welfare to Work and Job Access Reverse Commute were originally created as federal programs to connect workers to their place of employment. As federal grant amounts declined, continued service was in jeopardy without additional state support. Act 44 provided program authorization and state funding to leverage federal grants.

### **Program Element: Older Pennsylvanians Transit**

The commonwealth's older citizens have benefited from greater mobility through the implementation of the Free Transit program in 1973 and the subsequent addition of the Shared Ride program in 1980. Both programs are

## Program: Intermodal Transportation (continued)

funded from a portion of the revenues received from state lottery sales.

Under the State Lottery Law, Pennsylvanians who are 65 years of age or older are eligible for free rides on participating local fixed route operations. Act 44 eliminated peak travel time restrictions so that 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, authorized by Act 101 of 1980 and amended by Act 36 of 1991, enables citizens 65 years or older to use demand responsive service at a significant fair discount. The department contracts with shared-ride service providers who operate on a non-fixed route basis. 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 2011-12, fixed route transportation systems provided approximately 36 million trips at no charge to senior citizens and shared-ride operators provided 4.6 million trips at an 85% discount to senior citizens. Given that many retired persons must live within a fixed and limited income, 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 Amtrak.

The commonwealth's intercity bus program supports operations on routes where, without state assistance, essential service would be terminated. In 2011-12, the commonwealth's subsidy resulted in over 460,000 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 the National Railroad Passenger Corporation (Amtrak). Limited service is operated as part of Amtrak's national system without financial assistance from the commonwealth. To provide additional service, the department has contracted with Amtrak to supplement Amtrak's national system schedule in the Harrisburg to

Philadelphia Corridor (Keystone Corridor). This financial assistance helps to support 79 one-way trains per week on the Keystone Corridor, with 1.4 million passenger trips made through this service in 2011-12, a 4% increase over 2010-11.

### **Program Element: PennPORTS**

Pennsylvania's ports provide a competitive advantage for the commonwealth in attracting and retaining business. 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 ports 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 U.S. for the handling of imported goods. The Port of Pittsburgh moves more than 40 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 U.S. and the origin for more tons of raw materials than any other port in the world. Midway between New York and Chicago, Erie 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.

PennPORTS constitutes a single budgetary line item, which will fund the operation and maintenance of the ports of Erie, Pittsburgh and Philadelphia. Funds will be used to aid in the development of port assets, which not only generate port and shipping-related jobs, but also assist Pennsylvania firms to export and import products.

### **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. Congress provided interim federal funding to help states retain service and preserve track on priority routes slated for abandonment. Act 119 of 1984, the Rail Freight Preservation and Improvement Act, established an ongoing state program in recognition of the economic impact of rail freight service on local communities. 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. Act 119 authorized the department to issue grants to these entities for acquisition, accelerated maintenance and new construction. Pennsylvania now has about 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

## Program: Intermodal Transportation (continued)

improvements. The Rail Freight Assistance program is funded from a General Fund appropriation, 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 conduits for rail activities. The Rail Freight Assistance program and 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).

### Program Element: Aviation

Aviation plays a major role in the movement of passengers and cargo throughout the commonwealth, with 133 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. Two state funded grant programs are funded from the Aviation Restricted Revenue Account, into which taxes on jet fuel and aviation fuel sold in the commonwealth are deposited. This includes an airport development grant program for public use airports to meet safety, security, capacity, environmental and planning needs as well as a real estate tax rebate program for private and public-use airports, funded from the statewide aviation fuel tax.

The Transportation Assistance Program, which is financed by Capital Facilities Fund bond proceeds, consists of a state aviation program that is only available to airports that have a public sponsor.

Pennsylvania is one of only ten states chosen as a federal block grant state. The commonwealth, through the department, is receiving approximately \$16 million each year from the Federal Aviation Administration to distribute to qualifying airports throughout the commonwealth.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND**  
**PennPORTS - Philadelphia Regional Port**  
**Authority Debt Service**

\$ 1 —based on current estimates.

This budget proposes to include Rail Freight and Intermodal Coordination, PennPORTS and Rail Freight Assistance in Multimodal Operations within the Multimodal Transportation Fund.

The Lottery Fund Older Pennsylvanians Shared Ride appropriation is recommended at the current year funding level.

This budget recommends the Airport Development Grants Program at the \$6.0 million level. It is funded from the Aviation Restricted Revenue Account.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Rail Freight and Intermodal Coordination..	\$ 873	\$ 855	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PennPORTS.....	3,672	3,699	0	0	0	0	0
PennPORTS-Philadelphia Regional Port Authority Debt Service.....	4,558	4,604	4,605	4,605	4,605	4,605	4,605
Rail Freight Assistance.....	5,175	5,750	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 14,278</b>	<b>\$ 14,908</b>	<b>\$ 4,605</b>	<b>\$ 4,605</b>	<b>\$ 4,605</b>	<b>\$ 4,605</b>	<b>\$ 4,605</b>

## Program: Intermodal Transportation (continued)

### Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>LOTTERY FUND:</b>							
Older Pennsylvanians Shared Rides (EA)	\$ 79,000	\$ 80,975	\$ 80,975	\$ 85,075	\$ 87,202	\$ 89,381	\$ 89,381
<b>PUBLIC TRANSPORTATION TRUST FUND:</b>							
Mass Transit Operating (EA) .....	\$ 687,930	\$ 710,000	\$ 706,050	\$ 724,755	\$ 740,153	\$ 751,908	\$ 755,596
Asset Improvement (EA) .....	16,626	13,300	54,050	54,616	147,616	147,616	251,616
Capital Improvement (EA) .....	25,546	40,000	3,422	0	0	0	0
Programs of Statewide Significance (EA) ..	69,504	84,510	78,506	71,175	72,405	73,882	75,297
Transit Administration and Oversight (EA)	4,488	4,488	4,488	4,488	4,488	4,488	4,488
TOTAL PUBLIC TRANSPORTATION TRUST FUND .....	\$ 804,094	\$ 852,298	\$ 846,516	\$ 855,034	\$ 964,662	\$ 977,894	\$ 1,086,997

*PROGRAM OBJECTIVE: To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.*

## Program: Safety Administration and Licensing

The Safety Administration and Licensing program 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 185,000 trailers greater than 10,000 pounds. The number of licensed drivers has remained consistent over the past few years at 8.8 million, including 440,000 commercial drivers. The Safety Administration and Licensing 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 2011-12, 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 safety inspection program for the commonwealth's more than 11 million motor vehicles is intended to minimize traffic accidents due to mechanical failure. As required by the federal Clean Air Act amendments of 1990, the commonwealth operates an annual Vehicle Emissions Inspection program in 25 counties affecting approximately 7 million vehicles. These counties are: Allegheny, Beaver, Berks, Blair, Bucks, Cambria, Centre, Chester, Cumberland, Dauphin, Delaware, Erie, Lackawanna, Lancaster, Lebanon, Lehigh, Luzerne, Lycoming, Mercer, Montgomery, Northampton, Philadelphia, Washington, Westmoreland and York. In the remaining 42 counties not required to participate in the emissions inspection program, the annual 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 590,000 of the 1.5 million citations issued in 2011-12 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. In addition to the regular suspension criteria, commercial vehicle drivers may lose their privilege to drive a commercial vehicle for adjudication of a single major offense or for an accumulation of serious traffic offenses.

The Safety Administration and Licensing program also administers provisions of the National Voter Registration Act of 1993, better known as "Motor Voter," and the commonwealth's Organ Donor program.

The department also 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 detected as not having insurance can result in a revocation or suspension of vehicle registration. A total of 100,000 vehicle suspensions were imposed during 2011-12 for insurance infractions.

The department currently has 97 offices statewide that offer 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 2011-12, 2.4 million customers visited driver license centers and over 3 million customers came to get their pictures taken for their photo license and photo ID cards. The computerized online messenger program, which connects private businesses with the department, has been the cornerstone of the decentralization effort. There are currently 252 messenger sites, processing 1.1 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 2011-12, approximately 3.9 million customers renewed their non-commercial driver's license, photo identification card or vehicle registration via the Internet.

**Program: Safety Administration and Licensing (continued)**

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>		<b>MOTOR LICENSE FUND</b>
\$ 22	<b>Vehicle Sales Tax Collections</b> —to continue current program.	\$ -314	<b>Safety Administration and Licensing</b> —to continue current program.
		-3,917	—nonrecurring prior year expenditures.
\$ 82	<b>Voter Registration</b> —to continue current program.	\$ -4,231	<i>Appropriation Decrease</i>
\$ -104	<b>Photo ID Cards</b> —to continue current program.		

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Vehicle Sales Tax Collections.....	\$ 882	\$ 882	\$ 904	\$ 904	\$ 904	\$ 904	\$ 904
Voter Registration.....	422	422	504	504	504	504	504
Photo ID Cards.....	0	1,000	896	896	896	896	896
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,304</b>	<b>\$ 2,304</b>	<b>\$ 2,304</b>	<b>\$ 2,304</b>	<b>\$ 2,304</b>	<b>\$ 2,304</b>	<b>\$ 2,304</b>
<b>MOTOR LICENSE FUND:</b>							
Safety Administration and Licensing.....	\$ 125,109	\$ 131,402	\$ 127,171	\$ 127,356	\$ 126,965	\$ 126,965	\$ 126,965

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program: Transportation Support Services</b>							
Overhead costs as a percentage of department budget (state funds)	1.34%	1.38%	1.25%	1.15%	1.09%	1.07%	1.05%
<b>Program: Highways and Bridges</b>							
<b>Highway and Bridge Construction/Reconstruction</b>							
Miles of new highway construction	28	15	17	19	18	19	19
Miles of Interstate reconstruction or restoration	126	115	117	122	120	122	123
Miles of non-Interstate reconstruction or restoration	188	135	141	153	149	153	155
Interstate highway system in good or excellent condition	82.90%	81.80%	81.80%	80.80%	80.50%	80.70%	80.90%
Interstate highway system in poor condition	3.40%	4.10%	4.40%	4.50%	4.80%	4.60%	4.40%
National Highway System non-Interstate highways in good or excellent condition	72.20%	70.50%	69.70%	69.60%	69.10%	69.10%	69.10%
National Highway System non-Interstate highways in poor condition	8.50%	9.50%	9.90%	9.90%	9.90%	9.80%	9.80%
Bridges replaced/repaired	315	275	250	260	225	235	235
Structurally deficient bridges by deck area	13.70%	13.40%	12.30%	11.60%	11.60%	11.60%	11.60%
Variance of final cost of construction versus original contract amount	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
Number of bridges preserved	230	190	205	220	215	220	225
<b>Highway and Bridge Maintenance</b>							
Miles of State maintained highways	39,797	39,770	39,750	39,720	39,700	39,670	39,650
Miles of state maintained highways improved:							
Structural restoration	195	220	175	170	160	160	160
Structural Resurfacing*	878	420	720	1,130	1,315	1,355	1,435
Non-structural resurfacing*	586	585	540	500	390	370	270
Surface Repairs	4,317	3,930	3,870	3,835	3,800	3,765	3,765
Total	5,976	5,155	5,305	5,635	5,665	5,650	5,630
* New Program Measure							
<b>Program: Local Highway and Bridge Assistance</b>							
Miles of highway locally administered:							
Total	77,791	77,900	78,000	78,100	78,200	78,300	78,400
Percentage of all locally maintained highways in the commonwealth	66.20%	66.20%	66.20%	66.30%	66.30%	66.40%	66.40%
Local bridges:							
Total (greater than 20 feet)	6,328	6,328	6,328	6,328	6,328	6,328	6,328
Brought up to standard through State Bridge Program	35	30	40	45	45	45	45
<b>Program: Intermodal Transportation</b>							
<b>Mass Transportation</b>							
Passengers carried by state-assisted operators (millions annually)	441.40	439.60	439.60	439.60	439.60	439.60	439.60
Passengers per vehicle hour	41.30	42.10	42.10	42.10	42.10	42.10	42.10

## Program Measures

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Percentage share of average income of mass transit trips:							
From revenue	36.40%	35.60%	35.60%	35.60%	35.60%	35.60%	35.60%
From commonwealth	48.20%	49.60%	49.60%	49.60%	49.60%	49.60%	49.60%
From federal government	8.30%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
From local government	7.10%	7.30%	7.30%	7.30%	7.30%	7.30%	7.30%
<b>Older Pennsylvanians Transit</b>							
Free transit trips (millions annually)	36.06	36.35	36.71	37.08	37.45	37.82	38.20
Trips on state assisted shared ride vehicles (millions annually)	4.63	4.43	4.48	4.50	4.57	4.61	4.66
Cost to the commonwealth per trip:							
Free Transit	\$2.49	\$2.51	\$2.53	\$2.54	\$2.56	\$2.57	\$2.58
State assisted shared ride vehicles	\$16.06	\$16.50	\$16.83	\$17.17	\$17.51	\$17.86	\$18.22
<b>Intercity Transportation</b>							
Intercity Bus:							
Passengers handled	462,271	425,500	429,800	434,000	438,400	442,800	447,200
Subsidy per bus mile	\$0.38	\$0.41	\$0.41	\$0.40	\$0.40	\$0.39	\$0.39
Intercity Rail:							
Passengers handled	1,392,564	1,434,300	1,477,400	1,521,700	1,567,300	1,614,300	1,662,800
Subsidy per passenger mile	\$0.22	\$0.22	\$0.35	\$0.35	\$0.35	\$0.34	\$0.34
Rail Freight:							
Miles of rail lines, state assisted	200	340	400	400	400	400	400
Jobs created by state-supported rail freight improvements	1,040	590	670	670	670	670	670
Additional trucks that would be needed without rail freight bulk cargo service	317,700	438,000	503,000	503,000	503,000	503,000	503,000
Aviation:							
Airport development grants	76	55	60	60	60	60	60
Projects receiving federal priority	89%	90%	90%	90%	90%	90%	90%
Runways with a pavement condition index of fair or better	94%	94%	94%	94%	94%	94%	94%
<b>Program: Safety Administration and Licensing</b>							
Vehicles inspected:							
Safety inspections	10,296,280	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Emission inspections	7,145,384	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000
Registrations:							
New vehicle registrations	730,794	750,000	750,000	750,000	750,000	750,000	750,000
Renewed vehicle registrations	8,639,198	8,700,000	8,700,000	8,700,000	4,350,000	4,350,000	4,350,000
Licensed drivers:							
New drivers licensed	288,616	310,000	310,000	310,000	310,000	310,000	310,000
Renewed drivers licenses	2,160,651	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	1,720,000
New commercial drivers licensed	16,420	13,000	13,000	13,000	13,000	13,000	13,000
Photo identification cards issued (non-driver photos)	372,627	350,000	350,000	350,000	350,000	350,000	350,000
Service center customers served within 30 minutes	89.30%	90.50%	90.50%	91.50%	91.50%	92.50%	92.50%
Access rate of driver and vehicle services call center	99.80%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%

Reflects the proposed phase-in of biennial registration and six year drivers license renewals beginning in 2014-15.

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# 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 the 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 Objectives**

**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.*

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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Senate:			
Senators' Salaries.....	\$ 6,734	\$ 7,034	\$ 7,034
Senate President - Expenses.....	300	300	300
Employees of Chief Clerk.....	2,540	2,540	2,540
Salaried Officers and Employees.....	10,300	10,300	10,300
Incidental Expenses.....	2,821	2,671	2,671
Expenses - Senators.....	1,238	1,238	1,238
Legislative Printing and Expenses.....	6,867	6,717	6,717
Committee on Appropriations (R).....	1,249	0	0
Committee on Appropriations (D).....	1,249	0	0
Committee on Appropriations (R) and (D).....	0	2,498	2,498
Caucus Operations (R) and (D).....	0	59,800	59,800
Caucus Operations (R).....	32,500	0	0
Caucus Operations (D).....	27,500	0	0
Subtotal.....	\$ 93,298	\$ 93,098	\$ 93,098
House of Representatives:			
Members' Salaries, Speaker's Extra Compensation.....	\$ 25,584	\$ 26,984	\$ 26,984
Caucus Operations (R) and (D).....	95,500	95,500	95,500
Speaker's Office.....	1,714	1,714	1,714
Bi-Partisan Committee, Chief Clerk, Comptroller and EMS.....	14,048	14,048	14,048
Mileage - Representatives, Officers and Employees.....	352	352	352
Chief Clerk and Legislative Journal.....	2,645	2,645	2,645
Speaker.....	20	0	0
Chief Clerk.....	553	0	0
Floor Leader (R).....	7	0	0
Floor Leader (D).....	7	0	0
Whip (R).....	6	0	0
Whip (D).....	6	0	0
Chairman - Caucus (R).....	3	0	0
Chairman - Caucus (D).....	3	0	0
Secretary - Caucus (R).....	3	0	0
Secretary - Caucus (D).....	3	0	0
Chairman - Appropriations Committee (R).....	6	0	0
Chairman - Appropriations Committee (D).....	6	0	0
Chairman - Policy Committee (R).....	2	0	0
Chairman - Policy Committee (D).....	2	0	0
Caucus Administrator (R).....	2	0	0
Caucus Administrator (D).....	2	0	0
Administrator for Staff (R).....	20	0	0
Administrator for Staff (D).....	20	0	0
Contingent Expenses (R) and (D).....	0	671	671
Incidental Expenses.....	4,800	4,800	4,800
Expenses - Representatives.....	4,026	4,026	4,026
Legislative Printing and Expenses.....	12,108	10,108	10,108
National Legislative Conference - Expenses.....	484	484	484

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
Committee on Appropriations (R).....	3,052	3,052	3,052
Committee on Appropriations (D).....	3,052	3,052	3,052
Special Leadership Account (R).....	5,725	5,725	5,725
Special Leadership Account (D).....	5,725	5,725	5,725
Subtotal.....	<u>\$ 179,486</u>	<u>\$ 178,886</u>	<u>\$ 178,886</u>
Total - General Government.....	<u>\$ 272,784</u>	<u>\$ 271,984</u>	<u>\$ 271,984</u>
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 272,784</u></b>	<b><u>\$ 271,984</u></b>	<b><u>\$ 271,984</u></b>

\* This budget presents the Government Support Agencies appropriations on page E45.1.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>LEGISLATURE</b>							
GENERAL FUND.....	\$ 272,784	\$ 271,984	\$ 271,984	\$ 271,984	\$ 271,984	\$ 271,984	\$ 271,984
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 272,784</b>	<b>\$ 271,984</b>	<b>\$ 271,984</b>	<b>\$ 271,984</b>	<b>\$ 271,984</b>	<b>\$ 271,984</b>	<b>\$ 271,984</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 272,784	\$ 271,984	\$ 271,984	\$ 271,984	\$ 271,984	\$ 271,984	\$ 271,984
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
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 272,784</b>	<b>\$ 271,984</b>	<b>\$ 271,984</b>	<b>\$ 271,984</b>	<b>\$ 271,984</b>	<b>\$ 271,984</b>	<b>\$ 271,984</b>

*PROGRAM OBJECTIVE: 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.*

## Program: Legislature

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)

#### Legislature

The Legislature is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
TOTAL GENERAL FUND .....	\$ 272,784	\$ 271,984	\$ 271,984	\$ 271,984	\$ 271,984	\$ 271,984	\$ 271,984



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# 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 Magisterial District Judges, Philadelphia Municipal Court, Philadelphia Traffic Court and the Pittsburgh Municipal Court.

## **Programs and Objectives**

**State Judicial System:** *To provide the citizens of the commonwealth with prompt and equitable justice under the law.*

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## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>Supreme Court:</b>			
Supreme Court.....	\$ 13,424	\$ 13,239	\$ 13,239
Justices Expenses.....	115	115	115
Judicial Center Operations.....	655	655	655
Judicial Council.....	137	137	137
District Court Administrators.....	16,773	16,773	16,773
Interbranch Commission.....	349	299	299
Court Management Education.....	71	71	71
Rules Committees.....	1,448	1,448	1,448
Court Administrator.....	9,663	9,663	9,663
(F)Court Improvement Project.....	1,420	1,420	942
(F)Drug Court Training (EA).....	18	0	0
(F)Stop Violence Against Women (EA).....	198	0	0
(F)Veterans Court Process Evaluation.....	0	200	0
(F)PA Weighted Caseload Project.....	0	80	0
<b>Integrated Criminal Justice System.....</b>	<b>2,303</b>	<b>2,303</b>	<b>2,303</b>
(R)Judicial Computer System.....	57,048	57,048	57,048
(F)ARRA - Specialty Courts IT Project (EA).....	450	450	73
<b>Unified Judicial System Security.....</b>	<b>1,994</b>	<b>1,944</b>	<b>1,944</b>
Subtotal.....	\$ 106,066	\$ 105,845	\$ 104,710
<b>Superior Court:</b>			
Superior Court.....	\$ 26,237	\$ 26,237	\$ 26,237
Judges Expenses.....	178	178	178
Subtotal.....	\$ 26,415	\$ 26,415	\$ 26,415
<b>Commonwealth Court:</b>			
Commonwealth Court.....	\$ 15,926	\$ 15,926	\$ 15,926
Judges Expenses.....	128	128	128
Subtotal.....	\$ 16,054	\$ 16,054	\$ 16,054
<b>Courts of Common Pleas:</b>			
Courts of Common Pleas.....	\$ 92,083	\$ 97,705	\$ 97,705
Senior Judges.....	3,607	3,607	3,607
Judicial Education.....	1,105	1,105	1,105
Ethics Committee.....	55	55	55
Problem-Solving Courts.....	0	100	100
Subtotal.....	\$ 96,850	\$ 102,572	\$ 102,572
<b>Magisterial District Judges:</b>			
Magisterial District Judges.....	\$ 68,039	\$ 71,381	\$ 71,381
Magisterial District Judge Education.....	651	651	651
Subtotal.....	\$ 68,690	\$ 72,032	\$ 72,032
<b>Philadelphia Courts:</b>			
Traffic Court.....	\$ 912	\$ 912	\$ 912
Municipal Court.....	5,546	5,746	5,746
Subtotal.....	\$ 6,458	\$ 6,658	\$ 6,658

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>Judicial Conduct Board</b> .....	\$ 1,182	\$ 1,531	\$ 1,531
<b>Court of Judicial Discipline</b> .....	454	454	454
Subtotal - State Funds.....	\$ 263,035	\$ 272,363	\$ 272,363
Subtotal - Federal Funds.....	2,086	2,150	1,015
Subtotal - Restricted Revenues.....	57,048	57,048	57,048
Total - General Government.....	\$ 322,169	\$ 331,561	\$ 330,426
<b>Grants and Subsidies:</b>			
<b>Reimbursement of County Costs:</b>			
Jurors Cost Reimbursement.....	\$ 1,085	\$ 1,085	\$ 1,085
County Courts Reimbursement.....	33,405	33,405	33,405
Senior Judge Reimbursement.....	1,335	1,335	1,335
Court Consolidation.....	0	1,100	0
Subtotal.....	\$ 35,825	\$ 36,925	\$ 35,825
Total - Grants and Subsidies.....	\$ 35,825	\$ 36,925	\$ 35,825
STATE FUNDS.....	\$ 298,860	\$ 309,288	\$ 308,188
FEDERAL FUNDS.....	2,086	2,150	1,015
RESTRICTED REVENUES.....	57,048	57,048	57,048
<b>GENERAL FUND TOTAL</b> .....	<b>\$ 357,994</b>	<b>\$ 368,486</b>	<b>\$ 366,251</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>STATE JUDICIAL SYSTEM</b>							
GENERAL FUND.....	\$ 298,860	\$ 309,288	\$ 308,188	\$ 308,188	\$ 308,188	\$ 308,188	\$ 308,188
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,086	2,150	1,015	942	942	942	942
OTHER FUNDS.....	57,048	57,048	57,048	57,048	57,048	57,048	57,048
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 357,994</b>	<b>\$ 368,486</b>	<b>\$ 366,251</b>	<b>\$ 366,178</b>	<b>\$ 366,178</b>	<b>\$ 366,178</b>	<b>\$ 366,178</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 298,860	\$ 309,288	\$ 308,188	\$ 308,188	\$ 308,188	\$ 308,188	\$ 308,188
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,086	2,150	1,015	942	942	942	942
OTHER FUNDS.....	57,048	57,048	57,048	57,048	57,048	57,048	57,048
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 357,994</b>	<b>\$ 368,486</b>	<b>\$ 366,251</b>	<b>\$ 366,178</b>	<b>\$ 366,178</b>	<b>\$ 366,178</b>	<b>\$ 366,178</b>

*PROGRAM OBJECTIVE: To provide the citizens of the commonwealth with prompt and equitable justice under the law.*

## Program: State Judicial System

Pennsylvania's Unified Judicial System is comprised of a court system consisting of the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas, Philadelphia Municipal Court, Pittsburgh Municipal Court, Traffic Court of Philadelphia and Magisterial District Courts.

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. Magisterial District Judges need not be lawyers, but must complete an education course and pass a qualifying examination to serve.

In Philadelphia, the Municipal Court and the Traffic Court are the initial levels of the court system. Municipal Court is a court of record whose 25 judges must be lawyers. Its limited jurisdiction is analogous to that of the Magisterial District Judges. The Philadelphia Traffic Court, composed of seven judges who need not be lawyers, has jurisdiction over all summary offenses under the Motor Vehicle Code and related city ordinances. Like Magisterial District Judges, Traffic Court Judges must complete the certifying course and pass the qualifying examination.

The Supreme Court established by order an administrative judicial unit within the Fifth Judicial District (Allegheny County) known as "Pittsburgh Municipal Court" effective January 2005. Magisterial District Judges from Allegheny County sit on assignment by the Fifth Judicial District president judge. Most matters that were previously assigned to Pittsburgh Magistrates Court have been assigned to this court.

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 that are 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: Superior Court and Commonwealth Court, the third level of the Unified Judicial System. Commonwealth Court, with nine judges, has jurisdiction over appeals involving government agencies and officials, as well as many matters involving not-for-profit corporations. It also has original jurisdiction over Election Code matters and cases

involving state officials. Superior Court with 15 judges has jurisdiction over all direct appeals that are not within the specific statutory jurisdiction of another appellate court.

Established in 1722, the Supreme Court is Pennsylvania's court of last resort. Its seven justices, including the chief justice, are also responsible for administration of the entire Unified Judicial System.

In accordance with the state constitution and statute, there is a two-tiered, independent judicial disciplinary system. The role of the first tier, the Judicial Conduct Board, is to investigate complaints regarding the conduct of judges. Hearings are conducted by the second tier, the Court of Judicial Discipline, to determine whether a sanction should be imposed upon a member of the Judiciary.

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, assisting the court in its oversight responsibility of the Unified Judicial System. The AOPC provides services for approximately 2,100 members of the Judiciary and staff, including budgeting, accounting, benefits and retirement counseling, legal representation, policy guidance, technical advice, education, research, legislative affairs, communications, administration and judicial automation.

The Supreme Court has initiated a number of programs in recent years to facilitate the administration of justice within the commonwealth. 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. Responsibility for these programs is vested in the AOPC. Through exercise of its statutory realignment responsibilities, the Supreme Court has established the goal of reducing the number of magisterial districts by approximately 10 percent as a cost-cutting measure. This process is presently underway and will continue throughout the decennial realignment process following release of data from the 2010 census. As of January 2, 2012, the Supreme Court has eliminated 10 districts.

The Judicial Computer System (JCS) has the ultimate goal of computerization of the entire Judiciary. The integrated case and financial management system envisioned by the Supreme Court, and among the first of its scope nationally, has been an unqualified success

## Program: State Judicial System (continued)

in each of its stages. These stages presently include the Magisterial District Judge System, which serves the existing 535 magisterial districts, the Pennsylvania Appellate Courts Case Management System, which serves the three appellate courts; and the Common Pleas Criminal Case Management System which automated the criminal courts statewide. A future stage will automate civil courts, including family and orphans courts. The JCS also established the Administrative Services Application System to serve the administrative functions of accounting, budgeting, payroll and human resources. The Judiciary has been a keystone of the commonwealth's multi-agency Integrated Criminal Justice Network (commonly known as JNET) from its inception and provides it with important data from its automated court system.

Act 49 of 2009 was enacted to provide an additional funding stream to support Judiciary operations. It imposed a temporary 25-month surcharge, beginning December 8, 2009, on the existing Act 122 (2002) fee – excluding summary traffic offenses, established to support the JCS and legal services funding through the Access to Justice program. The surcharge, which was extended 36 months to December 31, 2014 by Act 30 of 2011, consists of \$10.25 to fund Judiciary operations and \$1.00 for Access to Justice. It also established a permanent \$2.25 fee directed to the Criminal Justice Enhancement Account to help support salaries for the full-time county district attorneys.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND**  
**Court Consolidation**  
 \$ -1,100 —nonrecurring program costs.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Supreme Court .....	\$ 13,424	\$ 13,239	\$ 13,239	\$ 13,239	\$ 13,239	\$ 13,239	\$ 13,239
Justices Expenses .....	115	115	115	115	115	115	115
Judicial Center Operations .....	655	655	655	655	655	655	655
Judicial Council .....	137	137	137	137	137	137	137
District Court Administrators .....	16,773	16,773	16,773	16,773	16,773	16,773	16,773
Interbranch Commission .....	349	299	299	299	299	299	299
Court Management Education .....	71	71	71	71	71	71	71
Rules Committees .....	1,448	1,448	1,448	1,448	1,448	1,448	1,448
Court Administrator .....	9,663	9,663	9,663	9,663	9,663	9,663	9,663
Integrated Criminal Justice System .....	2,303	2,303	2,303	2,303	2,303	2,303	2,303
Unified Judicial System Security .....	1,994	1,944	1,944	1,944	1,944	1,944	1,944
Superior Court .....	26,237	26,237	26,237	26,237	26,237	26,237	26,237
Judges Expenses .....	178	178	178	178	178	178	178
Commonwealth Court .....	15,926	15,926	15,926	15,926	15,926	15,926	15,926
Judges Expenses .....	128	128	128	128	128	128	128
Courts of Common Pleas .....	92,083	97,705	97,705	97,705	97,705	97,705	97,705
Senior Judges .....	3,607	3,607	3,607	3,607	3,607	3,607	3,607
Judicial Education .....	1,105	1,105	1,105	1,105	1,105	1,105	1,105
Ethics Committee .....	55	55	55	55	55	55	55
Problem-Solving Courts .....	0	100	100	100	100	100	100
Magisterial District Judges .....	68,039	71,381	71,381	71,381	71,381	71,381	71,381
Magisterial District Judge Education .....	651	651	651	651	651	651	651
Traffic Court .....	912	912	912	912	912	912	912
Municipal Court .....	5,546	5,746	5,746	5,746	5,746	5,746	5,746
Judicial Conduct Board .....	1,182	1,531	1,531	1,531	1,531	1,531	1,531
Court of Judicial Discipline .....	454	454	454	454	454	454	454
Jurors Cost Reimbursement .....	1,085	1,085	1,085	1,085	1,085	1,085	1,085
County Courts Reimbursement .....	33,405	33,405	33,405	33,405	33,405	33,405	33,405
Senior Judge Reimbursement .....	1,335	1,335	1,335	1,335	1,335	1,335	1,335
Court Consolidation .....	0	1,100	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 298,860</b>	<b>\$ 309,288</b>	<b>\$ 308,188</b>	<b>\$ 308,188</b>	<b>\$ 308,188</b>	<b>\$ 308,188</b>	<b>\$ 308,188</b>

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# 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 Objectives**

**Government Support Agencies:** *To provide research, fiscal and regulatory review, and administrative and operational support.*

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# Government Support Agencies

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2011-12 ACTUAL	2012-13 AVAILABLE	2013-14 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Legislative Reference Bureau - Salaries and Expenses.....	\$ 6,699	\$ 8,365 <sup>a</sup>	\$ 6,716
Contingent Expenses.....	17	0	0
Printing of PA Bulletin and PA Code.....	701	803 <sup>a</sup>	701
Subtotal.....	\$ 7,417	\$ 9,168	\$ 7,417
Legislative Budget and Finance Committee.....	1,318	1,775 <sup>a</sup>	1,318
Legislative Data Processing Center.....	17,369	17,369	17,369
Joint State Government Commission.....	1,252	1,416 <sup>a</sup>	1,152
Local Government Commission.....	1,010	1,074 <sup>a</sup>	1,010
Local Government Codes.....	11	89 <sup>a</sup>	11
Joint Legislative Air and Water Pollution Control Committee.....	292	510 <sup>a</sup>	292
Legislative Audit Advisory Commission.....	150	245 <sup>a</sup>	150
Independent Regulatory Review Commission.....	1,680	1,850 <sup>a</sup>	1,680
Capitol Preservation Committee.....	414	710 <sup>a</sup>	608
Capitol Restoration.....	1,811	1,850 <sup>a</sup>	1,811
Commission on Sentencing.....	1,327	1,800 <sup>a</sup>	1,730
(F)JAG - Consolidated Project Grants (EA).....	1,280	1,280	1,280
Center For Rural Pennsylvania.....	653	875 <sup>a</sup>	653
Commonwealth Mail Processing Center.....	2,894	2,894	2,894
Legislative Reapportionment Commission.....	2,400	1,200	1,200
Independent Fiscal Office.....	1,900	1,675	1,675
Subtotal.....	\$ 35,761	\$ 36,612	\$ 34,833
Subtotal - State Funds.....	\$ 41,898	\$ 44,500	\$ 40,970
Subtotal - Federal Funds.....	1,280	1,280	1,280
Total - General Government.....	\$ 43,178	\$ 45,780	\$ 42,250
STATE FUNDS.....	\$ 41,898	\$ 44,500	\$ 40,970
FEDERAL FUNDS.....	1,280	1,280	1,280
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 43,178</b>	<b>\$ 45,780</b>	<b>\$ 42,250</b>
<b>OTHER FUNDS:</b>			
<b>JUSTICE REINVESTMENT FUND:</b>			
Commission on Sentencing.....	\$ 0	\$ 0	\$ 217
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 41,898	\$ 44,500	\$ 40,970
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	1,280	1,280	1,280
OTHER FUNDS.....	0	0	217
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 43,178</b>	<b>\$ 45,780</b>	<b>\$ 42,467</b>

<sup>a</sup> Amount shown includes funding transferred from prior year accounts. Funding recommendations for 2013-14 reflect level funding of appropriations consistent with the 2012-13 enacted amount.

## Program Funding Summary

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GOVERNMENT SUPPORT AGENCIES</b>							
GENERAL FUND.....	\$ 41,898	\$ 44,500	\$ 40,970	\$ 40,970	\$ 40,970	\$ 40,970	\$ 40,970
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.....	0	0	217	400	400	400	400
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 43,178</b>	<b>\$ 45,780</b>	<b>\$ 42,467</b>	<b>\$ 42,650</b>	<b>\$ 42,650</b>	<b>\$ 42,650</b>	<b>\$ 42,650</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 41,898	\$ 44,500	\$ 40,970	\$ 40,970	\$ 40,970	\$ 40,970	\$ 40,970
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.....	0	0	217	400	400	400	400
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 43,178</b>	<b>\$ 45,780</b>	<b>\$ 42,467</b>	<b>\$ 42,650</b>	<b>\$ 42,650</b>	<b>\$ 42,650</b>	<b>\$ 42,650</b>

# Government Support Agencies

*PROGRAM OBJECTIVE: To provide research, fiscal and regulatory review, and administrative and operational support.*

## Program: Government Support Agencies

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 to propose 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 and 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 Pennsylvania Commission on Sentencing adopts statewide sentencing guidelines. Act 196 of 2012 distributes 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 correspondences, 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 Pennsylvania Independent Fiscal Office provides nonpartisan budget information and analysis.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND**  
**Government Support Agencies**  
 \$ -3,530 —funding transferred from prior year appropriations.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL FUND:</b>							
Government Support Agencies.....	\$ 41,898	\$ 44,500	\$ 40,970	\$ 40,970	\$ 40,970	\$ 40,970	\$ 40,970

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Commonwealth of Pennsylvania

Governor's Executive Budget

# *CAPITAL BUDGET*

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# CAPITAL BUDGET

## Program Summary

This section contains the 2013-14 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 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 new buildings and renovation projects. Also included are nonstructural improvements and the acquisition of land. The design and construction for the majority of these projects is administered by the Department of General Services. However, Keystone Recreation, Park and Conservation and the 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** — These projects include: (a) the purchase of rolling stock and construction or improvement of facilities operated by mass transportation agencies throughout the commonwealth; (b) the acquisition, construction and equipping of rural and intercity common carrier surface transportation systems or any components thereof; and (c) 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.

**Capital Budget Financing** — As is indicated wherever necessary, many capital projects are financed by current revenues either from dedicated sources or appropriations through operating budgets. However, most of the authorizations recommended in the capital budget are debt financed for varying terms by General Obligation Bonds. See the Public Debt Section (Section G) for further discussion of Debt Policy.

The Capital Budget section consists of the following subsections.

**2013-14 New Project Authorizations** — This section itemizes and describes the new capital projects recommended for authorization in 2013-14 and their proposed source of funding. The projects are listed by department and capital project category.

**Impact on Operating Costs** — The description of each capital project recommended for authorization 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 very large scale project is implemented which will dramatically change these and other elements of an operating budget. In these cases, the expected change in operating expenses is quantified. An additional case in which the net change in operating cost will be quantified is where new construction will result in a significant increase in the capital asset base. In this case, the

estimated effect on operating costs will be shown with the capital project when recommended for authorization. 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 the categories of 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, etc. Any change in operating costs will, therefore, be borne by an entity other than the commonwealth. One other category of capital authorizations which will not provide a statement of operating cost impact is Highway and Bridge projects. 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 great. As a result, the total highway operating budget experiences very little net change.

**Forecast of Future Projects** — This section contains a dollar forecast of new capital projects to be requested during each of the fiscal years 2014-15 through 2017-18. The projections are grouped by department and capital project category.

**Estimate of Capital 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 2013-14 and projects which will be authorized in the future (2014-18).

## 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)

	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>GENERAL OBLIGATION BOND FUNDING</b>					
<b>Revenues</b>					
Capital Facilities Bonds:					
Public Improvement Projects - Buildings and Structures.....	\$ 677,400	\$ 570,000	\$ 500,000	\$ 565,000	\$ 450,000
Public Improvement Projects - Furniture and Equipment.....	10,000	40,000	7,000	1,000	0
Redevelopment Assistance Projects.....	340,000	335,000	330,000	300,000	185,000
Flood Control Projects.....	10,000	20,000	21,000	28,000	7,000
Transportation Assistance Projects.....	175,000	175,000	175,000	175,000	175,000
Less: Costs of Issue.....	-19,050	-17,100	-15,495	-16,035	-8,170
Miscellaneous Revenue.....	20,945	1,037	914	975	997
Change in Available Cash.....	10,420	1,240	24,679	-11,885	-4,461
Total.....	<u>\$ 1,224,715</u>	<u>\$ 1,125,177</u>	<u>\$ 1,043,098</u>	<u>\$ 1,042,055</u>	<u>\$ 805,366</u>
<b>Expenditures</b>					
Capital Facilities Fund:					
Public Improvement Projects - Buildings and Structures.....	\$ 693,194	\$ 571,346	\$ 500,895	\$ 563,927	\$ 444,633
Public Improvement Projects - Furniture and Equipment.....	9,600	37,492	9,545	0	0
Redevelopment Assistance Projects.....	334,704	320,978	337,296	282,766	177,589
Flood Control Projects.....	12,217	20,362	20,362	20,362	8,145
Transportation Assistance Projects.....	175,000	175,000	175,000	175,000	175,000
Total - General Obligation Bonds.....	<u>\$ 1,224,715</u>	<u>\$ 1,125,177</u>	<u>\$ 1,043,098</u>	<u>\$ 1,042,055</u>	<u>\$ 805,366</u>
<b>FROM CURRENT REVENUES</b>					
Public Improvement Projects - Fish and Boat Fund.....	\$ 750	\$ 13,472	\$ 19,833	\$ 26,194	\$ 29,374
Acquisition, Improvement and Restoration Projects - Keystone Recreation, Park and Conservation Fund.....	18,040	17,961	18,619	15,279	21,407
Acquisition, Rehabilitation and Development Projects Environmental Stewardship Fund.....	7,905	11,761	12,173	12,599	13,040
Highway Projects - Motor License Fund.....	396,414	387,897	380,532	381,252	373,970
Total Current Revenues.....	<u>\$ 423,109</u>	<u>\$ 431,091</u>	<u>\$ 431,156</u>	<u>\$ 435,323</u>	<u>\$ 437,791</u>
<b>TOTAL - ALL FUNDS</b> .....	<u><u>\$ 1,647,824</u></u>	<u><u>\$ 1,556,267</u></u>	<u><u>\$ 1,474,254</u></u>	<u><u>\$ 1,477,378</u></u>	<u><u>\$ 1,243,156</u></u>

Totals may not add due to rounding.

## 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)

	2013-14	2014-15	2015-16	2016-17	2017-18	Total
Agriculture.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources.....	102,398	73,800	102,000	114,000	100,800	492,998
Corrections.....	166,080	0	0	0	0	166,080
Education.....	182,472	294,380	298,500	301,200	298,350	1,374,902
Emergency Management Agency.....	1,000	0	0	0	0	1,000
Environmental Protection.....	10,000	0	0	0	0	10,000
Executive Offices.....	0	0	0	0	0	0
Fish and Boat Commission.....	127,218	2,000	1,500	1,000	1,000	132,718
Game Commission.....	0	2,000	1,000	1,000	1,000	5,000
General Services.....	22,600	0	0	0	0	22,600
Historical and Museum Commission.....	8,700	38,260	32,600	45,800	63,688	189,048
Labor and Industry.....	0	0	0	0	0	0
Military and Veterans Affairs.....	46,700	0	0	0	0	46,700
Public Welfare.....	36,950	30,730	29,400	18,800	0	115,880
State Police.....	9,264	0	0	0	0	9,264
Transportation.....	901,126	475,000	475,000	475,000	475,000	2,801,126
<b>TOTAL.....</b>	<b>\$ 1,614,507</b>	<b>\$ 916,170</b>	<b>\$ 940,000</b>	<b>\$ 956,800</b>	<b>\$ 939,838</b>	<b>\$ 5,367,315</b>

## RECOMMENDED 2013-14 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 Bond Funds			
	Public Improvement Projects	Original Furniture & Equipment	Transportation Assistance Projects	Flood Control Projects
Agriculture.....	\$ 0	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources.....	76,281	0	0	0
Corrections.....	166,080	0	0	0
Education.....	173,072	9,400	0	0
Emergency Management Agency.....	1,000	0	0	0
Environmental Protection.....	10,000	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.....	22,600	0	0	0
Historical and Museum Commission.....	6,000	2,700	0	0
Labor and Industry.....	0	0	0	0
Military and Veterans Affairs.....	46,500	200	0	0
Public Welfare.....	36,950	0	0	0
State Police.....	9,264	0	0	0
Transportation.....	0	0	309,233	0
<b>TOTAL.....</b>	<b>\$ 547,747</b>	<b>\$ 12,300</b>	<b>\$ 309,233</b>	<b>\$ 0</b>

	Current Revenues		All Funds
	Highway Projects	Public Improvement Projects	
Agriculture.....	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources.....	0	26,117	102,398
Corrections.....	0	0	166,080
Education.....	0	0	182,472
Emergency Management Agency.....	0	0	1,000
Environmental Protection.....	0	0	10,000
Executive Offices.....	0	0	0
Fish and Boat Commission.....	0	127,218	127,218
Game Commission.....	0	0	0
General Services.....	0	0	22,600
Historical and Museum Commission.....	0	0	8,700
Labor and Industry.....	0	0	0
Military and Veterans Affairs.....	0	0	46,700
Public Welfare.....	0	0	36,950
State Police.....	0	0	9,264
Transportation.....	48,168	543,725	901,126
<b>TOTAL.....</b>	<b>\$ 48,168</b>	<b>\$ 697,060</b>	<b>\$ 1,614,507</b>

## DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2013-14 PUBLIC IMPROVEMENT PROJECTS</b>				
Parks and Forest Management.....	\$ 93,398	\$ 0	\$ 9,000	\$ 102,398
<b>TOTAL PROJECTS.....</b>	<b>\$ 93,398</b>	<b>\$ 0</b>	<b>\$ 9,000</b>	<b>\$ 102,398</b>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 67,281	\$ 0	\$ 9,000	\$ 76,281
Capital Facilities Fund - Furniture and Equipment.....	0	0	0	0
Subtotal General Obligation Bond Issues.....	\$ 67,281	\$ 0	\$ 9,000	\$ 76,281
<b>Current Revenues</b>				
Keystone Recreation, Park and Conservation Fund - Improvements and Rehabilitation.....	\$ 20,144	\$ 0	\$ 0	\$ 20,144
State Forestry Bridge - Parks and Forest Management.....	5,275	0	0	5,275
Oil & Gas Lease Funds- Parks and Forest Management.....	698	0	0	698
Subtotal Current Revenues.....	\$ 26,117	\$ 0	\$ 0	\$ 26,117
<b>TOTAL.....</b>	<b>\$ 93,398</b>	<b>\$ 0</b>	<b>\$ 9,000</b>	<b>\$ 102,398</b>

## Department of Conservation and Natural Resources 2013-14 Projects

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS</b>				
<b>Program: Parks and Forest Management</b>				
<b>Bald Eagle State Forest, Centre County</b>	\$ 800	\$ 0	\$ 100	\$ 900
REPAIR ROADWAYS: This project will provide for the repair roadways including drainage along Poe Valley Road. When completed, this project is not expected to increase operating costs.				
<b>Lehigh Gorge State Park, Carbon County</b>	3,435	0	400	3,835
REHABILITATE PUBLIC ACCESS AREA: This project will provide for rehabilitation of the White Haven public access area to include trail improvement, parking facilities, modern comfort stations and boat launch. When completed, this project is not expected to increase operating costs				
<b>Delaware State Forest, Pike County</b>	7,000	0	700	7,700
CONSTRUCT RESOURCE MANAGEMENT CENTER: This project will provide for the construction of a new resource center with storage building to meet current needs. When completed, this project is not expected to increase operating costs.				
<b>Michaux State Forest, Franklin County</b>	350	0	100	450
REHABILITATE PICNIC AREA: This project will provide for the rehabilitation of the Old Forge picnic area to meet modern codes, rehabilitate pumphouse and dredge pond. When completed, this project is not expected to increase operating costs.				
<b>Ryerson Station State Park, Greene County</b>	6,500	0	1,000	7,500
DREDGE DUKE LAKE: This project will provide for the dredging of sediment in Duke Lake while dam is being refurbished. The removal of sediment will improve water quality both in the lake and down stream. When completed, this project is not expected to increase operating costs.				
<b>Buchanan State Forest, Bedford County</b>	2,500	0	250	2,750
CONSTRUCT MAINTENANCE HEADQUARTERS: This project will provide for the construction of a new maintenance headquarters with office, shop, garage and equipment storage facility. When completed, this project is not expected to increase operating costs.				

## Department of Conservation and Natural Resources 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Parks and Forest Management</b>				
<b>Statewide Lakes, Various Counties</b>	\$ 2,746	\$ 0	\$ 500	\$ 3,246
DREDGE LAKES: This project will provide for the dredging of various lakes throughout the state and removing sediment. When completed, this project is not expected to increase operating costs.				
<b>Tioga State Forest, Tioga County</b>	3,000	0	300	3,300
CONSTRUCT MAINTENANCE HEADQUARTERS: This project will provide for the construction of a new maintenance headquarters with office, shop, garage and equipment storage facility. When completed, this project is not expected to increase operating costs.				
<b>Forbes State Forest, Westmoreland County</b>	1,500	0	150	1,650
REMEDiate ACID MINE DRAINAGE: This project will provide for the remediation of three acid mines originating on state forest lands. When completed, this project is not expected to increase operating costs.				
<b>Delaware Canal State Park, Bucks/Northampton Counties</b>	13,500	0	1,500	15,000
REPLACE BRIDGES: This project will provide for the replacement of 12 adjacent box beam bridges along Delaware Canal. When completed, this project is not expected to increase operating costs.				
<b>Kittanning State Forest, Venango County</b>	1,500	0	100	1,600
RESTORE BULLION IRON FURNACE: This project will provide for the restoration of the iron furnace including vegetation removal, stonework repairs, repair sluiceway, roadway access. When completed, this project is not expected to increase operating costs.				
<b>Delaware Canal State Park, Bucks/Northampton Counties</b>	2,750	0	250	3,000
CONSTRUCT RESOURCE MANAGEMENT CENTER: This project will provide for the construction of a new resource center with storage building to meet current needs. When completed, this project is not expected to increase operating costs.				

# Capital Budget

## Department of Conservation and Natural Resources 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Parks and Forest Management</b>				
<b>Lackawanna State Forest, Lackawanna County</b>	\$ 750	\$ 0	\$ 100	\$ 850
REMOVE DAM: This project will provide for the the breach and removal of Olyphant # 1 Dam, which is no longer needed for water source. When completed, this project is not expected to increase operating costs.				
<b>Pine Grove Furnace State Park, Cumberland County</b>	1,700	0	300	2,000
REPLACE WATERLINES: This project will provide for the replacement of waterlines throughout the park to provide safe drinking water. When completed, this project is not expected to increase operating costs.				
<b>Bald Eagle State Park, Centre County</b>	3,400	0	600	4,000
OFFICE ADDITION: This project will provide for the construction of an addition to the Park Office and Maintenance building. When completed, this project is not expected to increase operating costs.				
<b>Codorus State Park, York County</b>	2,400	0	0	2,400
PAVE ROADS: This project will provide for the rehabilitation and paving of roads and parking lots for visitor safety. When completed, this project is not expected to increase operating costs				
<b>Susquehannock State Park, Lancaster County</b>	300	0	50	350
REHABILITATE ENTRYWAY: This project will provide for the rehabilitation of entryway from township road to park overlook to make it safe for visitors. When completed, this project is not expected to increase operating costs.				
<b>Pymatuning State Park, Crawford County</b>	3,000	0	500	3,500
REPLACE LINESVILLE LIVERY DOCK: This project will provide for the replacement of existing livery docks throughout the park to ensure public safety. When completed, this project is not expected to increase operating costs.				

# Capital Budget

## Department of Conservation and Natural Resources 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Parks and Forest Management</b>				
<b>Ohioyle State Park, Fayette County</b>	\$ 3,000	\$ 0	\$ 500	\$ 3,500
IMPROVE PARKING: This project will provide for improvements to the Ferncliff Parking Lot and provide additional parking facilities adjacent to the falls area. When completed, this project is not expected to increase operating costs.				
<b>Prince Gallitzin State Park, Cambria County</b>	4,000	0	1,000	5,000
REPLACE WATERLINES: This project will provide for the replacement of six miles of waterlines within the park in order to provide safe drinking water to visitors. When completed, this project is not expected to increase operating costs.				
<b>Little Buffalo State Park, Perry County</b>	400	0	100	500
REPLACE COTTAGES: This project will provide for the replacement of old cottages with new to meet park standards. When completed, this project is not expected to increase operating costs.				
<b>Park Region #2, Various Counties</b>	2,750	0	500	3,250
REMOVE UNDERGROUND TANKS: This project will provide for the removal of 10 underground fuel tanks and remediate the land in 7 state parks and replace with above ground tanks. When completed, this project is not expected to increase operating costs.				
<b>PROGRAM TOTAL.....</b>	<b>\$ 67,281</b>	<b>\$ 0</b>	<b>\$ 9,000</b>	<b>\$ 76,281</b>

## Department of Conservation and Natural Resources 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS</i></b>				
<b>Program: Parks and Forest Management</b>				
<b>Bald Eagle State Park, Centre County</b>	\$ 1,000	\$ 0	\$ 0	\$ 1,000
RENOVATE PARK OFFICE: This project will provide for the renovation of the park office to meet accessibility requirements and improve visitor services. When completed, this project is not expected to increase operating costs.				
<b>Blue Knob State Park, Bedford County</b>	250	0	0	250
REPLACE CULVERTS: This project will provide for the replacement of culverts on Willow Springs Road and repaving. When completed, this project is not expected to increase operating costs.				
<b>Buchanan State Forest, Franklin County</b>	1,750	0	0	1,750
CONSTRUCT RESOURCE MANAGEMENT CENTER: This project will provide for the construction of a resource management center within the forest. When completed, this project is not expected to increase operating costs.				
<b>Caledonia State Park, Franklin County</b>	2,500	0	0	2,500
REHABILITATE CAMPGROUND: This project will provide for the replacement of shower houses and comfort stations and renovate camp sites. When completed, this project is not expected to increase operating costs.				
<b>Delaware Canal State Park, Bucks County</b>	400	0	0	400
REPLACE BRIDGE: This project will replace Lower Limeport Bridge #2682. When completed, this project is not expected to increase operating costs.				
<b>Delaware Canal State Park, Bucks County</b>	750	0	0	750
REPLACE CULVERTS: This project will provide for the replacement of culverts on on Rabbit Run. When completed, this project is not expected to increase operating costs.				
<b>Delaware Canal State Park, Bucks County</b>	400	0	0	400
REPLACE BRIDGE: This project will replace Smithtown Bridge Three Lane #3517. When completed, this project is not expected to increase operating costs.				
<b>Delaware Canal State Park, Bucks County</b>	1,000	0	0	1,000
RECONSTRUCT CANAL: This project will reconstruct canal overflows along the canal. When completed, this project is not expected to increase operating costs.				

## Department of Conservation and Natural Resources 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Parks and Forest Management</b>				
<b>Delaware Canal State Park, Bucks County</b>	\$ 1,000	\$ 0	\$ 0	\$ 1,000
REPLACE BRIDGES: This project will replace Smithtown #5 and Upper Limeport Bridges. When completed, this project is not expected to increase operating costs.				
<b>Frances Slocum State Park, Northampton County</b>	900	0	0	900
DEMOLISH SEWAGE TREATMENT PLANT: This project will provide for the demolition of sewage treatment plant and construct municipal sewer connection. When completed, this project is not expected to increase operating costs.				
<b>Hills Creek State Park, Tioga County</b>	2,500	0	0	2,500
RENOVATE WASHHOUSES: This project will provide for the renovation of campground wash houses and camp sites. When completed, this project is not expected to increase operating costs.				
<b>Lackawanna State Forest, Lackawanna County</b>	244	0	0	244
CONSTRUCT POLE BUILDING: This project will construct a pole building for equipment storage at Thornhurst. When completed, this project is not expected to increase operating costs.				
<b>Lehigh Gorge State Park, Carbon County</b>	300	0	0	300
REPLACE BRIDGE: This project will provide for the replacement of Drake's Creek Bridge # 0508. When completed, this project is not expected to increase operating costs.				
<b>Lehigh Gorge State Park, Carbon County</b>	250	0	0	250
REPLACE BRIDGE: This project will provide for the replacement of Bald Mountain Bridge. When completed, this project is not expected to increase operating costs.				
<b>Locust Lake State Park, Schuylkill County</b>	300	0	0	300
REHABILITATE SEWAGE TREATMENT PLANT: This project will rehabilitate sewage treatment plant. When completed, this project is not expected to increase operating costs.				

## Department of Conservation and Natural Resources 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Parks and Forest Management</b>				
<b>Loyalsock State Forest, Sullivan County</b>	\$ 525	\$ 0	\$ 0	\$ 525
CONSTRUCT STORAGE SHED: This project will provide for the construction of a storage shed at Hillsgrove Ranger Station for equipment. When completed, this project is not expected to increase operating costs.				
<b>Marsh Creek State Park, Chester County</b>	450	0	0	450
REPAIR SPILLWAY: This project will provide for the emergency spillway concrete repairs at dam. When completed, this project is not expected to increase operating costs.				
<b>Michaux State Forest, Adams County</b>	250	0	0	250
CONSTRUCT STORAGE SHED: This project will provide for the construction of big flat equipment storage building. When completed, this project is not expected to increase operating costs.				
<b>Park Region 1, Multiple Counties</b>	300	0	0	300
REPLACE POOL LINERS: This project will replace pool liners at Mt. Pisgah, Bendigo, Hyner, and Sizerville state parks. When completed, this project is not expected to increase operating costs.				
<b>Park Region 3, Multiple Counties</b>	200	0	0	200
REPLACE HVAC: This project will provide for the replacement of the HVAC system and upgrade ADA accessibility at the regional office. When completed, this project is not expected to increase operating costs.				
<b>Ricketts Glen State Park, Luzerne County</b>	800	0	0	800
REPLACE DAM CONTROLS: This project will provide for the replacement of dam control tower at Lake Jean and outlet works. When completed, this project is not expected to increase operating costs.				
<b>Ricketts Glen State Park, Luzerne County</b>	750	0	0	750
RECONSTRUCT ROADWAY: This project will provide for the reconstruction of 1.4 miles of main park road and parking lots with repaving. When completed, this project is not expected to increase operating costs.				

# Capital Budget

## Department of Conservation and Natural Resources 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Parks and Forest Management</b>				
<b>Shikellamy State Park, Northumberland County</b>	\$ 2,500	\$ 0	\$ 0	\$ 2,500
CONSTRUCT CAUSEWAY: This project will provide for the construction of a permanent causeway to service inflatable dam. When completed, this project is not expected to increase operating costs.				
<b>Sinnemahoning State Park, Cameron County</b>	250	0	0	250
REHABILITATE ROADWAY: This project will provide for the rehabilitation of access roadway to visitors' center. When completed, this project is not expected to increase operating costs.				
<b>Susquehannock State Park, Lancaster County</b>	200	0	0	200
REHABILITATE ROADWAY: This project will provide for the rehabilitation of main park road. When completed, this project is not expected to increase operating costs.				
<b>Tiadaghton State Forest, Lycoming County</b>	200	0	0	200
CONSTRUCT TRAIL BRIDGE: This project will provide for the construction of a trail bridge along Black Forest Trail over Slate Run. When completed, this project is not expected to increase operating costs.				
<b>Tioga State Forest, Tioga County</b>	175	0	0	175
UPGRADE TRAIL: This project will provide for the upgrade to Pine Creek Trail and 287 at-grade trail crossing. When completed, this project is not expected to increase operating costs.				
<b>PROGRAM TOTAL.....</b>	<u>\$ 20,144</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,144</u>

# Capital Budget

## Department of Conservation and Natural Resources 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM STATE FORESTRY BRIDGE</b>				
<b>CURRENT REVENUES</b>				
<b>PUBLIC IMPROVEMENT PROJECTS</b>				
<b>Program: Parks and Forest Management</b>				
<b>Elk State Forest, Cameron County</b>	\$ 650	\$ 0	\$ 0	\$ 650
REPLACE ROAD OVER CULVERTS: This project will replace Bell Draft Road over Shaffer Culvert, McDonald Bridge and Bell Draft Culvert. When completed, this project is not expected to increase operating costs.				
<b>Forbes State Forest, Somerset County</b>	800	0	0	800
REPLACE CULVERT: This project will replace box culvert, bridge and roadway on South Wolfe Rock Road. When completed, this project is not expected to increase operating costs.				
<b>Forbes State Forest, Somerset County</b>	600	0	0	600
REPLACE BRIDGES: This project will replace three bridges along South Wolfe Rock Road. When completed, this project is not expected to increase operating costs.				
<b>Kittanning State Forest, Clarion County</b>	500	0	0	500
REPLACE BRIDGE AND CULVERT: This project will replace bridge #1 and culvert #2 on Corbett Road. When completed, this project is not expected to increase operating costs.				
<b>Loyalsock State Forest, Sullivan County</b>	300	0	0	300
REPLACE BRIDGE: This project will replace bridge on Rock Run Road over Loyalsock Creek. When completed, this project is not expected to increase operating costs.				
<b>Rothrock State Forest, Huntingdon County</b>	350	0	0	350
INSTALL GUIDERAIL: This project will install guiderail at seven bridges. When completed, this project is not expected to increase operating costs.				
<b>Rothrock State Forest, Huntingdon County</b>	200	0	0	200
INSTALL BOX CULVERT: This project will install box culvert along Laurel Run Road over tributary to Galbraith Gap Run. When completed, this project is not expected to increase operating costs.				
<b>Rothrock State Forest, Huntingdon County</b>	200	0	0	200
REPLACE CULVERT: This project will replace pipe culvert along Thickhead Mountain Road over Sinking Creek. When completed, this project is not expected to increase operating costs.				

# Capital Budget

## Department of Conservation and Natural Resources 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM STATE FORESTRY BRIDGE CURRENT REVENUES</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: Parks and Forest Management</b>				
<b>Rothrock State Forest, Huntingdon County</b>	\$ 200	\$ 0	\$ 0	\$ 200
REPLACE BRIDGE: This project will replace bridge on Thickhead Mountain Road over Sinking Creek. When completed, this project is not expected to increase operating costs.				
<b>Rothrock State Forest, Huntingdon County</b>	150	0	0	150
REPLACE BRIDGE: This project will replace bridge on Crowfield Road over Standing Stone Creek. When completed, this project is not expected to increase operating costs.				
<b>Sproul State Forest, Clinton County</b>	175	0	0	175
REPLACE BRIDGE: This project will replace bridge on Birch Island Road over Amos Branch. When completed, this project is not expected to increase operating costs.				
<b>Tiadaghton State Forest, Lycoming County</b>	225	0	0	225
REPLACE ROAD: This project will replace Limbaugh Rd over English Run (formerly English Run Rd) Culvert. When completed, this project is not expected to increase operating costs.				
<b>Tiadaghton State Forest, Lycoming County</b>	325	0	0	325
REPLACE BRIDGE: This project will replace bridge on Spoor Hollow Road Bridge #16-0001 over Norris Brook. When completed, this project is not expected to increase operating costs.				
<b>Tuscarora State Forest, Perry County</b>	200	0	0	200
REPLACE BRIDGE: This project will replace bridge on Gunter Valley Road over Trout Run. When completed, this project is not expected to increase operating costs.				
<b>Tuscarora State Forest, Perry County</b>	200	0	0	200
REPLACE CULVERT: This project will replace Gunter Valley Box Culvert. When completed, this project is not expected to increase operating costs.				
<b>Weiser State Forest, Schuylkill County</b>	200	0	0	200
CONSTRUCT CULVERT: This project will construct Weaver Road (2nd Mountain) Ford Crossing Box Culvert. When completed, this project is not expected to increase operating costs.				
PROGRAM TOTAL.....	<u>\$ 5,275</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,275</u>

# Capital Budget

## Department of Conservation and Natural Resources 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM OIL &amp; GAS LEASE FUNDS</b>				
<b>CURRENT REVENUES</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS</i></b>				
<b>Program: Parks and Forest Management</b>				
<b>Codorus State Park, York County</b>	\$ 150	\$ 0	\$ 0	\$ 150
CONSTRUCT CAMPING COTTAGES: This project provides for the construction of camping cottages within the park. When completed, this project is not expected to increase operating costs.				
<b>Ricketts Glen State Park, Luzerne County</b>	548	0	0	548
CONSTRUCT CAMPING COTTAGES: This project provides for the construction of camping cottages within the park. When completed, this project is not expected to increase operating costs.				
<b>PROGRAM TOTAL.....</b>	<b>\$ 698</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 698</b>

## DEPARTMENT OF CORRECTIONS

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2013-14 PUBLIC IMPROVEMENT PROJECTS</b>				
Institutionalization of Offenders.....	\$ 132,864	\$ 0	\$ 33,216	\$ 166,080
TOTAL PROJECTS.....	<u>\$ 132,864</u>	<u>\$ 0</u>	<u>\$ 33,216</u>	<u>\$ 166,080</u>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 132,864	\$ 0	\$ 33,216	\$ 166,080
Capital Facilities Fund - Furniture and Equipment.....	0	0	0	0
Subtotal General Obligation Bond Issues.....	<u>132,864</u>	<u>0</u>	<u>33,216</u>	<u>166,080</u>
TOTAL.....	<u>\$ 132,864</u>	<u>\$ 0</u>	<u>\$ 33,216</u>	<u>\$ 166,080</u>

## Department of Corrections 2013-14 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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### FROM CAPITAL FACILITIES BOND FUNDS

#### **PUBLIC IMPROVEMENT PROJECTS**

##### **Program: Institutionalization of Offenders**

###### **State Correctional Institution at Mahanoy**

\$ 6,640	\$ 0	\$ 1,660	\$ 8,300
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REPAIR FACE BLOCK ADDITIONAL FUNDING: This project will provide for the additional funding to repair to deteriorated face block on inmate housing units and the repair of infrastructure. When completed, this project is not expected to increase operating costs.

###### **State Correctional Institutions Statewide**

7,200	0	1,800	9,000
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REPLACE DOOR CONTROL SYSTEMS: This project will replace door control systems in central control, housing units and other buildings in various institutions. When completed, this project is not expected to increase operating costs.

###### **State Correctional Institution at Mercer**

1,280	0	320	1,600
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REPLACE CELL DOORS: This project will replace cell doors on A, F, and M blocks to comply with policy standards. When completed, this project is not expected to increase operating costs.

###### **State Correctional Institution at Cambridge Springs**

1,252	0	313	1,565
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INSTALL EXTERIOR LIGHTING: This project will install perimeter lights around the circumference. When completed, this project is not expected to increase operating costs.

###### **State Correctional Institution at Forest**

6,000	0	1,500	7,500
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INSTALL CORRECTIONAL INCENTIVES PROGRAM: This project will provide for the installation of interior of the Correctional Institute building in order to create a CI program. When completed, this project is not expected to increase operating costs.

###### **State Correctional Institution at Pine Grove**

544	0	136	680
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EXPAND CONTROL ROOM: This project will expand and renovate the main control room to satisfy current needs. When completed, this project is not expected to increase operating costs.

## Department of Corrections 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Institutionalization of Offenders</b>				
<b>State Correctional Institution at Dallas</b>	\$ 3,200	\$ 0	\$ 800	\$ 4,000
ADDITIONAL FUNDING : This project will provide for additional funding for project 578-24 - upgrade storm and sewage plant. When completed, this project is not expected to increase operating costs.				
<b>Elizabethtown Training Academy at Elizabethtown</b>	2,500	0	625	3,125
RENOVATE BOILER PLANT: This project will provide for the renovation to boiler plant including boilers and associated equipment, which have met their useful life. When completed, this project is not expected to increase operating costs.				
<b>State Correctional Institution at Waymart</b>	3,408	0	852	4,260
ADDITIONAL FUNDING: This project will provide additional funding for project # 1578-7 - renovate boiler plant. When completed, this project is not expected to increase operating costs.				
<b>Elizabethtown Training Academy at Elizabethtown</b>	360	0	90	450
REPLACE FIRE ALARM SYSTEM: This project will provide for the replacement of current fire alarm system to meet life safety codes. When completed, this project is not expected to increase operating costs.				
<b>State Correctional Institution at Somerset</b>	400	0	100	500
UPGRADE WATER PUMPING SYSTEM: This project will provide for the installation of a new water pump within the facility. When completed, this project is not expected to increase operating costs.				
<b>State Correctional Institution at Graterford</b>	1,100	0	275	1,375
REPLACE ROOFS: This project will provide for the removal and replacement of EPDM roofing and drain system on Correctional Industries and maintenance buildings. When completed, this project is not expected to increase operating costs.				
<b>State Correctional Institution at Rockview</b>	640	0	160	800
EXPAND PARKING: This project will provide for the expansion of parking and repave access roads and parking lots. When completed, this project is not expected to increase operating costs.				

## Department of Corrections 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Institutionalization of Offenders</b>				
<b>State Correctional Institution at Waymart</b>	\$ 3,680	\$ 0	\$ 920	\$ 4,600
CONSTRUCT EDUCATION BUILDING: This project will provide for the construction of a new education building to meet modern standards. When completed, this project is not expected to increase operating costs.				
<b>State Correctional Institution at Muncy</b>	1,440	0	360	1,800
EXPAND PARKING: This project will provide for the expansion of parking and repave access roads and parking lots. When completed, this project is not expected to increase operating costs.				
<b>State Correctional Institution at Mercer</b>	480	0	120	600
UPGRADE ELECTRICAL: This project will provide for the upgrade of electrical panels, switches and breakers throughout the facility. When completed, this project is not expected to increase operating costs.				
<b>Elizabethtown Training Academy at Elizabethtown</b>	400	0	100	500
REPLACE WATER LINES: This project will provide for the replacement of the domestic and fire waterlines and add fire hydrants to meet emergency response needs. When completed, this project is not expected to increase operating costs.				
<b>State Correctional Institution at Waymart</b>	1,400	0	350	1,750
EXPAND PARKING: This project will provide for the expansion of parking and repave access roads and parking lots. When completed, this project is not expected to increase operating costs.				
<b>State Correctional Institution at Camp Hill</b>	10,000	0	2,500	12,500
RENOVATE KITCHEN: This project will provide for the renovation of Kitchen #2 to include dock expansion, food preparation, storage and dining areas along with renovations to HVAC, lighting, fire alarm and refrigerator/freezer systems. When completed, this project is not expected to increase operating costs.				
<b>State Correctional Institution at Mahanoy</b>	640	0	160	800
EXPAND PARKING: This project will provide for the expansion of parking and repave access roads and parking lots. When completed, this project is not expected to increase operating costs.				

# Capital Budget

## Department of Corrections 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Institutionalization of Offenders</b>				
<b>State Correctional Institution at Muncy</b>	\$ 1,000	\$ 0	\$ 250	\$ 1,250
REPLACE HOUSING: This project will provide for the replacement of existing modular housing unit approximately 11,000 square feet to be ADA compliant. When completed, this project is not expected to increase operating costs.				
<b>State Correctional Institution at Waymart</b>	2,000	0	500	2,500
RENOVATE HOUSING: This project will provide for the renovation and expansion of A block housing unit to facilitate a larger bathroom including infrastructure. When completed, this project is not expected to increase operating costs.				
<b>State Correctional Institution at Muncy</b>	2,500	0	625	3,125
CONSTRUCT TREATMENT CENTER: This project will provide for the construction of a new treatment center to provide office and group treatment areas. When completed, this project is not expected to increase operating costs.				
<b>State Correctional Institution at Muncy</b>	10,000	0	2,500	12,500
RENOVATE HOUSING: This project will provide for the renovation of housing units including ADA improvements, electrical upgrades, HVAC Systems, and replacement of windows and doors. When completed, this project is not expected to increase operating costs.				
<b>State Correctional Institution at Camp Hill</b>	64,800	0	16,200	81,000
RECONSTRUCT HOUSING UNITS: This project will provide for the demolition of housing units A, B, C, and D and construction of four new housing units including infrastructure to meet codes and standards. When completed, this project is not expected to increase operating costs.				
 PROGRAM TOTAL.....	 <u>\$ 132,864</u>	 <u>\$ 0</u>	 <u>\$ 33,216</u>	 <u>\$ 166,080</u>

## DEPARTMENT OF EDUCATION

### Summary of Recommended Authorization Amounts by Program and Source of Funds

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2013-14 PUBLIC IMPROVEMENT PROJECTS</b>				
Higher Education - State-Related Universities.....	\$ 85,817	\$ 0	\$ 12,655	\$ 98,472
Higher Education - State System of Higher Education.....	69,000	0	15,000	84,000
 TOTAL PROJECTS.....	<u>\$ 154,817</u>	<u>\$ 0</u>	<u>\$ 27,655</u>	<u>\$ 182,472</u>
 <b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 146,417	\$ 0	\$ 26,655	\$ 173,072
Capital Facilities Fund - Furniture and Equipment.....	8,400	0	1,000	9,400
 Subtotal General Obligation Bond Issues.....	<u>\$ 154,817</u>	<u>\$ 0</u>	<u>\$ 27,655</u>	<u>\$ 182,472</u>
 TOTAL.....	<u>\$ 154,817</u>	<u>\$ 0</u>	<u>\$ 27,655</u>	<u>\$ 182,472</u>

## Department of Education 2013-14 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location and cost components. Operating cost impacts are not provided for these projects since these costs are borne by the operating budget of each university.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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### FROM CAPITAL FACILITIES BOND FUNDS

### **PUBLIC IMPROVEMENT PROJECTS**

#### **Program: Higher Education - State-Related Universities**

<b>Lincoln University</b>	\$ 16,000	\$ 0	\$ 4,000	\$ 20,000
RENOVATE ALUMNI HOUSE: This project will provide for the renovation and expansion of the Alumni House including infrastructure, kitchen upgrades, dining facilities, and parking. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>Pennsylvania State University</b>	24,000	0	0	24,000
CONSTRUCT NEW DATA CENTER: This project will provide for the construction of a new data center at the Milton S. Hershey Medical Center to accommodate current and future needs. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>University of Pittsburgh</b>	12,000	0	3,000	15,000
RENOVATE BELLEFIELD HALL: This project will provide for the renovation of the Bellefield Hall including infrastructure, common areas, locker areas, HVAC and ADA compliance. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>Temple University</b>	8,000	0	2,000	10,000
DEMOLISH BARTON HALL: This project will provide for the demolition of Barton Hall and remediation to create a campus quad as part of the master plan. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>Thaddeus Stevens College of Technology</b>	895	0	122	1,017
RENOVATE MELLOR BUILDING: This project will provide for the renovation of the Mellor Classroom and Administration Building to meet modern codes including ADA, HVAC, masonry, lead abatement and other necessary improvements. When completed, this project will not increase operating costs since the college is responsible for maintenance.				

## Department of Education 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Higher Education - State-Related Universities</b>				
<b>Thaddeus Stevens College of Technology</b> UPGRADE MAIN CAMPUS ELECTRIC: This project will provide for the upgrade of the electrical system campus-wide to meet modern demands. When completed, this project will not increase operating costs since the college is responsible for maintenance.	2,530	0	345	2,875
<b>Thaddeus Stevens College of Technology</b> RENOVATE LEARNING RESOURCE CENTER: This project will provide for the renovation of the Learning Resource Center to meet modern codes including ADA and HVAC. When completed, this project will not increase operating costs since the college is responsible for maintenance.	2,018	0	282	2,300
<b>Thaddeus Stevens College of Technology</b> UPGRADE HVAC MAIN CAMPUS: This project will provide for the upgrade to the HVAC including controls in three main buildings and two auxiliary buildings. When completed, this project will not increase operating costs since the college is responsible for maintenance.	352	0	48	400
<b>Thaddeus Stevens College of Technology</b> RENOVATE METALS FABRICATION AND WELDING SHOP: This project will provide for the renovation of the metal fabrication and welding shop including new exhaust system and welding stations. When completed, this project will not increase operating costs since the college is responsible for maintenance.	220	0	30	250
<b>Thaddeus Stevens College of Technology</b> ABATEMENT OF LEAD PAINT AND REPAINT: This project will provide for the lead paint abatement and painting of two campus buildings. When completed, this project will not increase operating costs since the college is responsible for maintenance.	202	0	28	230
<b>Thaddeus Stevens College of Technology</b> RENOVATE HARTZELL HALL: This project will provide for the addition and renovation to Hartzell Hall to include a second floor with additional classroom and office space. When completed, this project will not increase operating costs since the college is responsible for maintenance.	4,400	0	600	5,000

# Capital Budget

## Department of Education 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Higher Education - State-Related Universities</b>				
<b>Thaddeus Stevens College of Technology</b>	\$ 4,400	\$ 0	\$ 600	\$ 5,000
DEMOLISH BUILDING: This project will provide for the demolition of existing building and construction of a new multipurpose classroom building. When completed, this project will not increase operating costs since the college is responsible for maintenance.				
<b>Thaddeus Stevens College of Technology</b>	4,400	0	600	5,000
UPGRADE INFORMATION DISTRIBUTION: This project will provide for the upgrade of the IT distribution including electrical wiring throughout the campus. When completed, this project will not increase operating costs since the college is responsible for maintenance.				
<b>Lincoln University</b>	4,000	0	1,000	5,000
ORIGINAL FURNITURE AND EQUIPMENT, ALUMNI HOUSE: This project will provide the necessary furniture and equipment associated with the renovation of the Alumni House. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>Pennsylvania State University</b>	2,400	0	0	2,400
ORIGINAL FURNITURE AND EQUIPMENT, HERSHEY DATA CENTER: This project will provide the necessary furniture and equipment associated with the design and construction of the Milton S. Hershey Data Center. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
PROGRAM TOTAL.....	<u>\$ 85,817</u>	<u>\$ 0</u>	<u>\$ 12,655</u>	<u>\$ 98,472</u>

## Department of Education 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Higher Education - State System of Higher Education</b>				
<b>Cheyney University</b>	\$ 8,000	\$ 0	\$ 2,000	\$ 10,000
RENOVATE COPE ATHLETIC COMPLEX: This project will provide additional funding for the renovation of the Cope athletic complex and supporting academic spaces. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>Kutztown University</b>	5,000	0	0	5,000
RENOVATE DeFRANCESCO BUILDING: This project will provide for the renovation of the DeFrancesco Building interior and exterior including infrastructure to meet modern codes. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>Edinboro University</b>	1,000	0	0	1,000
REHABILITATE PORRECO CENTER: This project will provide for the rehabilitation of existing facilities to house precision tool and mold design classrooms, labs, and instructional shop floor. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>Slippery Rock University</b>	1,000	0	0	1,000
RENOVATE MCKAY BUILDING; This project will provide for additional funding for the renovation, demolition and construction of an addition including infrastructure to the McKay Building. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>Mansfield University</b>	6,400	0	1,600	8,000
EXPAND BUTLER MUSIC CENTER: This project will provide for the expansion of the Butler Music Center including infrastructure and code requirements to satisfy current and future needs. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>West Chester University</b>	12,000	0	3,000	15,000
CONSTRUCT ATHLETICS FACILITY: This project will provide for the construction of a new athletics facility, approximately 85,000 square feet, on the south complex to include infrastructure and code compliance. When completed, this project will not increase operating costs since the university is responsible for maintenance.				

# Capital Budget

## Department of Education 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Higher Education - State System of Higher Education (continued)</b>				
<b>West Chester University</b>	\$ 16,000	\$ 0	\$ 4,000	\$ 20,000
RENOVATE STURZEBECKER HEALTH SCIENCE CENTER: This project will provide additional funding for the renovation of the Sturzebecker Health Science Center including a new addition. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>Mansfield University</b>	4,800	0	1,200	6,000
REROUTE MORRIS DRIVE: This project will provide for the rerouting of Morris Drive to accommodate increasing pedestrian traffic associated with the development of new campus housing. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>Mansfield University</b>	4,800	0	1,200	6,000
DEMOLISH MAPLE HALL: This project will provide for the demolition of Maple Hall and construct new parking lot to meet needs of faculty, staff, and students. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>Mansfield University</b>	8,000	0	2,000	10,000
UPGRADE CAMPUS INFRASTRUCTURE: This project will provide for the upgrade of utilities and infrastructure campus-wide and replace outdated systems to meet modern codes. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>Indiana University of Pennsylvania</b>	2,000	0	0	2,000
ORIGINAL FURNITURE AND EQUIPMENT, WEYANDT/WALSH HALLS: This project will provide the necessary furniture and equipment associated with the renovation of Weyandt/Walsh Halls. When completed, this project will not increase operating costs since the university is responsible for maintenance.				
<b>PROGRAM TOTAL</b> .....	<u>\$ 69,000</u>	<u>\$ 0</u>	<u>\$ 15,000</u>	<u>\$ 84,000</u>

## DEPARTMENT OF ENVIRONMENTAL PROTECTION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2013-14 PUBLIC IMPROVEMENT PROJECTS</b>				
Environmental Protection and Management.....	\$ 8,500	\$ 0	\$ 1,500	\$ 10,000
 TOTAL PROJECTS.....	<u>\$ 8,500</u>	<u>\$ 0</u>	<u>\$ 1,500</u>	<u>\$ 10,000</u>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 8,500	\$ 0	\$ 1,500	\$ 10,000
 TOTAL.....	<u>\$ 8,500</u>	<u>\$ 0</u>	<u>\$ 1,500</u>	<u>\$ 10,000</u>

## Department of Environmental Protection 2013-14 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Project Cost
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**FROM CAPITAL FACILITIES BOND FUNDS**

***PUBLIC IMPROVEMENT PROJECTS***

**Program: Environmental Protection and Management**

**Bloomsburg, Columbia County**

FLOOD PROTECTION PROJECT: This project will provide for flood protection for the town of Bloomsburg including watershed and channel improvements. When completed, this project is not expected to increase operating costs.

\$ 8,500	\$ 0	\$ 1,500	\$ 10,000
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PROGRAM TOTAL.....

<u>\$ 8,500</u>	<u>\$ 0</u>	<u>\$ 1,500</u>	<u>\$ 10,000</u>
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## FISH AND BOAT COMMISSION

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2013-14 PUBLIC IMPROVEMENT PROJECTS</b>				
Recreational Fishing and Boating.....	\$ 127,218	\$ 0	\$ 0	\$ 127,218
TOTAL PROJECTS.....	<u>\$ 127,218</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 127,218</u>
<b>SOURCE OF FUNDS</b>				
<b>Current Revenues</b>				
Fish and Boat Funds.....	\$ 127,218	\$ 0	\$ 0	\$ 127,218
TOTAL.....	<u>\$ 127,218</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 127,218</u>

## Fish and Boat Commission 2013-14 Projects

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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### FROM FISH AND BOAT FUNDS

### **PUBLIC IMPROVEMENT PROJECTS**

#### **Program: Recreational Fishing and Boating**

##### **Kaercher Creek, Berks County**

\$ 5,063	\$ 0	\$ 0	\$ 5,063
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CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.

##### **Levittown Lake, Bucks County**

1,875	0	0	1,875
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CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.

##### **Duman Lake, Cambria County**

1,875	0	0	1,875
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CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.

##### **Gap Lake, Centre County**

250	0	0	250
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BREACH DAM: This project will provide for the design and breaching of a dam. When completed, this project is not expected to increase operating costs.

##### **Schaffer Mill Dam, Cumberland County**

625	0	0	625
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CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.

##### **Springfield Reservoir, Cumberland County**

625	0	0	625
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CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.

##### **Hatchery Dam, Erie County**

625	0	0	625
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CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.

## Fish and Boat Commission 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM FISH AND BOAT FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS</i></b>				
<b>Program: Recreational Fishing and Boating</b>				
<b>Lily Lake, Luzerne County</b>	\$ 313	\$ 0	\$ 0	\$ 313
CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Mt. Springs Dam, Luzerne County</b>	250	0	0	250
BREACH DAM: This project will provide for the design and breaching of a dam. When completed, this project is not expected to increase operating costs.				
<b>High Point Lake, Somerset County</b>	8,250	0	0	8,250
CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Hunters Lake Recreation Dam, Sullivan County</b>	1,250	0	0	1,250
CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Stump Pond Dam, Susquehanna County</b>	625	0	0	625
CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Browns Pond, Warren County</b>	625	0	0	625
CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Douglas Pond, Wayne County</b>	625	0	0	625
CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				

## Fish and Boat Commission 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM FISH AND BOAT FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS</b>				
<b>Program: Recreational Fishing and Boating</b>				
<b>Long Pond, Wayne County</b>	\$ 625	\$ 0	\$ 0	\$ 625
CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Miller Pond, Wayne County</b>	6,563	0	0	6,563
CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>White Oak Pond, Wayne County</b>	6,563	0	0	6,563
CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Winola Lake, Wyoming County</b>	313	0	0	313
CONSTRUCT DAM: This project will provide for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Northeast, Erie County</b>	10,625	0	0	10,625
CONSTRUCT MARINA: This project will provide for the design and construction of a marina out building and effluent treatment facility improvements. When completed, this project is not expected to increase operating costs.				
<b>Mauch Chunk Lake, Carbon County</b>	5,625	0	0	5,625
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				

## Fish and Boat Commission 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM FISH AND BOAT FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS</i></b>				
<b>Program: Recreational Fishing and Boating</b>				
<b>Coyler Lake, Centre County</b>	\$ 1,625	\$ 0	\$ 0	\$ 1,625
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Briar Creek Lake, Columbia County</b>	6,875	0	0	6,875
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Tamarack Lake, Crawford County</b>	11,096	0	0	11,096
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Meadow Grounds Dam, Fulton County</b>	2,188	0	0	2,188
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Hemlock Lake, Indiana County</b>	3,438	0	0	3,438
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				

## Fish and Boat Commission 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM FISH AND BOAT FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS</i></b>				
<b>Program: Recreational Fishing and Boating</b>				
<b>Harris Pond Dam, Luzerne County</b>	\$ 2,625	\$ 0	\$ 0	\$ 2,625
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Rose Valley Lake, Lycoming County</b>	3,438	0	0	3,438
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>East Bangor Lake, Northampton County</b>	556	0	0	556
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Walker Lake, Snyder County</b>	7,688	0	0	7,688
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Somerset Lake, Somerset County</b>	1,700	0	0	1,700
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				

## Fish and Boat Commission 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM FISH AND BOAT FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS</i></b>				
<b>Program: Recreational Fishing and Boating</b>				
<b>Beechwood Lake, Tioga County</b>	\$ 6,188	\$ 0	\$ 0	\$ 6,188
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Kahle Lake, Venango County</b>	4,825	0	0	4,825
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Belmont Lake, Wayne County</b>	1,188	0	0	1,188
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Lower Woods Pond, Wayne County</b>	1,188	0	0	1,188
CONSTRUCT DAM ADDITIONAL FUNDING: This project will provide for additional funding for the design and construction of a dam to meet current safety requirements. When completed, this project is not expected to increase operating costs.				
<b>Bellefonte, Centre County</b>	5,375	0	0	5,375
REHABILITATE TREATMENT CENTER: This project will provide for the design, rehabilitation and construction of buildings, effluent treatment facility and related infrastructure. When completed, this project is not expected to increase operating costs.				

## Fish and Boat Commission 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM FISH AND BOAT FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS</b>				
<b>Program: Recreational Fishing and Boating</b>				
<b>Pleasant Gap, Centre County</b>	\$ 3,013	\$ 0	\$ 0	\$ 3,013
REHABILITATE TREATMENT CENTER: This project will provide for the design, rehabilitation and construction of buildings, effluent treatment facility and related infrastructure. When completed, this project is not expected to increase operating costs.				
<b>Benner Spring, Centre County</b>	5,044	0	0	5,044
REHABILITATE TREATMENT CENTER: This project will provide for the design, rehabilitation and construction of buildings, effluent treatment facility and related infrastructure. When completed, this project is not expected to increase operating costs.				
<b>Fairview, Erie County</b>	734	0	0	734
REHABILITATE TREATMENT CENTER: This project will provide for the design, rehabilitation and construction of buildings, effluent treatment facility and related infrastructure. When completed, this project is not expected to increase operating costs.				
<b>Van Dyke, Juniata County</b>	2,875	0	0	2,875
REHABILITATE FISH CENTER: This project will provide for the design, rehabilitation and construction of fish-rearing facilities with related infrastructure. When completed, this project is not expected to increase operating costs.				
<b>Pleasant Gap Regional Office Building, Centre County</b>	2,375	0	0	2,375
REPLACE BUILDING: This project will provide for the remodel or replacement of current office buildings in order to provide for current and future needs including infrastructure and safety needs. When completed, this project is not expected to increase operating costs.				
<b>PROGRAM TOTAL.....</b>	<b>\$ 127,218</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 127,218</b>

## DEPARTMENT OF GENERAL SERVICES

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2013-14 PUBLIC IMPROVEMENT PROJECTS</b>				
Facility, Property and Commodity Management.....	\$ 40,080	\$ 0	\$ 4,520	\$ 44,600
TOTAL PROJECTS.....	<u>\$ 40,080</u>	<u>\$ 0</u>	<u>\$ 4,520</u>	<u>\$ 44,600</u>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 18,080	\$ 0	\$ 4,520	\$ 22,600
Capital Facilities Fund - Furniture and Equipment.....	22,000	0	0	22,000
TOTAL.....	<u>\$ 40,080</u>	<u>\$ 0</u>	<u>\$ 4,520</u>	<u>\$ 44,600</u>

## Department of General Services 2013-14 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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### FROM CAPITAL FACILITIES BOND FUNDS

#### **PUBLIC IMPROVEMENT PROJECTS**

##### **Program: Facility, Property and Commodity Management**

<b>22nd &amp; Forster Building, Dauphin County</b>	\$ 480	\$ 0	\$ 120	\$ 600
REPLACE CHILLER: This project will provide for the replacement of the chiller which controls the cooling system. When completed, this project is not expected to increase operating costs.				
<b>Rachel Carson Building, Dauphin County</b>	800	0	200	1,000
REPLACE DIFFUSERS: This project will provide for the replacement of the moduline diffusers used for temperature control. When completed, this project is not expected to increase operating costs.				
<b>Reading State Office Building, Berks County</b>	800	0	200	1,000
RENOVATE BOILERS: This project will provide for the replacement of the coal boilers with more efficient system. When completed, this project is not expected to increase operating costs.				
<b>Health &amp; Welfare Building, Dauphin County</b>	3,200	0	800	4,000
REFURBISH RESTROOMS: This project will provide for the complete renovation all building restrooms to meet modern codes. When completed, this project is not expected to increase operating costs.				
<b>Labor &amp; Industry Building, Dauphin County</b>	6,400	0	1,600	8,000
REFURBISH RESTROOMS: This project will provide for the complete renovation all building restrooms to meet modern codes. When completed, this project is not expected to increase operating costs.				
<b>State Museum Building, Dauphin County</b>	2,000	0	500	2,500
REPLACE SWITCHGEAR: This project will provide for the replacement of secondary switchgear including under floor feeders to be in compliance with modern codes. When completed, this project is not expected to increase operating costs.				
<b>Petry Building - Annex Complex, Dauphin County</b>	400	0	100	500
REPLACE GENERATOR: This project will provide for the replacement of the generator, which is obsolete and not repairable. When completed, this project is not expected to increase operating costs.				

## Department of General Services 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Facility, Property and Commodity Management</b>				
<b>Capitol Complex, Dauphin County</b>	\$ 4,000	\$ 0	\$ 1,000	\$ 5,000
ADDITIONAL FUNDING DGS PROJECT 948-81: This project will provide for additional funding for Capitol Complex rehabilitation and improvement project 948-81 including infrastructure. When completed, this project is not expected to increase operating costs.				
<b>Family Court Complex, Philadelphia County</b>	22,000	0	0	22,000
ORIGINAL FURNITURE AND EQUIPMENT, FAMILY COURT: This project will provide the necessary furniture and equipment associated with the construction of the family court building in Philadelphia. When completed, this project is not expected to increase operating costs.				
<b>PROGRAM TOTAL.....</b>	<u>\$ 40,080</u>	<u>\$ 0</u>	<u>\$ 4,520</u>	<u>\$ 44,600</u>

## HISTORICAL AND MUSEUM COMMISSION

Summary of Recommended Authorization Amounts by Program and Source of Funds

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2013-14 PUBLIC IMPROVEMENT PROJECTS</b>				
State Historic Preservation.....	\$ 7,700	\$ 0	\$ 1,000	\$ 8,700
TOTAL PROJECTS.....	<u>\$ 7,700</u>	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ 8,700</u>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 5,000	\$ 0	\$ 1,000	\$ 6,000
Capital Facilities Fund - Furniture and Equipment.....	<u>2,700</u>	<u>0</u>	<u>0</u>	<u>2,700</u>
TOTAL.....	<u>\$ 7,700</u>	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ 8,700</u>

# Capital Budget

## Historical and Museum Commission 2013-14 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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**FROM CAPITAL FACILITIES BOND FUNDS**

**PUBLIC IMPROVEMENT PROJECTS**

**Program: State Historic Preservation**

<p><b>Scranton Iron Furnaces, Lackawanna County</b>                      RESTORE BUILDING: This project will provide for the restoration and stabilization of furnaces including masonry, drainage lighting, security, fencing and infrastructure to comply with codes. When completed, this project is not expected to increase operating costs.</p>	\$ 5,000	\$ 0	\$ 1,000	\$ 6,000
<p><b>Railroad Museum of Pennsylvania, Lancaster County</b>                      PURCHASE NEW EQUIPMENT: This project will provide for original equipment for new rolling stock storage facility. When completed, this project is not expected to increase operating costs.</p>	1,200	0	0	1,200
<p><b>Landis Valley Museum, Lancaster County</b>                      PURCHASE NEW EQUIPMENT: This project will provide for original equipment for new visitors' center. When completed, this project is not expected to increase operating costs.</p>	1,500	0	0	1,500

PROGRAM TOTAL.....	\$ 7,700	\$ 0	\$ 1,000	\$ 8,700
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## DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2013-14 PUBLIC IMPROVEMENT PROJECTS</b>				
State Military Readiness.....	\$ 27,000	\$ 0	\$ 4,500	\$ 31,500
Veterans Homes and School.....	12,200	0	3,000	15,200
<b>TOTAL PROJECTS.....</b>	<b>\$ 39,200</b>	<b>\$ 0</b>	<b>\$ 7,500</b>	<b>\$ 46,700</b>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 39,000	\$ 0	\$ 7,500	\$ 46,500
Capital Facilities Fund - Furniture and Equipment.....	200	0	0	\$ 200
<b>Current Revenues</b>				
Federal Funds.....	\$ 0	\$ 0	\$ 0	\$ 0
Other.....	0	0	0	0
<b>TOTAL.....</b>	<b>\$ 39,200</b>	<b>\$ 0</b>	<b>\$ 7,500</b>	<b>\$ 46,700</b>

## Department of Military and Veterans Affairs 2013-14 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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### FROM CAPITAL FACILITIES BOND FUNDS

### PUBLIC IMPROVEMENT PROJECTS

#### Program: State Military Readiness

<b>Williamsport Readiness Center, Lycoming County</b>	State	\$ 2,000	\$ 0	\$ 500	\$ 2,500
REHABILITATE MAINTENANCE SHOP: This project will provide for the rehabilitation of the maintenance shop, administrative offices, classrooms, storage rooms, mechanical rooms, and parking. When completed, this project is expected to decrease operating costs by \$2,000 annually.	Fed.	0	0	0	0
<b>New Castle Readiness Center, Lawrence County</b>	State	2,000	0	500	2,500
REHABILITATE MAINTENANCE SHOP: This project will provide for the rehabilitation of the maintenance shop, administrative offices, classrooms, storage rooms, mechanical rooms, and parking. When completed, this project is expected to decrease operating costs by \$3,800 annually.	Fed.	0	0	0	0
<b>Southampton Road Readiness Center, Philadelphia County</b>	State	4,000	0	500	4,500
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation to include assembly hall, classrooms, administrative offices, storage spaces, restrooms, lockers, mechanical rooms, HVAC, infrastructure and parking. When completed, this project is expected to decrease operating costs by \$17,600 annually.	Fed.	0	0	0	0
<b>Combat Aviation Brigade Readiness Center, Lebanon County</b>	State	4,000	0	500	4,500
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of the 28th Combat Aviation Brigade at Fort Indiantown Gap to include assembly hall, classrooms, administrative offices storage spaces, restrooms, lockers, mechanical rooms, HVAC, infrastructure and parking. When completed, this project is expected to decrease operating costs by \$10,600 annually.	Fed.	0	0	0	0
<b>Oil City Readiness Center, Venango County</b>	State	3,000	0	500	3,500
REHABILITATION OF OIL CITY READINESS CENTER: This project will provide for the rehabilitation of the Oil City Readiness Center to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors and repairs to the facade. When completed, this project is expected to decrease operating costs by \$3,600 annually.	Fed.	0	0	0	0

## Department of Military and Veterans Affairs 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: State Military Readiness</b>				
<b>Recruiting and Retention Battalion, Lebanon County</b>	State \$ 2,000	\$ 0	\$ 500	\$ 2,500
REHABILITATION OF RECRUITING AND RETENTION BATTALION:: This project will provide for the rehabilitation of the recruiting and retention battalion at Fort Indiantown Gap to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors and repairs to the facade. When completed, this project is expected to decrease operating costs by \$3,500 annually.	Fed. 0	0	0	0
<b>Harrisburg Readiness Center, Dauphin County</b>	State 3,000	0	500	3,500
REHABILITATION OF HARRISBURG MAINTENANCE SHOP: This project will provide for the rehabilitation of Harrisburg Field Maintenance Shop to current standards to include assembly hall, classrooms, administrative offices, storage spaces, rest rooms, locker rooms and mechanical rooms and upgrade the building systems- HVAC, roofs, windows, doors, repairs to the facade, expansion of parking and construction of unheated storage facility. When completed, this project is expected to decrease operating costs by \$3,500 annually.	Fed. 0	0	0	0
<b>23rd Street Readiness Center, Philadelphia County</b>	State 3,000	0	500	3,500
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of the readiness center to include assembly hall, classrooms, administrative offices, storage spaces, restrooms, lockers, mechanical rooms, HVAC, infrastructure and parking. When completed, this project is expected to decrease operating costs by \$5,700 annually.	Fed. 0	0	0	0
<b>Scranton Readiness Center, Lackawanna County</b>	State 4,000	0	500	4,500
REHABILITATE MAINTENANCE SHOP: This project will provide for the rehabilitation of the maintenance shop, administrative offices, classrooms, storage rooms, mechanical rooms, and parking. When completed, this project is expected to decrease operating costs by \$3,300 annually.	Fed. 0	0	0	0
Total State.....	\$ 27,000	\$ 0	\$ 4,500	\$ 31,500
Total Federal.....	0	0	0	0
<b>PROGRAM TOTAL.....</b>	<b>\$ 27,000</b>	<b>\$ 0</b>	<b>\$ 4,500</b>	<b>\$ 31,500</b>

## Department of Military and Veterans Affairs 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Veterans Homes and School</b>				
<b>Delaware Valley Veterans Home, Philadelphia County</b>	State \$ 2,400	\$ 0	\$ 600	\$ 3,000
RENOVATION OF DELAWARE VALLEY VETERANS HOME: This project will provide for the renovation and general repairs of the Delaware Valley Veterans Home. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
<b>Gino J. Merli Veterans Center, Lackawanna County</b>	State 2,400	0	600	3,000
RENOVATION OF GINO J. MERLI VETERANS CENTER: This project will provide for the renovation and general repairs of the Gino J. Merli Veterans Center including life safety and regulatory deficiencies. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
<b>Hollidaysburg Veterans Home, Blair County</b>	State 800	0	200	1,000
RENOVATION OF HOLLIDAYSBURG VETERANS HOME: This project will provide for the renovation and general repairs of the Hollidaysburg Veterans Home. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
<b>Pennsylvania Soldiers and Sailors Home, Erie County</b>	State 2,400	0	600	3,000
RENOVATION OF SOLDIERS & SAILORS HOME: This project will provide for the renovation and general repairs of the PA Soldiers and Sailors Home including life safety and regulatory deficiencies. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
<b>Southeastern Veterans Center, Chester County</b>	State 3,200	0	800	4,000
RENOVATION OF SOUTHEASTERN VETERANS CENTER: This project will provide for the renovation and general repairs of the Southeastern Veterans Center including replacement of facility roof. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0

## Department of Military and Veterans Affairs 2013-14 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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**FROM CAPITAL FACILITIES BOND FUNDS**

***PUBLIC IMPROVEMENT PROJECTS (continued)***

**Program: Veterans Homes and School**

<b>Southwestern Veterans Center, Allegheny County</b>	State	\$ 800	\$ 0	\$ 200	\$ 1,000
RENOVATION OF SOUTHWESTERN VETERANS CENTER: This project will provide for the renovation and general repairs of the Southwestern Veterans Center including life safety and regulatory deficiencies. When completed, this project is not expected to increase operating costs.	Fed.	0	0	0	0
<b>Southeastern Veterans Center, Chester County</b>	State	200	0	0	200
FURNITURE & EQUIPMENT SOUTHEASTERN VETERANS CENTER: This project will provide for original furniture and equipment to fully equip the new maintenance building of the Southeastern Veterans Center. When completed, this project is not expected to increase operating costs.	Fed.	0	0	0	0
Total State.....		\$ 12,200	\$ 0	\$ 3,000	\$ 15,200
Total Federal.....		0	0	0	0
PROGRAM TOTAL.....		<u>\$ 12,200</u>	<u>\$ 0</u>	<u>\$ 3,000</u>	<u>\$ 15,200</u>

## EMERGENCY MANAGEMENT AND HOMELAND SECURITY

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2013-14 PUBLIC IMPROVEMENT PROJECTS</b>				
Emergency Management.....	\$ 900	\$ 0	\$ 100	\$ 1,000
TOTAL PROJECTS.....	<u>\$ 900</u>	<u>\$ 0</u>	<u>\$ 100</u>	<u>\$ 1,000</u>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 900	\$ 0	\$ 100	\$ 1,000
Capital Facilities Fund - Furniture and Equipment.....	0	0	0	0
TOTAL.....	<u>\$ 900</u>	<u>\$ 0</u>	<u>\$ 100</u>	<u>\$ 1,000</u>

## Emergency Management and Homeland Security 2013-14 Projects

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS</i></b>				
<b>Program: Emergency Management</b>				
<b>Eastern Area Office Building</b>	\$ 900	\$ 0	\$ 100	\$ 1,000
DEMOLISH BUILDING: This project will provide for the demolition and remediation of site of the old Eastern Area Office on the grounds of Hamburg Center. When completed, this project is not expected to increase operating costs.				
 PROGRAM TOTAL.....	<u>\$ 900</u>	<u>\$ 0</u>	<u>\$ 100</u>	<u>\$ 1,000</u>

## DEPARTMENT OF PUBLIC WELFARE

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2013-14 PUBLIC IMPROVEMENT PROJECTS</b>				
Human Services.....	\$ 33,255	\$ 0	\$ 3,695	\$ 36,950
TOTAL PROJECTS.....	<u>\$ 33,255</u>	<u>\$ 0</u>	<u>\$ 3,695</u>	<u>\$ 36,950</u>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 33,255	\$ 0	\$ 3,695	\$ 36,950
Capital Facilities Fund - Furniture and Equipment.....	0	0	0	0
TOTAL.....	<u>\$ 33,255</u>	<u>\$ 0</u>	<u>\$ 3,695</u>	<u>\$ 36,950</u>

## Department of Public Welfare 2013-14 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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### FROM CAPITAL FACILITIES BOND FUNDS

### **PUBLIC IMPROVEMENT PROJECTS**

#### **Program: Human Services**

Project Description	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>Philipsburg State Hospital, Centre County</b> DEMOLISH BUILDINGS: This project will provide for the demolition and remediation of all campus buildings. When completed, this project is not expected to increase operating costs.	\$ 5,400	\$ 0	\$ 600	\$ 6,000
<b>Wernersville State Hospital, Berks County</b> REPLACE BOILER: This project will provide for the replacement to a more efficient steam boiler. When completed, this project is not expected to increase operating costs.	1,350	0	150	1,500
<b>Selinsgrove Center, Snyder County</b> ADDITIONAL FUNDING: This project will provide additional funding for DGS Project 553-34 potable water. When completed, this project is not expected to increase operating costs.	3,150	0	350	3,500
<b>North Central Secure Treatment Unit, Montour County</b> REPLACE HVAC: This project will provide for the replacement of current HVAC to meet code requirements. When completed, this project is not expected to increase operating costs.	8,100	0	900	9,000
<b>Danville State Hospital, Montour County</b> REPLACE ROOFS: This project will provide for the replacement of the roofs on various buildings. When completed, this project is not expected to increase operating costs.	1,620	0	180	1,800
<b>Ebensburg Center, Cambria County</b> REPLACE HVAC: This project will provide for the replacement of current HVAC to meet code requirements. When completed, this project is not expected to increase operating costs.	3,150	0	350	3,500
<b>Youth Forestry Camp #2, Carbon County</b> CONSTRUCT NEW MEDICAL BUILDING: This project will provide for the demolition of existing building and construction of new medical building on site to meet code requirements. When completed, this project is not expected to increase operating costs.	675	0	75	750

## Department of Public Welfare 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: Human Services</b>				
<b>Clarks Summit State Hospital, Lackawanna County</b> REPLACE BOILERS: This project will provide for the replacement of boilers to more efficient boilers with controls. When completed, this project is not expected to increase operating costs.	\$ 3,780	\$ 0	\$ 420	\$ 4,200
<b>White Haven Center, Luzerne County</b> UPGRADE ELECTRIC: This project will upgrade existing medium voltage distribution system to meet current and future needs. When completed, this project is not expected to increase operating costs.	4,500	0	500	5,000
<b>Youth Forestry Camp #3, Huntingdon County</b> INSTALL HVAC: This project will provide for the installation of HVAC to meet code requirements. When completed, this project is not expected to increase operating costs.	630	0	70	700
<b>Hamburg Center, Berks County</b> DEMOLISH BUILDING: This project will provide for the demolition and remediation of an obsolete boiler plant building. When completed, this project is not expected to increase operating costs.	900	0	100	1,000
PROGRAM TOTAL.....	<u>\$ 33,255</u>	<u>\$ 0</u>	<u>\$ 3,695</u>	<u>\$ 36,950</u>

## STATE POLICE

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2013-14 PUBLIC IMPROVEMENT PROJECTS</b>				
Public Protection and Law Enforcement.....	\$ 7,720	\$ 0	\$ 1,544	\$ 9,264
TOTAL PROJECTS.....	<u>\$ 7,720</u>	<u>\$ 0</u>	<u>\$ 1,544</u>	<u>\$ 9,264</u>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 7,720	\$ 0	\$ 1,544	\$ 9,264
TOTAL.....	<u>\$ 7,720</u>	<u>\$ 0</u>	<u>\$ 1,544</u>	<u>\$ 9,264</u>

## State Police 2013-14 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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**FROM CAPITAL FACILITIES BOND FUNDS**

**PUBLIC IMPROVEMENT PROJECTS**

**Program: Public Protection and Law Enforcement**

**Greensburg Headquarters, Westmoreland County**

**CONSTRUCT NEW HEADQUARTER FACILITY:**

This project will provide for the design and construction of a new headquarter facility to meet requirements and codes. When completed, this project is not expected to increase operating costs.

\$ 7,720	\$ 0	\$ 1,544	\$ 9,264
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PROGRAM TOTAL.....

<u>\$ 7,720</u>	<u>\$ 0</u>	<u>\$ 1,544</u>	<u>\$ 9,264</u>
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## DEPARTMENT OF TRANSPORTATION

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2013-14 PUBLIC IMPROVEMENT PROJECTS</b>				
State Highway and Bridge Maintenance.....	\$ 441,026	\$ 28,000	\$ 74,699	\$ 543,725
Subtotal.....	\$ 441,026	\$ 28,000	\$ 74,699	\$ 543,725
<b>TRANSPORTATION ASSISTANCE PROJECTS</b>				
Urban Mass Transportation.....	\$ 923,017	\$ 0	\$ 30,966	\$ 953,983
Subtotal.....	\$ 923,017	\$ 0	\$ 30,966	\$ 953,983
<b>HIGHWAY PROJECTS</b>				
State Highway, Bridge & Administration Construction/Reconstruction.....	\$ 155,819	\$ 1,601	\$ 10,192	\$ 167,612
TOTAL PROJECTS.....	<u>\$ 1,519,862</u>	<u>\$ 29,601</u>	<u>\$ 115,857</u>	<u>\$ 1,665,320</u>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Transportation Assistance.....	\$ 278,267	\$ 0	\$ 30,966	\$ 309,233
Capital Facilities Fund - Public Improvement Projects.....	0	0	0	0
<b>Current Revenues</b>				
Motor License Fund.....	\$ 482,708	\$ 29,564	\$ 79,621	\$ 591,893
Federal Funds.....	\$ 709,201	\$ 36	\$ 5,260	\$ 714,497
Local Funds.....	\$ 49,686	\$ 1	\$ 10	\$ 49,697
TOTAL.....	<u>\$ 1,519,862</u>	<u>\$ 29,601</u>	<u>\$ 115,857</u>	<u>\$ 1,665,320</u>

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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### FROM MOTOR LICENSE FUNDS

### **PUBLIC IMPROVEMENT PROJECTS**

#### **Program: State Highway and Bridge Maintenance**

##### **Beaver County Maintenance Office**

REPLACE HVAC DISTRICT 11-2 MAINTENANCE GARAGE: This project will provide for the removal and replacement of the HVAC system and wall insulation. When completed, this project is not expected to increase operating costs.

State	\$ 1,000	\$ 0	\$ 150	\$ 1,150
Fed.	0	0	0	0
Local	0	0	0	0

##### **Bradford County Stockpile Facility**

DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile facility including site purchase, design and construction. When completed, this project is not expected to increase operating costs.

State	1,750	750	500	3,000
Fed.	0	0	0	0
Local	0	0	0	0

##### **York County Maintenance Garage**

DEVELOP NEW MAINTENANCE GARAGE: This project will provide for the development of a new maintenance garage including site purchase, design and construction. When completed, this project is not expected to increase operating costs.

State	3,000	1,500	500	5,000
Fed.	0	0	0	0
Local	0	0	0	0

##### **Lawrence County Stockpile Facility**

DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile facility including site purchase, design and construction. When completed, this project is not expected to increase operating costs.

State	1,750	750	500	3,000
Fed.	0	0	0	0
Local	0	0	0	0

##### **Greene County Welcome Center**

REHABILITATE WELCOME CENTER: This project will provide for the rehabilitation and expansion to the facility including infrastructure to meet current codes and energy efficiency. When completed, this project is not expected to increase operating costs.

State	1,530	0	270	1,800
Fed.	0	0	0	0
Local	0	0	0	0

##### **Pike County Welcome Center**

REPLACE ROOF AT WELCOME CENTER: This project will provide for the removal and replacement of the roof system at the maintenance facility. When completed, this project is not expected to increase operating costs.

State	600	0	50	650
Fed.	0	0	0	0
Local	0	0	0	0

##### **Lehigh County Maintenance Facility**

CONSTRUCT SALT STORAGE FACILITY: This project will provide for the construction of a new salt storage building. When completed, this project is not expected to increase operating costs.

State	300	0	50	350
Fed.	0	0	0	0
Local	0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Luzerne County Maintenance Facility</b>	State \$ 730	\$ 0	\$ 120	\$ 850
CONSTRUCT SALT STORAGE FACILITY: This project will provide for the construction of two new salt storage buildings. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Adams County Maintenance Garage</b>	State 1,190	0	210	1,400
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of four new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Franklin County Stockpile Facility</b>	State 1,530	0	270	1,800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of six new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lawrence County Maintenance Facility</b>	State 720	0	80	800
CONSTRUCT SALT STORAGE FACILITY: This project will provide for the construction of two new salt storage buildings. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Philadelphia County Maintenance Facility</b>	State 350	0	50	400
CONSTRUCT SALT STORAGE FACILITY: This project will provide for the construction of a new salt storage building. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lycoming County District Office</b>	State 2,125	0	375	2,500
RENOVATE DISTRICT 3-0 OFFICE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements and energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Fulton County Maintenance Facility</b>	State 2,350	0	350	2,700
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency and construct two bays with overhead cranes. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Greene County Maintenance Facility</b>	State 2,650	0	350	3,000
REHABILITATE 12-2 MAINTENANCE FACILITY: This project will provide for the rehabilitation and expansion to the facility including infrastructure to meet current codes and energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Westmoreland County Maintenance Facility</b>	State \$ 380	\$ 0	\$ 20	\$ 400
CONSTRUCT SALT STORAGE FACILITY: This project will provide for the construction of a new salt storage building. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Venango County District Office</b>	State 2,125	0	375	2,500
RENOVATE DISTRICT 1-0 OFFICE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements and energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Crawford County Maintenance Facility</b>	State 298	0	52	350
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of four new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Erie County Stockpile Facility</b>	State 5,250	2,250	1,500	9,000
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of three new stockpile facilities including site purchase, design and construction. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Forest County Maintenance Garage</b>	State 11,750	1,000	2,250	15,000
CONSTRUCT NEW MAINTENANCE GARAGE: This project will provide for the construction of a new county maintenance garage to include salt storage buildings, auxiliary buildings, site work and acquisition of site. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Forest County Stockpile Facility</b>	State 298	0	52	350
CONSTRUCT SALT STORAGE FACILITY: This project will provide for the construction of a new salt storage building. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Mercer County Maintenance Garage</b>	State 2,125	0	375	2,500
RENOVATE NEW MAINTENANCE GARAGE: This project will provide for the development of a new maintenance garage including site purchase, design and construction. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Mercer County Maintenance Garage</b>	State \$ 11,750	\$ 1,000	\$ 2,250	\$ 15,000
CONSTRUCT NEW MAINTENANCE GARAGE: This project will provide for the construction of a new county maintenance garage to include salt storage buildings, auxiliary buildings, site work and acquisition of site. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Mercer County Stockpile Facility</b>	State 700	0	100	800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of two new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Venango County Maintenance Garage</b>	State 11,750	1,000	2,250	15,000
CONSTRUCT NEW MAINTENANCE GARAGE: This project will provide for the construction of a new county maintenance garage to include salt storage buildings, auxiliary buildings, site work and acquisition of site. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Venango County District Office</b>	State 340	0	60	400
CONSTRUCT PARKING LOT: This project will provide for the construction of a parking lot at District Office 1-0 for equipment and employee parking. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Venango County Stockpile Facility</b>	State 350	0	50	400
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of a new storage building and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Warren County Stockpile Facility</b>	State 1,550	0	250	1,800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of five new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Centre County Maintenance Garage</b>	State 1,700	0	300	2,000
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Clearfield County Maintenance Garage</b>	State 1,700	0	300	2,000
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Clearfield County Stockpile Facility</b>	State \$ 350	\$ 0	\$ 50	\$ 400
CONSTRUCT SALT STORAGE FACILITY: This project will provide for the construction of a new salt storage building. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Clinton County Stockpile Facility</b>	State 700	0	100	800
CONSTRUCT SALT STORAGE FACILITY: This project will provide for the construction of two new salt storage buildings. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Cameron County Maintenance Garage</b>	State 1,700	0	300	2,000
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Cameron County Maintenance Garage</b>	State 11,775	1,000	2,225	15,000
CONSTRUCT NEW MAINTENANCE GARAGE: This project will provide for the construction of a new county maintenance garage to include salt storage buildings, auxiliary buildings, site work, and acquisition of site. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>McKean County Stockpile Facility</b>	State 650	0	50	700
CONSTRUCT SALT STORAGE FACILITY: This project will provide for the construction of two new salt storage buildings. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Potter County Maintenance Garage</b>	State 1,700	0	300	2,000
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Potter County Stockpile Facility</b>	State 900	0	150	1,050
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of two new storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Elk County Stockpile Facility</b>	State 300	0	50	350
CONSTRUCT SALT STORAGE FACILITY: This project will provide for the construction of a new salt storage building. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Columbia County Maintenance Garage</b>	State \$ 1,700	\$ 0	\$ 300	\$ 2,000
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Columbia County Maintenance Garage</b>	State 11,750	1,000	2,250	15,000
CONSTRUCT NEW MAINTENANCE GARAGE: This project will provide for the construction of a new county maintenance garage to include salt storage buildings, auxiliary buildings, site work and acquisition of site. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Columbia County Stockpile Facility</b>	State 700	0	100	800
CONSTRUCT SALT STORAGE FACILITY: This project will provide for the construction of two new salt storage buildings. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lycoming County Stockpile Facility</b>	State 1,050	0	150	1,200
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of three new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Montour County Stockpile Facility</b>	State 700	0	100	800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of two new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Northumberland County Stockpile Facility</b>	State 1,400	0	200	1,600
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of four new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Snyder County Stockpile Facility</b>	State 700	0	100	800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of two new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Sullivan County Maintenance Garage</b>	State \$ 1,275	\$ 0	\$ 225	\$ 1,500
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Sullivan County Stockpile Facility</b>	State 700	0	100	800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of two new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Tioga County Maintenance Garage</b>	State 2,125	0	375	2,500
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Tioga County Maintenance Garage</b>	State 11,750	1,000	2,250	15,000
CONSTRUCT NEW MAINTENANCE GARAGE: This project will provide for the construction of a new county maintenance garage to include salt storage buildings, auxiliary buildings, site work and acquisition of site. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Tioga County Stockpile Facility</b>	State 1,050	0	150	1,200
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of three new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Union County Maintenance Garage</b>	State 2,125	0	375	2,500
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Union County Stockpile Facility</b>	State 350	0	50	400
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of three new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Bradford County Stockpile Facility</b>	State \$ 350	\$ 0	\$ 50	\$ 400
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of three new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lackawanna County Maintenance Facility</b>	State 300	0	50	350
RESKIN MAINTENANCE BUILDING: This project will provide for the construction of a new county metal storage building. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lackawanna County Maintenance Garage</b>	State 11,750	1,000	2,250	15,000
CONSTRUCT NEW MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lackawanna County Maintenance Garage</b>	State 2,125	0	375	2,500
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lackawanna County Stockpile Facility</b>	State 1,400	0	200	1,600
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of four new storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Luzerne County Maintenance Facility</b>	State 300	0	50	350
RESKIN MAINTENANCE BUILDING: This project will provide for the construction of a new three bay storage building with overhead doors, When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Luzerne County Maintenance Facility</b>	State 300	0	50	350
CONSTRUCT NEW MAINTENANCE GARAGE: This project will provide for the construction of a new county metal storage building. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Luzerne County Stockpile Facility</b>	State 2,450	0	350	2,800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the construction of seven new salt storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Susquehanna County Maintenance Facility</b>	State \$ 2,100	\$ 0	\$ 400	\$ 2,500
RENOVATE MAINTENANCE FACILITY: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Susquehanna County Maintenance Facility</b>	State 300	0	50	350
RESKIN MAINTENANCE BUILDING: This project will provide for the reskinning of a metal building at the county maintenance facility. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Susquehanna County Maintenance Facility</b>	State 700	0	100	800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the construction of two new salt storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Wayne County Maintenance Facility</b>	State 2,100	0	400	2,500
RENOVATE MAINTENANCE FACILITY: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Wayne County Maintenance Facility</b>	State 300	0	50	350
RESKIN MAINTENANCE BUILDING: This project will provide for the reskinning of a metal building at the county maintenance facility. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Wayne County Maintenance Facility</b>	State 700	0	100	800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the construction of two new salt storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Pike County Maintenance Facility</b>	State 350	0	0	350
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the construction of a new salt storage building and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Wyoming County Maintenance Facility</b>	State 2,100	0	400	2,500
RENOVATE MAINTENANCE FACILITY: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Lehigh County District Office 5-0</b>	State \$ 2,975	\$ 0	\$ 525	\$ 3,500
RENOVATE DISTRICT OFFICE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Berks County Maintenance Facility</b>	State 300	0	50	350
RESKIN MAINTENANCE BUILDING: This project will provide for the reskinning of a metal building at the county maintenance facility. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Northampton County Maintenance Facility</b>	State 11,750	1,000	2,250	15,000
CONSTRUCT NEW MAINTENANCE FACILITY: This project will provide for the construction of new salt storage buildings, auxiliary buildings, site work and acquire grounds. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Northampton County Maintenance Garage</b>	State 1,700	0	300	2,000
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Northampton County Maintenance Facility</b>	State 300	0	50	350
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the construction of a new salt storage building and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Carbon County Maintenance Facility</b>	State 350	0	50	400
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the construction of a new salt storage building and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Carbon County Maintenance Facility</b>	State 1,970	0	330	2,300
CONSTRUCT NEW MAINTENANCE FACILITY: This project will provide for the demolition and construction of satellite office and garage at Hudsondale stockpile. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Monroe County Maintenance Facility</b>	State 11,750	1,000	2,250	15,000
CONSTRUCT NEW MAINTENANCE FACILITY: This project will provide for the construction of new salt storage buildings, auxiliary buildings, site work and acquire grounds. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Schuylkill County Maintenance Garage</b>	State \$ 1,275	\$ 0	\$ 225	\$ 1,500
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Schuylkill County Maintenance Facility</b>	State 350	0	50	400
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the construction of a new salt storage building and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Bucks County Maintenance Facility</b>	State 1,400	0	200	1,600
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the construction of four new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Chester County Maintenance Facility</b>	State 300	0	50	350
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the construction of a new salt storage building and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Chester County Maintenance Facility</b>	State 1,400	0	200	1,600
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the construction of four new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Montgomery County Maintenance Facility</b>	State 1,750	0	250	2,000
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the construction of five new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Philadelphia County Maintenance Facility</b>	State 1,700	0	300	2,000
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Philadelphia County Maintenance Facility</b>	State 350	0	50	400
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Delaware County Maintenance Facility</b>	State \$ 700	\$ 0	\$ 100	\$ 800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the construction of two new salt storage buildings and site work.	Fed. 0	0	0	0
When completed, this project is not expected to increase operating costs.	Local 0	0	0	0
<b>Dauphin County District Office 8-0</b>	State 1,700	0	300	2,000
RENOVATE DISTRICT OFFICE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Adams County Maintenance Garage</b>	State 2,200	0	300	2,500
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Adams County Maintenance Stockpile</b>	State 1,750	750	500	3,000
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Cumberland County Maintenance Stockpile</b>	State 350	0	50	400
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of a new storage building and site work.	Fed. 0	0	0	0
When completed, this project is not expected to increase operating costs.	Local 0	0	0	0
<b>Cumberland County Maintenance Stockpile</b>	State 700	0	100	800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of two new salt storage buildings and site work	Fed. 0	0	0	0
When completed, this project is not expected to increase operating costs.	Local 0	0	0	0
<b>Franklin County Maintenance Garage</b>	State 1,700	0	300	2,000
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Franklin County Maintenance Stockpile</b>	State 700	0	100	800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the construction of two new salt storage buildings and site work	Fed. 0	0	0	0
When completed, this project is not expected to increase operating costs.	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>York County Maintenance Garage</b>	State \$ 1,700	\$ 0	\$ 300	\$ 2,000
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>York County Maintenance Stockpile</b>	State 2,800	0	400	3,200
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of eight new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>York County Maintenance Stockpile</b>	State 1,750	750	500	3,000
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Dauphin County Maintenance Garage</b>	State 2,125	0	375	2,500
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Dauphin County Maintenance Stockpile</b>	State 700	0	100	800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of two new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lancaster County Maintenance Garage</b>	State 2,125	0	375	2,500
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lancaster County Maintenance Stockpile</b>	State 1,750	0	250	2,000
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of five new salt storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lebanon County Maintenance Garage</b>	State 11,750	1,000	2,250	15,000
CONSTRUCT NEW MAINTENANCE GARAGE: This project will provide for the construction of new maintenance garage to include salt storage buildings, auxiliary buildings, site work and acquire grounds. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Lebanon County Maintenance Stockpile</b>	State \$ 1,400	\$ 0	\$ 200	\$ 1,600
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of four new salt storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Perry County Maintenance Stockpile</b>	State 1,050	0	150	1,200
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of three new salt storage buildings and site work at various stockpiles. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Perry County Maintenance Stockpile</b>	State 1,750	750	500	3,000
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Monroe County Welcome Center</b>	State 2,550	0	450	3,000
RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>York County Welcome Center</b>	State 7,500	1,000	1,500	10,000
CONSTRUCT NEW WELCOME CENTER: This project will provide for the construction of new welcome center to include auxiliary buildings, site work and acquire grounds. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Dauphin County Sign Shop</b>	State 2,200	0	300	2,500
RENOVATE SIGN SHOP: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements and energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Dauphin County Fleet Management Facility</b>	State 3,100	0	400	3,500
RENOVATE FLEET MANAGEMENT FACILITY: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Bedford County Maintenance Stockpile</b>	State 1,750	750	500	3,000
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Bedford County Maintenance Stockpile</b>	State \$ 1,050	\$ 0	\$ 150	\$ 1,200
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of three new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Bedford County Maintenance Facility</b>	State 11,750	1,000	2,250	15,000
CONSTRUCT NEW MAINTENANCE GARAGE: This project will provide for the construction of new maintenance garage to include salt storage buildings, auxiliary buildings, site work and acquire grounds. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Blair County District Office 9-0</b>	State 1,700	0	300	2,000
RENOVATE DISTRICT OFFICE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Blair County Maintenance Facility</b>	State 2,125	0	375	2,500
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Blair County Maintenance Facility</b>	State 300	0	50	350
CONSTRUCT NEW FACILITY: This project will provide for the design and construction of new district bridge slab building and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Blair County Maintenance Facility</b>	State 350	0	50	400
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of a new salt storage building and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Cambria County Maintenance Stockpile</b>	State 1,750	750	500	3,000
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Cambria County Maintenance Stockpile</b>	State 1,750	750	500	3,000
DEVELOP STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Cambridia County Maintenance Stockpile</b>	State \$ 720	\$ 0	\$ 80	\$ 800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of two new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Fulton County Maintenance Stockpile</b>	State 1,050	0	150	1,200
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of three new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
operating costs.	Local 0	0	0	0
<b>Huntingdon County Maintenance Facility</b>	State 2,350	0	350	2,700
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Huntingdon County Maintenance Stockpile</b>	State 1,050	0	150	1,200
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of three new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Somerset County Maintenance Stockpile</b>	State 1,050	0	150	1,200
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of three new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
operating costs.	Local 0	0	0	0
<b>Somerset County Maintenance Stockpile</b>	State 1,750	750	500	3,000
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Somerset County Maintenance Stockpile</b>	State \$ 1,750	\$ 750	\$ 500	\$ 3,000
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Somerset County Maintenance Garage</b>	State 2,125	0	375	2,500
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Indiana County Maintenance Stockpile</b>	State 1,750	750	500	3,000
DEVELOP NEW STOCKPILE FACILITY: This project will provide for the development of a new stockpile including site purchase, design and construction. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Armstrong County Maintenance Stockpile</b>	State 700	0	100	800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of two new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Allegheny County Maintenance Stockpile</b>	State 2,100	0	300	2,400
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of six new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Beaver County Maintenance Stockpile</b>	State 700	0	100	800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of two new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lawrence County Maintenance Facility</b>	State 11,750	1,000	2,250	15,000
CONSTRUCT NEW MAINTENANCE GARAGE: This project will provide for the construction of new maintenance garage to include salt storage buildings, auxiliary buildings, site work and acquire grounds. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lawrence County Maintenance Stockpile</b>	State 700	0	100	800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of two new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Fayette County Maintenance Facility</b>	State \$ 11,750	\$ 1,000	\$ 2,250	\$ 15,000
CONSTRUCT NEW MAINTENANCE GARAGE: This project will provide for the construction of new maintenance garage to include salt storage buildings, auxiliary buildings, site work and acquire grounds. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Fayette County Maintenance Facility</b>	State 1,050	0	150	1,200
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of three new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Fayette County District Office 12-0</b>	State 2,150	0	350	2,500
RENOVATE DISTRICT OFFICE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Greene County Maintenance Stockpile</b>	State 720	0	80	800
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of two new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Washington County Maintenance Stockpile</b>	State 1,050	0	150	1,200
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of three new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Greene County Maintenance Facility</b>	State 2,650	0	350	3,000
RENOVATE MAINTENANCE GARAGE: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Allegheny County Maintenance Stockpile</b>	State 2,100	0	300	2,400
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of six new salt storage buildings and site work. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Westmoreland County Maintenance Garage</b>	State 300	0	25	325
CONSTRUCT RETAINING WALL: This project will provide for the construction of a retaining wall to stabilize the sites, earth, embankment, for expansion of stockpile operations at the Latrobe stockpile. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost	
<b>FROM MOTOR LICENSE FUNDS</b>					
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>					
<b>Program: State Highway and Bridge Maintenance</b>					
<b>Westmoreland County Maintenance Garage</b>	State	\$ 0	\$ 1,000	\$ 0	\$ 1,000
ACQUIRE ADDITIONAL PROPERTY: This project will provide for the acquisition of additional property for the expansion of the current facility to meet current and future needs. When completed, this project is not expected to increase operating costs.	Fed.	0	0	0	0
	Local	0	0	0	0
<b>Bradford County Maintenance Garage</b>	State	4,500	0	500	5,000
CONSTRUCT NEW STORAGE FACILITY: This project will provide for the demolition and construction of a new salt storage building and site work. When completed, this project is not expected to increase operating costs.	Fed.	0	0	0	0
	Local	0	0	0	0
<b>Crawford County Rest Site 19</b>	State	2,200	0	300	2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed.	0	0	0	0
	Local	0	0	0	0
<b>Crawford County Rest Site 20</b>	State	2,200	0	300	2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed.	0	0	0	0
	Local	0	0	0	0
<b>Erie County Welcome Center Site L</b>	State	2,200	0	300	2,500
RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed.	0	0	0	0
	Local	0	0	0	0
<b>Erie County Welcome Center Site M</b>	State	1,800	0	200	2,000
RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed.	0	0	0	0
	Local	0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Mercer County Rest Site 17</b>	State \$ 2,200	\$ 0	\$ 300	\$ 2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Mercer County Rest Site 18</b>	State 2,200	0	300	2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades, and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Venango County Rest Site 21</b>	State 2,200	0	300	2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Venango County Rest Site 22</b>	State 2,200	0	300	2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Centre County Rest Site 29</b>	State 1,800	0	200	2,000
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Centre County Rest Site 30</b>	State 1,800	0	200	2,000
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Clinton County Rest Site 33</b>	State \$ 1,800	\$ 0	\$ 200	\$ 2,000
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Clinton County Rest Site 34</b>	State 1,800	0	200	2,000
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Columbia County Rest Site 37</b>	State 1,800	0	200	2,000
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Columbia County Rest Site 38</b>	State 1,800	0	200	2,000
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Montour County Rest Site 35</b>	State 2,200	0	300	2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Montour County Rest Site 36</b>	State 2,200	0	300	2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Tioga County Welcome Center Site T</b>	State \$ 1,800	\$ 0	\$ 200	\$ 2,000
RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Luzerne County Rest Site 36</b>	State 2,200	0	300	2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Luzerne County Rest Site 39</b>	State 1,000	0	50	1,050
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Luzerne County Rest Site 54</b>	State 1,000	0	50	1,050
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Pike County Welcome Center Site K</b>	State 1,800	0	200	2,000
RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Pike County Rest Site 61</b>	State 2,200	0	300	2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Pike County Rest Site 62</b>	State \$ 2,200	\$ 0	\$ 300	\$ 2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Susquehanna County Rest Site 56</b>	State 2,200	0	300	2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Susquehanna County Welcome Center Site H</b>	State 1,800	0	200	2,000
RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Monroe County Rest Site 41</b>	State 2,200	0	300	2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Bucks County Welcome Center Site P</b>	State 1,000	0	50	1,050
RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Delaware County Welcome Center Site P</b>	State 1,000	0	50	1,050
RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Cumberland County Rest Site 45</b>	State \$ 1,800	\$ 0	\$ 200	\$ 2,000
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Cumberland County Rest Site 46</b>	State 1,800	0	200	2,000
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Franklin County Welcome Center Site G</b>	State 1,800	0	200	2,000
RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>York County Welcome Center Site J</b>	State 1,800	0	200	2,000
RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Fulton County Welcome Center Site B</b>	State 2,200	0	300	2,500
RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Fulton County Rest Site 3</b>	State 2,200	0	300	2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Jefferson County Rest Site 25</b>	State \$ 2,200	\$ 0	\$ 300	\$ 2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Jefferson County Rest Site 26</b>	State 2,200	0	300	2,500
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Allegheny County Rest Site 11</b>	State 1,800	0	200	2,000
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Allegheny County Rest Site 12</b>	State 1,800	0	200	2,000
RENOVATE REST AREA: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Greene County Welcome Center Site D</b>	State 2,200	0	300	2,500
RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Washington County Welcome Center Site A</b>	State 2,200	0	300	2,500
RENOVATE WELCOME CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement, parking lot upgrades and sewage plant upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Beaver County Driver Licensing Center</b>	State \$ 1,250	\$ 0	\$ 150	\$ 1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Cambria County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Centre County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Crawford County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Fayette County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Franklin County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Greene County Driver Licensing Center</b>	State \$ 1,250	\$ 0	\$ 150	\$ 1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lawrence County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Lebanon County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Mercer County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Mifflin County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Montgomery County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Philadelphia County Driver Licensing Center</b>	State \$ 1,250	\$ 0	\$ 150	\$ 1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Schuylkill County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Snyder County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Somerset County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0
<b>Venango County Driver Licensing Center</b>	State 1,250	0	150	1,400
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.	Fed. 0	0	0	0
	Local 0	0	0	0

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM MOTOR LICENSE FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Program: State Highway and Bridge Maintenance</b>				
<b>Warren County Driver Licensing Center</b>				
State	\$ 1,250	\$ 0	\$ 150	\$ 1,400
Fed.	0	0	0	0
Local	0	0	0	0
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.				
<b>Allegheny County Driver Licensing Center</b>				
State	1,250	0	150	1,400
Fed.	0	0	0	0
Local	0	0	0	0
RENOVATE DRIVER LICENSING CENTER: This project will provide for the renovation and expansion to the current facility to replace roof, upgrade buildings systems, improve program requirements, energy efficiency, sidewalks, curbing, step replacement and parking lot upgrades. When completed, this project is not expected to increase operating costs.				
<b>Northumberland County Maintenance Facility</b>				
State	11,750	1,000	2,250	15,000
Fed.	0	0	0	0
Local	0	0	0	0
CONSTRUCT NEW MAINTENANCE GARAGE: This project will provide for the construction of new maintenance garage to include salt storage buildings, auxiliary buildings, site work and acquire grounds. When completed, this project is not expected to increase operating costs.				
PROGRAM TOTAL.....	<u>\$ 441,026</u>	<u>\$ 28,000</u>	<u>\$ 74,699</u>	<u>\$ 543,725</u>

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost	
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>					
<b>TRANSPORTATION ASSISTANCE PROJECTS</b>					
<b>Program: Urban Mass Transportation</b>					
All of the following projects are grants to local transportation authorities. Consequently, no staffing or operating cost impacts are provided since these will be borne by local budgets.					
<b>Southeastern Pennsylvania Transportation Authority</b>	State	\$ 42,853	\$ 0	\$ 4,761	\$ 47,614
URBANIZED AREA OF FORMULA PROGRAM OF PROJECTS:	Fed.	196,800	0	0	196,800
This project will provide for SEPTA's state funds to match federal capital funding to replace buses and rehabilitate various facilities and infrastructure to bring to a state of good repair.	Local	1,586	0	0	1,586
<b>Southeastern Pennsylvania Transportation Authority</b>	State	45,988	0	5,110	51,098
STATE OF GOOD REPAIR PROGRAM:	Fed.	211,200	0	0	211,200
This project will provide for SEPTA's state of good repair program, facilities overhaul program, rehabilitate or replace various facilities and infrastructure to bring them to a state of good repair.	Local	1,702	0	0	1,702
<b>Southeastern Pennsylvania Transportation Authority</b>	State	3,136	0	348	3,484
BUS AND BUS FACILITIES PROGRAM:	Fed.	14,400	0	0	14,400
This project will provide for SEPTA's state funds to match federal capital funding to replace buses and rehabilitate various facilities and infrastructure to bring to a state of good repair.	Local	116	0	0	116
<b>Southeastern Pennsylvania Transportation Authority</b>	State	7,440	0	827	8,267
BUS PURCHASE FLEX PROGRAM:	Fed.	34,166	0	0	34,166
This project will provide for SEPTA's state funds to match federal capital funding to replace buses and rehabilitate various facilities and infrastructure to bring to a state of good repair.	Local	275	0	0	275
<b>Southeastern Pennsylvania Transportation Authority</b>	State	1,307	0	145	1,452
FEDERAL GRANT PROGRAM:	Fed.	13,500	0	0	13,500
This project will provide for the state funds to match discretionary federal capital funding to rehabilitate or replace existing facilities and infrastructure to bring to a state of good repair.	Local	48	0	0	48
<b>Port Authority of Allegheny County</b>	State	4,251	0	472	4,723
SECTION 5307 PROGRAM:	Fed.	19,523	0	0	19,523
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.	Local	157	0	0	157
<b>Port Authority of Allegheny County</b>	State	610	0	68	678
SECTION 5309 PROGRAM:	Fed.	2,800	0	0	2,800
This project will provide for SEPTA's state funds to match federal capital funding to replace buses and rehabilitate various facilities and infrastructure to bring to a state of good repair.	Local	22	0	0	22

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost	
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>					
<b>TRANSPORTATION ASSISTANCE PROJECTS (continued)</b>					
<b>Program: Urban Mass Transportation</b>					
<b>Port Authority of Allegheny County</b>	State	\$ 1,344	\$ 0	\$ 149	\$ 1,493
SECTION 5307 PROGRAM:	Fed.	6,172	0	0	6,172
This project will provide for the state funds to match discretionary federal capital funding to purchase 70 replacement buses annually to standardize procurement program.	Local	50	0	0	50
<b>Port Authority of Allegheny County</b>	State	5,041	0	560	5,601
FEDERAL GRANT PROGRAM:	Fed.	23,153	0	0	23,153
This project will provide for the state funds to match discretionary federal capital and local funding to rehabilitate or replace existing facilities and infrastructure to bring to a state of good repair.	Local	186	0	0	186
<b>Area Transportation Authority</b>	State	299	0	33	332
RENOVATE FACILITY:	Fed.	1,374	0	0	1,374
This project will provide for the renovation of the DuBois facility including infrastructure to bring the facility to a state of good repair.	Local	11	0	0	11
<b>Area Transportation Authority</b>	State	959	0	107	1,066
MOBILITY MANAGEMENT CENTER:	Fed.	4,400	0	0	4,400
This project will provide for the state funds to match discretionary federal capital funding to rehabilitate infrastructure throughout the system to bring to a state of good repair.	Local	35	0	0	35
<b>Area Transportation Authority</b>	State	78	0 *		78
FACILITY UPGRADES:	Fed.	360	0	0	360
This program provides for the funding for the facility upgrades including traveler information system, radio equipment and other technology upgrades.	Local	3	0	0	3
<b>Area Transportation Authority</b>	State	2,218	0	246	2,464
BUS PURCHASE PROGRAM:	Fed.	10,182	0	0	10,182
This project will provide for the replacement that have exceeded their useful life and expansion of bus service.	Local	82	0	0	82
<b>Area Transportation Authority</b>	State	535	0	60	595
BUS TERMINALS:	Fed.	2,460	0	0	2,460
This project will provide for the funding for the planning and construction of Coudersport and Emporium passenger terminals.	Local	20	0	0	20
<b>Butler Transit Authority</b>	State	500	0	56	556
MULTI-MODAL FACILITY:	Fed.	2,300	0	0	2,300
This project will provide for the construction of a multi-modal facility including a park and ride, training area and bus waiting area to accommodate expansion of service.	Local	19	0	0	19
<b>Butler Transit Authority</b>	State	522	0	58	580
BUS PURCHASE PROGRAM:	Fed.	2,400	0	0	2,400
This project will provide funding for the purchase of new and/or used CNG buses to replace existing fleet for expansion of service.	Local	20	0	0	20

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b>TRANSPORTATION ASSISTANCE PROJECTS (continued)</b>				
<b>Program: Urban Mass Transportation</b>				
<b>Cambria County Transit Authority</b>	State \$ 2,816	\$ 0	\$ 313	\$ 3,129
CONSTRUCT FACILITY:	Fed. 12,933	0	0	12,933
This project will provide for the construction of an administration and maintenance building.	Local 104	0	0	104
<b>Cambria County Transit Authority</b>	State 241	0	82	323
PURCHASE BUSES:	Fed. 4,150	0	0	4,150
This project will provide funding for the purchase of buses to replace buses which have met their useful life.	Local 27	0	0	27
<b>Cambria County Transit Authority</b>	State 244	0	27	271
REHABILITATE INFRASTRUCTURE:	Fed. 1,120	0	0	1,120
This project will provide funding for the replacement of track ties and other miscellaneous improvements to bring to a state of good repair.	Local 9	0	0	9
<b>Cambria County Transit Authority</b>	State 70	0	8	78
REPLACE FARE COLLECTION SYSTEM:	Fed. 320	0	0	320
This project will provide funding for the replacement of the fare collection system which has reached the end of its useful life.	Local 2	0	0	2
<b>Centre Area Transportation Authority</b>	State 1,046	0	116	1,162
REPLACE BUSES:	Fed. 4,800	0	0	4,800
This project will provide for the purchase of 12 buses to replace those that have exceeded their useful life.	Local 38	0	0	38
<b>Centre Area Transportation Authority</b>	State 9,000	0	1,000	10,000
EXPAND FACILITY:	Fed. 41,333	0	0	41,333
This project will provide for phases 3 and 4 of the expansion of the storage area and administration portion including infrastructure of the maintenance facility.	Local 333	0	0	333
<b>Washington City Transit</b>	State 52	0	6	58
IMPROVE TRANSIT FACILITIES:	Fed. 240	0	0	240
This project will provide for the purchase of passenger amenities to provide safe areas to wait and board buses.	Local 2	0	0	2
<b>Washington City Transit</b>	State 22	0	2	24
PURCHASE EQUIPMENT:	Fed. 100	0	0	100
This project will provide for the purchase of new equipment for additional transit staff which will satisfy regulatory compliance.	Local 1	0	0	1
<b>Lebanon Transit</b>	State 365	0	41	406
REHABILITATE FACILITY:	Fed. 1,680	0	0	1,680
This project will provide funding for the rehabilitation of building and grounds including maintenance garage roof.	Local 14	0	0	14

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost	
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>					
<b>TRANSPORTATION ASSISTANCE PROJECTS (continued)</b>					
<b>Program: Urban Mass Transportation</b>					
<b>Lehigh Northampton Transit Authority</b>	State	\$ 1,481	\$ 0	\$ 165	\$ 1,646
PURCHASE BUSES:	Fed.	6,800	0	0	6,800
This project will provide funding for the purchase of 17 hybrid powered transit buses.	Local	5	0	0	5
<b>Lehigh Northampton Transit Authority</b>	State	328	0	36	364
PURCHASE BUSES:	Fed.	1,506	0	0	1,506
This project will provide funding for the replacement of rolling stock which have met their useful life.	Local	12	0	0	12
<b>Red Rose Transit Authority</b>	State	204	0	23	227
PURCHASE BUSES:	Fed.	937	0	0	937
This project will provide funding for the replacement of shared ride vehicles which have met their useful life.	Local	8	0	0	8
<b>Red Rose Transit Authority</b>	State	1,698	0	189	1,887
PURCHASE BUSES:	Fed.	7,800	0	0	7,800
This project will provide funding for the replacement of buses which have met their useful life.	Local	63	0	0	63
<b>York Area Transportation Authority</b>	State	1,213	0	135	1,348
PURCHASE BUSES:	Fed.	5,572	0	0	5,572
This project will provide funding for the replacement of fixed route vehicles which have met their useful life.	Local	45	0	0	45
<b>Southeastern Pennsylvania Transportation Authority</b>	State	60,970	0	6,774	67,744
INFRASTRUCTURE SAFETY RENEWAL PROGRAM:	Fed.	0	0	0	0
This project provides for the restoration of SEPTA's transit and railroad infrastructure including maintenance support facilities.	Local	2,256	0	0	2,256
<b>Southeastern Pennsylvania Transportation Authority</b>	State	17,420	0	1,936	19,356
STATE OF GOOD REPAIR PROGRAM:	Fed.	0	0	0	0
This project will provide for SEPTA's state of good repair program, facilities overhaul program, rehabilitate or replace various facilities and infrastructure to bring them to a state of good repair.	Local	645	0	0	645
<b>Southeastern Pennsylvania Transportation Authority</b>	State	47,903	0	5,323	53,226
VEHICLE OVERHAUL PROGRAM:	Fed.	0	0	0	0
This project will provide for SEPTA's FY 2013-14 Vehicle Overhaul Program, which provides for the replacement of existing assets.	Local	1,774	0	0	1,774

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost				
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>								
<b>TRANSPORTATION ASSISTANCE PROJECTS (continued)</b>								
<b>Program: Urban Mass Transportation</b>								
<b>Port Authority of Allegheny County</b>	State	\$ 13,936	\$ 0	\$ 1,548	\$ 15,484			
INFRASTRUCTURE SAFETY RENEWAL PROGRAM:	Fed.	0	0	0	0			
This project will provide for PAAC's Infrastructure Safety Renewal Program, which includes capital improvements to stations, signals, track, power and buildings.	Local	516	0	0	516			
<b>Port Authority of Allegheny County</b>	State	2,177	0	242	2,419			
VEHICLE OVERHAUL PROGRAM:	Fed.	0	0	0	0			
This project will provide for PAAC's Vehicle Overhaul Program, which provides for the major overhaul of the rolling stock.	Local	83	0	0	83			
TOTAL STATE FUNDS.....	\$	278,267	\$	0	\$	30,966	\$	309,233
TOTAL FEDERAL FUNDS.....		634,481		0		0		634,481
TOTAL LOCAL FUNDS.....		10,269		0		0		10,269
<b>PROGRAM TOTAL.....</b>	<b>\$</b>	<b>923,017</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>30,966</b>	<b>\$</b>	<b>953,983</b>

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

### FROM CURRENT REVENUES

### BRIDGE PROJECTS

#### Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Blair County	State	450	100	150	700
SR 7205 over Frankstown Branch Juniata River	Federal	0	0	0	0
Frankstown Township	Local	0	0	0	0
Rehabilitation (95924)	Total	450	100	150	700
Blair County	State	375	0	0	375
SR 7215 over Clover Creek	Federal	0	0	0	0
Woodbury Township	Local	0	0	0	0
Rehabilitation (95938)	Total	375	0	0	375
Butler County	State	1,540	92	247	1,879
SR 3015 over tributary to Breakneck Creek	Federal	0	0	0	0
Adams Township	Local	0	0	0	0
Replacement (92630)	Total	1,540	92	247	1,879
Clearfield County	State	750	0	100	850
I 80 Westbound over SR 970	Federal	6,750	0	900	7,650
Bradford Township	Local	0	0	0	0
Replacement (87729)	Total	7,500	0	1,000	8,500
Clearfield County	State	750	0	100	850
I 80 Eastbound over SR 970	Federal	6,750	0	900	7,650
Bradford Township	Local	0	0	0	0
Replacement (87729)	Total	7,500	0	1,000	8,500
Clinton County	State	220	60	150	430
Valley Road over Ohnmeiss Run	Federal	0	0	0	0
Greene Township	Local	0	0	0	0
Replacement (88574)	Total	220	60	150	430
Clinton County	State	300	55	150	505
SR 2002 tributary Big Fishing Creek	Federal	0	0	0	0
Greene Township	Local	0	0	0	0
Replacement (91961)	Total	300	55	150	505

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

### FROM CURRENT REVENUES

### BRIDGE PROJECTS

#### Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Clinton County	State	0	0	0	0
West Branch Susquehanna River /TR 475/ N&S RR	Federal	3,000	0	300	3,300
Chapman Township	Local	0	0	0	0
REHABILITATION (93298)	Total	3,000	0	300	3,300
Juniata County	State	247	35	146	428
SR 2017 over Stony Run	Federal	0	0	0	0
Monroe Township	Local	0	0	0	0
Replacement (88587)	Total	247	35	146	428
Juniata County	State	240	65	162	467
SR 3023 over Lick Run	Federal	0	0	0	0
Lack Township	Local	0	0	0	0
Replacement (88588)	Total	240	65	162	467
Lawrence County	State	500	0	250	750
Main Street over Wampum Creek	Federal	2,000	0	200	2,200
Wampum Borough	Local	0	0	0	0
Replacement (90090)	Total	2,500	0	450	2,950
Mifflin County	State	285	100	160	545
SR 2004 over tributary Jacks Creek	Federal	0	0	0	0
Decatur Township	Local	0	0	0	0
Replacement (93300)	Total	285	100	160	545
York County	State	227	3	30	260
West Philadelphia Street over Codorus Creek	Federal	1,209	16	160	1,385
City of York	Local	76	1	10	87
Rehabilitation (87750)	Total	1,511	20	200	1,731
TOTAL STATE FUNDS.....	State	5,884	510	1,645	8,038
TOTAL FEDERAL FUNDS.....	Federal	19,709	16	2,460	22,185
TOTAL LOCAL FUNDS.....	Local	39,417	1	10	39,428
PROGRAM TOTAL.....		65,009	527	4,115	69,651

# Capital Budget

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

from CURRENT REVENUES

### HIGHWAY PROJECTS

#### Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Allegheny County	State	1,968	0	0	1,968
Steubenville Pike, Mill & resurface: SR 60 from Parkway West to I-79 and reconstruction SR 22 from Tonidale Bridge to Parkway West	Federal	7,871	20	90	7,981
Robinson Township, Kennedy Township, Findlay Tonship, North Fayette Township	Local	0	0	0	0
Mill & resurface & reconstruction (94656)	Total	9,839	20	90	9,949
Armstrong County	State	600	0	0	600
PA 28 Corridor Project	Federal	2,400	0	0	2,400
Boggs Township, Buffalo Township, East Franklin Township, Mahoning Township, Manor Township, North Buffalo Township, Rayburn Township, South Buffalo Township, Valley Township, Wayne Township, New Bethlehem Borough, South Bethlehem Borough	Local	0	0	0	0
Highway restoration (88366)	Total	3,000	0	0	3,000
Bradford County	State	0	719	130	849
SR 4014 (Milan Road) from Bucks Creek to SR 220	Federal	4,000	0	0	4,000
Smithfield Township, Ulster Township	Local	0	0	0	0
Restoration (87468)	Total	4,000	719	130	4,849
Bradford County	State	800	0	20	820
US 6 from T-468 to Cornell Road	Federal	0	0	0	0
Tuscarora Township, Wyalusing Township	Local	0	0	0	0
Resurfacing (95660)	Total	800	0	20	820
Bradford County	State	950	0	10	960
US 6 from the Susquehanna River to SR 187	Federal	0	0	0	0
Wysox Township	Local	0	0	0	0
Mill and resurface (95661)	Total	950	0	10	960
Clearfield County	State	750	250	426	1,426
SR 255 INTERSECTION IMPROVEMENTS, SR 0255 from, SEG 0050/1844 TO 0080/0189	Federal	3,000	0	0	3,000
SANDY Township	Local	0	0	0	0
Highway restoration improvements (88219)	Total	3,750	250	426	4,426

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

from CURRENT REVENUES

### HIGHWAY PROJECTS

#### Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
<b>Columbia County</b>					
SR 239 from SR 487 to Mendenhall Lane	State	410	0	10	420
Benton Township, Benton Borough	Federal	0	0	0	0
Mill and resurface roadway (93508)	Local	0	0	0	0
	Total	410	0	10	420
<b>Columbia County</b>					
I-80 Westbound from Montour/Columbia County Line to Town of Bloomsburg	State	2,900	0	11	2,911
Hemlock Township	Federal	0	0	10	10
Mill and resurface (82309)	Local	0	0	0	0
	Total	2,900	0	21	2,921
<b>Columbia County</b>					
SR 93 from Mountain Road to SR 487	State	1,000	0	10	1,010
North Centre Township, Orange Township, Orangeville Borough	Federal	0	0	0	0
Resurfacing (95605)	Local	0	0	0	0
	Total	1,000	0	10	1,010
<b>Cumberland County</b>					
Camp Hill Bypass from Harvey Taylor Bridge to 21st Street and US 11/15 from 21st Street to PA 581	State	720	20	200	940
East Pennsboro Township, Ccamp Hill Borough, Wormleysburg Borough	Federal	2,880	0	0	2,880
Resurface (88315)	Local	0	0	0	0
	Total	3,600	20	200	3,820
<b>Cumberland County</b>					
US 11 from PA 34 to PA Turnpike ramps at Miracle Mile Hanover Street & Harrisburg Pike	State	1,191	5	30	1,226
Middlesex Township, North Middleton Township, Carlisle Borough	Federal	0	0	0	0
Resurfacing (82412)	Local	0	0	0	0
	Total	1,191	5	30	1,226
<b>Dauphin County</b>					
PA 39 (Linglestown Road) from US 22 (Allentown Boulevard) to SR 3019 (Mountain Road)	State	2,445	50	200	2,695
Lower Paxton Township, West Hanover Township	Federal	0	0	0	0
Resurfacing (82434)	Local	0	0	0	0
	Total	2,445	50	200	2,695
<b>Franklin County</b>					
SR 3007 Lemar Road from PA-75 to PA-995	State	2,500	5	20	2,525
Peters Township	Federal	0	0	0	0
Resurfacing (82461)	Local	0	0	0	0
	Total	2,500	5	20	2,525

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

from CURRENT REVENUES

### HIGHWAY PROJECTS

#### Program: State Highway and Bridge Construction

	Base Project Cost	Land Cost	Design Cost	Total Project Cost	
Lancaster County	State	1,248	5	20	1,273
PA 897 White Horse Road from Gap to PA-340	Federal	0	0	0	0
Salsbury Township	Local	0	0	0	0
Resurfacing. (82476)	Total	1,248	5	20	1,273
Lycoming County	State	450	0	10	460
SR 2045 from Broad Street to I-180	Federal	0	0	0	0
Fairfield Township	Local	0	0	0	0
Mill and Resurface (92887)	Total	450	0	10	460
Lycoming County	State	415	0	0	415
SR 2018 from Almond Street to Northway Roadad	Federal	0	0	0	0
Loyalsock Township, City of Williamsport	Local	0	0	0	0
Mill and resurface roadway (87970)	Total	415	0	0	415
Lycoming County	State	600	0	10	610
SR 2043 from Loyalsock Avenue to Broad Street	Federal	0	0	0	0
Montoursville Borough	Local	0	0	0	0
Mill and resurface (92886)	Total	600	0	10	610
Lycoming County	State	400	0	10	410
SR 54 Houston Avenue to Northumberland County Line, SR 54 SEG 0090/0600 to 0110/3085	Federal	0	0	0	0
Muncy Creek Township, Montgomery Borough	Local	0	0	0	0
Mill and resurface (87880)	Total	400	0	10	410
Lycoming County	State	2,825	0	10	2,835
US 220 from SR 2036 to Railroad Street	Federal	0	0	0	0
Muncy Township, Wolf Township, Hughesville Borough	Local	0	0	0	0
Resurfacing (92849)	Total	2,825	0	10	2,835
Lycoming County	State	500	0	10	510
SR 220 Clinton County Line to SR 287, SR 220 SEG 0010/0000 to 0090/1226 and SR 220 SEG 0011/0000 to 0091/1059	Federal	0	0	0	0
Pine Creek Township, Piatt Township, Porter Township, Jersey Shore Borough	Local	0	0	0	0
Mill and resurface (87955)	Total	500	0	10	510

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

from CURRENT REVENUES

### HIGHWAY PROJECTS

#### Program: State Highway and Bridge Construction

	Base Project Cost	Land Cost	Design Cost	Total Project Cost	
<b>Lycoming County</b>					
State	375	0	50	425	
SR 118 Spruce Street to Muncy Creek, SR 118 SEG 0010/0225 to 0010/2500	Federal	0	0	0	
Wolf Township, Hughesville Borough	Local	0	0	0	
Mill and resurface (87861)	Total	375	0	50	425
<b>Montour County</b>					
State	300	0	10	310	
SR 254 from SR 54 to Steffens Road	Federal	0	0	0	
Derry Township	Local	0	0	0	
Resurfacing (92858)	Total	300	0	10	310
<b>Northumberland County</b>					
State	340	0	5	345	
SR 61 (Market Street) from Seven street to Front Street (SR 147)	Federal	0	0	0	
City OF Sunbury	Local	0	0	0	
Mill and resurface (86882)	Total	340	0	5	345
<b>Northumberland County</b>					
State	345	0	10	355	
SR 61 SEG 0100/2066 to 0120/0532 and SR 61 SEG 0101/2083 to 0121/0550, Ranshaw to Lancaster swch	Federal	0	0	0	
Coal Township	Local	0	0	0	
Mill and resurface (87855)	Total	345	0	10	355
<b>Northumberland County</b>					
State	300	0	10	310	
SR 1007 from Gearhart Road to Walnut Street	Federal	0	0	0	
Delaware Township, McEwensville Borough	Local	0	0	0	
Mill and resurfacing (95652)	Total	300	0	10	310
<b>Northumberland County</b>					
State	1,800	0	310	2,110	
I-180 from SR 2014 (Muncy) Lycoming County to PA 54 (Turbotville exit)	Federal	16,200	0	2,700	18,900
Delaware Township, Muncy Creek Township	Local	0	0	0	0
Mill and resurface roadway (87577)	Total	18,000	0	3,010	21,010
<b>Northumberland County</b>					
State	600	0	0	600	
SR 147 from SR 3012 to Chestnut Street	Federal	0	0	0	
Jackson Township, Lower Mahanoy Township, Herndon Borough	Local	0	0	0	
Mill and resurfacing (95650)	Total	600	0	0	600

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

from CURRENT REVENUES

### HIGHWAY PROJECTS

#### Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Northumberland County	State	1,000	0	10	1,010
SR 61 from Fifth Street to SR 54	Federal	0	0	0	0
Mount Carmel Township, Kulpmount Borough	Local	0	0	0	0
Resurface and upgrade guide rail (86762)	Total	1,000	0	10	1,010
Northumberland County	State	300	0	10	310
SR 147 from T-568 to SR 45	Federal	0	0	0	0
West Chillisquaque Township	Local	0	0	0	0
Resurfacing (95649)	Total	300	0	10	310
Snyder County	State	461	0	10	471
US 522 from Wetzel Run to Tributary to Middle Creek	Federal	0	0	0	0
Beaver Township	Local	0	0	0	0
Resurfacing (95604)	Total	461	0	10	471
Snyder County	State	500	0	0	500
SR 522 SEG 0210/0000 to 0230/1280, Kern Run to Wetzel Run	Federal	0	0	0	0
Beaver Township, Beavertown Borough	Local	0	0	0	0
Mill and resurface (87846)	Total	500	0	0	500
Snyder County	State	540	0	25	565
US 15 from the US 11 split to Union County Line, SEG 0010/0000 to 0100/2680 & 0011/0000 to 0101/2746	Federal	2,160	0	0	2,160
Monroe Township, Shamokin Dam Borough	Local	0	0	0	0
Mill and resurface roadway (87769)	Total	2,700	0	25	2,725
Snyder County	State	1,060	0	10	1,070
SR 522 SEG 0070/0900 to 0100/2947, McClure to West Beaver	Federal	0	0	0	0
West Beaver Township	Local	0	0	0	0
Resurface (87239)	Total	1,060	0	10	1,070
Sullivan County	State	325	0	0	325
SR 87 to Main Street	Federal	0	0	0	0
Cherry Township, Dushore Borough	Local	0	0	0	0
Mill and resurface (82985)	Total	325	0	0	325

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

from CURRENT REVENUES

### HIGHWAY PROJECTS

#### Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
Sullivan County	State	0	0	320	320
SR 87 from Pond Road to Wyoming County Line SR 87 0700/0000 to 0780/1477	Federal	3,500	0	0	3,500
Colley Township	Local	0	0	0	0
Mill and resurface roadway; soil slide repair (87862)	Total	3,500	0	320	3,820
Sullivan County	State	480	0	0	480
SR 87 from US 220 to Hillside Drive	Federal	0	0	0	0
Dushore Borough	Local	0	0	0	0
Mill and resurface (82988)	Total	480	0	0	480
Sullivan County	State	800	0	20	820
SR 154 from SR 87 to SR 4001, Forkville-Lincoln Falls	Federal	0	0	0	0
Elkland Township, Forksville Borough	Local	0	0	0	0
Resurface (86819)	Total	800	0	20	820
Tioga County	State	400	0	10	410
SR 1002 from Elmira Street to Corey Creek	Federal	0	0	0	0
Mansfield Borough	Local	0	0	0	0
Mill and resurface (95711)	Total	400	0	10	410
Tioga County	State	1,000	0	60	1,060
SR 1003 (Decker Street) 0010/0000 to 0010/2584	Federal	0	0	0	0
Mansfield Borough	Local	0	0	0	0
Mill and resurface (87761)	Total	1,000	0	60	1,060
Tioga County	State	585	0	10	595
SR 2005 from SR 660 to Richmond Drive	Federal	0	0	0	0
Richmond Township	Local	0	0	0	0
Mill and resurface (95713)	Total	585	0	10	595
Tioga County	State	1,200	0	10	1,210
US 6 from North Schodac Road to US 15	Federal	0	0	0	0
Richmond Township, Mansfield Borough	Local	0	0	0	0
Resurfacing (92851)	Total	1,200	0	10	1,210

## Department of Transportation 2013-14 Projects

(Dollar Amounts in Thousands)

from CURRENT REVENUES

### HIGHWAY PROJECTS

#### Program: State Highway and Bridge Construction

		Base Project Cost	Land Cost	Design Cost	Total Project Cost
<b>Union County</b>					
State		415	0	0	415
SR 45 from Swengel Road to SR 104	Federal	0	0	0	0
Limestone Township, West Buffalo Township, Mifflinburg Borough	Local	0	0	0	0
Mill and resurface (87859)	Total	415	0	0	415
<b>Washington County</b>					
State		0	0	500	500
SR 837 (Madison Avenue from Scott Street to SR 88 and SR 837 (Elrama Road) from SR 88 to Courtney Hill Road	Federal	2,500	0	0	2,500
Carroll Township, Union Township, City of Monongahela, Donora Borough, New Eagle Borough	Local	0	0	0	0
Roadway network repairs (95287)	Total	2,500	0	500	3,000
<b>Westmoreland County</b>					
State		0	0	750	750
PA 906 Rock Fall Repair	Federal	10,500	0	0	10,500
Rostraver Township	Local	0	0	0	0
Rock fall repairs (95288)	Total	10,500	0	750	11,250
TOTAL STATE FUNDS.....	State	35,798	1,054	3,277	40,129
TOTAL FEDERAL FUNDS.....	Federal	55,011	20	2,800	57,831
TOTAL LOCAL FUNDS.....	Local	0	0	0	0
PROGRAM TOTAL.....		90,809	1,074	6,077	97,961

## 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)

	2014-15	2015-16	2016-17	2017-18
Agriculture.....	\$ 0	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources.....	73,800	102,000	114,000	100,800
Corrections.....	0	0	0	0
Education.....	294,380	298,500	301,200	298,350
Emergency Management Agency.....	0	0	0	0
Environmental Protection.....	0	0	0	0
Fish and Boat Commission.....	2,000	1,500	1,000	1,000
Game Commission.....	2,000	1,000	1,000	1,000
General Services.....	0	0	0	0
Historical and Museum Commission.....	38,260	32,600	45,800	63,688
Military and Veterans Affairs.....	0	0	0	0
Public Welfare.....	30,730	29,400	18,800	0
State Police.....	0	0	0	0
Transportation.....	475,000	475,000	475,000	475,000
<b>TOTAL.....</b>	<b>\$ 916,170</b>	<b>\$ 940,000</b>	<b>\$ 956,800</b>	<b>\$ 939,838</b>

## Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets from 2014-15 through 2017-18. 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)

<b>FROM CAPITAL FACILITIES BOND FUNDS</b>	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Agriculture</b>				
PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex and the laboratory.	\$ 0	\$ 0	\$ 0	\$ 0
<b>Conservation and Natural Resources</b>	33,800	61,000	72,000	57,800
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>	0	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>	294,380	298,500	301,200	298,350
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>	0	0	0	0
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>	0	0	0	0
PUBLIC IMPROVEMENT PROJECTS: Provides for the construction, renovation and improvements to state office buildings and facilities.				

# Capital Budget

## Forecast of Future Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS (continued)	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Historical and Museum Commission</b>	\$ 38,260	\$ 32,600	\$ 45,800	\$ 63,688
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.				
<b>Military and Veterans Affairs</b>	0	0	0	0
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.				
<b>Public Welfare</b>	30,730	29,400	18,800	0
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.				
<b>State Police</b>	0	0	0	0
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.				
<b>Transportation</b>	0	0	0	0
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.				
<b>Transportation</b>	175,000	175,000	175,000	175,000
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.				
CAPITAL FACILITIES BOND FUNDS				
Total — Public Improvement Program.....	\$ 397,170	\$ 421,500	\$ 437,800	\$ 419,838
Total — Flood Control Program.....	0	0	0	0
Total — Transportation Assistance Program.....	175,000	175,000	175,000	175,000
<b>SUBTOTAL— CAPITAL FACILITIES BOND FUNDS.....</b>	<b>\$ 572,170</b>	<b>\$ 596,500</b>	<b>\$ 612,800</b>	<b>\$ 594,838</b>

# Capital Budget

## Forecast of Future Projects

(Dollar Amounts in Thousands)

	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>FROM CURRENT REVENUES</b>				
<b>Conservation and Natural Resources</b>	\$ 15,000	\$ 16,000	\$ 17,000	\$ 18,000
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>	25,000	25,000	25,000	25,000
PUBLIC IMPROVEMENT PROJECTS — ENVIRONMENTAL STEWARDSHIP FUND: Provides for the acquisition, rehabilitation and development of open space, forests, parks and scenic environments.				
<b>Fish and Boat Commission</b>	2,000	1,500	1,000	1,000
PUBLIC IMPROVEMENT PROJECTS — FISH AND BOAT FUND: Provides for acquisition of property, construction of new capital assets and renovation of existing facilities for the development of fisheries and recreational boating facilities.				
<b>Game Commission</b>	2,000	1,000	1,000	1,000
PUBLIC IMPROVEMENT PROJECTS — GAME FUND: Provides for acquisition of additional state game lands.				
<b>Transportation</b>	300,000	300,000	300,000	300,000
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.....	\$ 44,000	\$ 43,500	\$ 44,000	\$ 45,000
Total – Highway Program.....	300,000	300,000	300,000	300,000
<b>SUBTOTAL – CURRENT REVENUES.....</b>	<b>\$ 344,000</b>	<b>\$ 343,500</b>	<b>\$ 344,000</b>	<b>\$ 345,000</b>
<b>TOTAL – ALL PROGRAMS.....</b>	<b>\$ 916,170</b>	<b>\$ 940,000</b>	<b>\$ 956,800</b>	<b>\$ 939,838</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	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
Executive Offices.....	\$ 865	\$ 865	\$ 432	\$ 0	\$ 0
Agriculture.....	956	103	277	587	357
Conservation and Natural Resources.....	60,581	50,254	55,488	64,586	73,990
Community and Economic Development.....	410,286	376,689	384,542	344,895	215,341
Corrections.....	145,744	39,379	50,055	67,481	49,838
Education.....	324,361	282,855	281,917	253,640	217,270
Emergency Management Agency.....	2,628	812	2,083	4,251	2,642
Environmental Protection.....	21,132	30,535	32,627	32,505	12,715
Fish and Boat Commission.....	8,715	16,157	24,003	31,222	32,429
Game Commission.....	55	15	41	87	53
General Services.....	51,726	149,799	32,829	57,376	34,845
Historical and Museum Commission.....	8,671	7,986	10,894	18,326	19,978
Military and Veterans Affairs.....	14,714	8,692	11,651	13,975	10,438
Public Welfare.....	6,891	11,086	14,568	18,956	18,829
State Police.....	8,164	9,505	7,134	2,871	2,290
Transportation.....	582,337	571,537	565,714	566,621	552,143
<b>TOTAL - ALL STATE FUNDS.....</b>	<b>\$ 1,647,824</b>	<b>\$ 1,556,267</b>	<b>\$ 1,474,254</b>	<b>\$ 1,477,378</b>	<b>\$ 1,243,156</b>

Totals may not add due to rounding.

## 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)

	<u>2013-14 Estimated</u>	<u>2014-15 Estimated</u>	<u>2015-16 Estimated</u>	<u>2016-17 Estimated</u>	<u>2017-18 Estimated</u>
<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.....	865	865	432	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EXECUTIVE OFFICES.....	<u>\$ 865</u>	<u>\$ 865</u>	<u>\$ 432</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Agriculture</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 956	\$ 103	\$ 277	\$ 587	\$ 357
Furniture and Equipment.....	0	0	0	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - AGRICULTURE.....	<u>\$ 956</u>	<u>\$ 103</u>	<u>\$ 277</u>	<u>\$ 587</u>	<u>\$ 357</u>
<b>Conservation and Natural Resources</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 33,098	\$ 12,765	\$ 9,427	\$ 13,986	\$ 6,823
Furniture and Equipment.....	775	564	175	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	763	6,865	11,442	11,442	11,442
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	338	3,652	11,280	21,278
Furniture and Equipment.....	0	0	0	0	0
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	<u>\$ 34,636</u>	<u>\$ 20,532</u>	<u>\$ 24,696</u>	<u>\$ 36,708</u>	<u>\$ 39,543</u>
<b>Community and Economic Development</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 75,582	\$ 55,712	\$ 47,246	\$ 62,129	\$ 37,752
Furniture and Equipment.....	0	0	0	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Subtotal.....	<u>\$ 75,582</u>	<u>\$ 55,712</u>	<u>\$ 47,246</u>	<u>\$ 62,129</u>	<u>\$ 37,752</u>

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2013-14</u> <u>Estimated</u>	<u>2014-15</u> <u>Estimated</u>	<u>2015-16</u> <u>Estimated</u>	<u>2016-17</u> <u>Estimated</u>	<u>2017-18</u> <u>Estimated</u>
<b>Redevelopment Assistance Projects</b>					
Projects Currently Authorized					
Acquisition and Construction.....	\$ 334,704	\$ 320,978	\$ 337,296	\$ 282,766	\$ 177,589
TOTAL - COMMUNITY AND ECONOMIC DEVELOPMENT.....	<u>\$ 410,286</u>	<u>\$ 376,689</u>	<u>\$ 384,542</u>	<u>\$ 344,895</u>	<u>\$ 215,341</u>
<b>Corrections</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 143,884	\$ 22,882	\$ 22,598	\$ 40,034	\$ 22,391
Furniture and Equipment.....	30	29	10	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	1,830	16,468	27,447	27,447	27,447
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - CORRECTIONS.....	<u>\$ 145,744</u>	<u>\$ 39,379</u>	<u>\$ 50,055</u>	<u>\$ 67,481</u>	<u>\$ 49,838</u>
<b>Education</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 316,396	\$ 239,949	\$ 220,698	\$ 153,645	\$ 72,285
Furniture and Equipment.....	3,884	17,336	5,779	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	1,731	15,576	25,961	25,961	25,961
Furniture and Equipment.....	2,350	7,050	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	2,944	29,479	74,034	119,024
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EDUCATION.....	<u>\$ 324,361</u>	<u>\$ 282,855</u>	<u>\$ 281,917</u>	<u>\$ 253,640</u>	<u>\$ 217,270</u>
<b>Emergency Management Agency</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 2,618	\$ 722	\$ 1,933	\$ 4,101	\$ 2,492
Furniture and Equipment.....	0	0	0	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	10	90	150	150	150
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EMERGENCY MANAGEMENT AND HOMELAND SECURITY.....	<u>\$ 2,628</u>	<u>\$ 812</u>	<u>\$ 2,083</u>	<u>\$ 4,251</u>	<u>\$ 2,642</u>

# Capital Budget

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2013-14</u> <u>Estimated</u>	<u>2014-15</u> <u>Estimated</u>	<u>2015-16</u> <u>Estimated</u>	<u>2016-17</u> <u>Estimated</u>	<u>2017-18</u> <u>Estimated</u>
<b>Environmental Protection</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 8,815	\$ 9,273	\$ 10,765	\$ 10,643	\$ 3,070
Furniture and Equipment.....	0	0	0	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	100	900	1,500	1,500	1,500
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Subtotal .....	<u>\$ 8,915</u>	<u>\$ 10,173</u>	<u>\$ 12,265</u>	<u>\$ 12,143</u>	<u>\$ 4,570</u>
Flood Control Projects					
Projects Currently Authorized					
Structures and Improvements.....	\$ 12,217	\$ 20,362	\$ 20,362	\$ 20,362	\$ 8,145
Projects in 2013-14 Budget					
Structures and Improvements.....	0	0	0	0	0
Future Projects (2014-18)					
Structures and Improvements.....	0	0	0	0	0
Subtotal .....	<u>\$ 12,217</u>	<u>\$ 20,362</u>	<u>\$ 20,362</u>	<u>\$ 20,362</u>	<u>\$ 8,145</u>
TOTAL - ENVIRONMENTAL PROTECTION.....	<u>\$ 21,132</u>	<u>\$ 30,535</u>	<u>\$ 32,627</u>	<u>\$ 32,505</u>	<u>\$ 12,715</u>
<b>Fish and Boat Commission</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 7,965	\$ 2,685	\$ 4,170	\$ 5,028	\$ 3,055
Furniture and Equipment.....	0	0	0	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - FISH AND BOAT COMMISSION.....	<u>\$ 7,965</u>	<u>\$ 2,685</u>	<u>\$ 4,170</u>	<u>\$ 5,028</u>	<u>\$ 3,055</u>
<b>Game Commission</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 55	\$ 15	\$ 41	\$ 87	\$ 53
Furniture and Equipment.....	0	0	0	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - GAME COMMISSION.....	<u>\$ 55</u>	<u>\$ 15</u>	<u>\$ 41</u>	<u>\$ 87</u>	<u>\$ 53</u>

# Capital Budget

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2013-14</u> Estimated	<u>2014-15</u> Estimated	<u>2015-16</u> Estimated	<u>2016-17</u> Estimated	<u>2017-18</u> Estimated
<b>General Services</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 51,500	\$ 142,635	\$ 27,729	\$ 53,986	\$ 31,455
Furniture and Equipment.....	0	5,130	1,710	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	226	2,034	3,390	3,390	3,390
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - GENERAL SERVICES.....	<u>\$ 51,726</u>	<u>\$ 149,799</u>	<u>\$ 32,829</u>	<u>\$ 57,376</u>	<u>\$ 34,845</u>
<b>Historical and Museum Commission</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 7,963	\$ 4,921	\$ 6,195	\$ 8,295	\$ 3,690
Furniture and Equipment.....	0	90	30	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	60	540	900	900	900
Furniture and Equipment.....	648	2,052	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	383	3,769	9,131	15,388
Furniture and Equipment.....	0	0	0	0	0
TOTAL - HISTORICAL AND MUSEUM .....	<u>\$ 8,671</u>	<u>\$ 7,986</u>	<u>\$ 10,894</u>	<u>\$ 18,326</u>	<u>\$ 19,978</u>
<b>Military and Veterans Affairs</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 14,199	\$ 4,238	\$ 4,636	\$ 7,000	\$ 3,463
Furniture and Equipment.....	0	119	40	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	465	4,185	6,975	6,975	6,975
Furniture and Equipment.....	50	150	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - MILITARY AND VETERANS AFFAIRS.....	<u>\$ 14,714</u>	<u>\$ 8,692</u>	<u>\$ 11,651</u>	<u>\$ 13,975</u>	<u>\$ 10,438</u>

# Capital Budget

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2013-14</u> Estimated	<u>2014-15</u> Estimated	<u>2015-16</u> Estimated	<u>2016-17</u> Estimated	<u>2017-18</u> Estimated
<b>Public Welfare</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 5,523	\$ 3,346	\$ 4,596	\$ 5,969	\$ 2,574
Furniture and Equipment.....	998	4,107	1,369	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	370	3,326	5,543	5,543	5,543
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	307	3,060	7,444	10,712
Furniture and Equipment.....	0	0	0	0	0
<b>TOTAL - PUBLIC WELFARE.....</b>	<b>\$ 6,891</b>	<b>\$ 11,086</b>	<b>\$ 14,568</b>	<b>\$ 18,956</b>	<b>\$ 18,829</b>
<b>State Police</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 8,071	\$ 8,671	\$ 5,744	\$ 1,481	\$ 900
Furniture and Equipment.....	0	0	0	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	93	834	1,390	1,390	1,390
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
<b>TOTAL - STATE POLICE .....</b>	<b>\$ 8,164</b>	<b>\$ 9,505</b>	<b>\$ 7,134</b>	<b>\$ 2,871</b>	<b>\$ 2,290</b>
<b>Transportation</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 10,923	\$ 8,640	\$ 10,182	\$ 10,369	\$ 3,173
Furniture and Equipment.....	0	0	0	0	0
Projects in 2013-14 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2014-18)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Subtotal.....	\$ 10,923	\$ 8,640	\$ 10,182	\$ 10,369	\$ 3,173
Transportation Assistance Projects					
Projects Currently Authorized					
Mass Transit, Rail and Air.....	\$ 175,000	\$ 144,000	\$ 111,500	\$ 69,250	\$ 65,250
Projects in 2013-14 Budget					
Mass Transit, Rail and Air.....	0	31,000	46,000	62,000	31,000
Future Projects (2014-18)					
Mass Transit, Rail and Air.....	0	0	17,500	43,750	78,750
Subtotal.....	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
<b>TOTAL - TRANSPORTATION.....</b>	<b>\$ 185,923</b>	<b>\$ 183,640</b>	<b>\$ 185,182</b>	<b>\$ 185,369</b>	<b>\$ 178,173</b>

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>TOTAL - CAPITAL FACILITIES BOND FUNDS</b>					
Public Improvement Projects					
Buildings and Structures.....	\$ 693,194	\$ 571,346	\$ 500,895	\$ 563,927	\$ 444,633
Furniture and Equipment.....	9,600	37,492	9,545	0	0
Redevelopment Assistance Projects					
Acquisition and Construction.....	334,704	320,978	337,296	282,766	177,589
Flood Control Projects					
Structures and Improvements.....	12,217	20,362	20,362	20,362	8,145
Transportation Assistance Projects.....					
Mass Transit, Rail and Air.....	175,000	175,000	175,000	175,000	175,000
TOTAL.....	<u>\$ 1,224,715</u>	<u>\$ 1,125,177</u>	<u>\$ 1,043,098</u>	<u>\$ 1,042,055</u>	<u>\$ 805,366</u>
<b>CURRENT REVENUES</b>					
<b>FISH AND BOAT FUND</b>					
<b>Fish and Boat Commission</b>					
Public Improvement Projects					
Projects Currently Authorized.....	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Projects in 2013-14 Budget	0	12,722	19,083	25,444	28,624
Future Projects (2014-18)	0	0	0	0	0
TOTAL - FISH AND BOAT COMMISSION.....	<u>\$ 750</u>	<u>\$ 13,472</u>	<u>\$ 19,833</u>	<u>\$ 26,194</u>	<u>\$ 29,374</u>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND</b>					
<b>Conservation and Natural Resources</b>					
Keystone Recreation, Park and Conservation Projects - Acquisition, Improvements and Restoration.....					
Projects Currently Authorized.....	\$ 18,040	\$ 13,446	\$ 9,347	\$ 0	\$ 0
Projects in 2013-14 Budget	0	2,014	3,022	4,029	4,532
Future Projects (2014-18)	0	2,500	6,250	11,250	16,875
Subtotal.....	<u>\$ 18,040</u>	<u>\$ 17,961</u>	<u>\$ 18,619</u>	<u>\$ 15,279</u>	<u>\$ 21,407</u>
<b>ENVIRONMENTAL STEWARDSHIP FUND</b>					
<b>Conservation and Natural Resources</b>					
Environmental Stewardship Projects - Acquisition, Rehabilitation and Development					
Projects Currently Authorized.....	\$ 7,905	\$ 9,261	\$ 4,673	\$ 1,349	\$ 1,790
Projects in 2013-14 Budget	0	0	0	0	0
Future Projects (2014-18)	0	2,500	7,500	11,250	11,250
Subtotal.....	<u>\$ 7,905</u>	<u>\$ 11,761</u>	<u>\$ 12,173</u>	<u>\$ 12,599</u>	<u>\$ 13,040</u>
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	<u>\$ 25,945</u>	<u>\$ 29,722</u>	<u>\$ 30,792</u>	<u>\$ 27,878</u>	<u>\$ 34,447</u>
<b>MOTOR LICENSE FUND</b>					
<b>Transportation</b>					
Highway and Bridge Projects					
Projects Currently Authorized.....	\$ 396,385	\$ 379,785	\$ 372,435	\$ 361,047	\$ 341,586
Projects in 2013-14 Budget	29	117	88	147	235
Future Projects (2014-18)	0	7,995	8,009	20,058	32,149
TOTAL - TRANSPORTATION.....	<u>\$ 396,414</u>	<u>\$ 387,897</u>	<u>\$ 380,532</u>	<u>\$ 381,252</u>	<u>\$ 373,970</u>

# Capital Budget

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2013-14</u> Estimated	<u>2014-15</u> Estimated	<u>2015-16</u> Estimated	<u>2016-17</u> Estimated	<u>2017-18</u> Estimated
<b>TOTAL - CURRENT REVENUES</b>					
Public Improvement Projects					
Fish and Boat Fund.....	\$ 750	\$ 13,472	\$ 19,833	\$ 26,194	\$ 29,374
Acquisition, Improvement and Restoration Projects					
Keystone Recreation, Park and Conservation Fund.....	18,040	17,961	18,619	15,279	21,407
Acquisition, Rehabilitation and Development Projects					
Environmental Stewardship Fund.....	7,905	11,761	12,173	12,599	13,040
Highway and Bridge Projects					
Motor License Fund .....	396,414	387,897	380,532	381,252	373,970
<b>TOTAL - CURRENT REVENUES.....</b>	<b>\$ 423,109</b>	<b>\$ 431,091</b>	<b>\$ 431,156</b>	<b>\$ 435,323</b>	<b>\$ 437,791</b>
<b>TOTAL - ALL STATE FUNDS.....</b>	<b>\$ 1,647,824</b>	<b>\$ 1,556,267</b>	<b>\$ 1,474,254</b>	<b>\$ 1,477,378</b>	<b>\$ 1,243,156</b>

Totals may not add due to rounding.

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Commonwealth of Pennsylvania

## Governor's Executive Budget

# *PUBLIC DEBT*

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# 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.
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## DEBT AUTHORIZED, ISSUED AND OUTSTANDING

The following statement reflects the debt of the commonwealth as of December 31, 2012. 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.

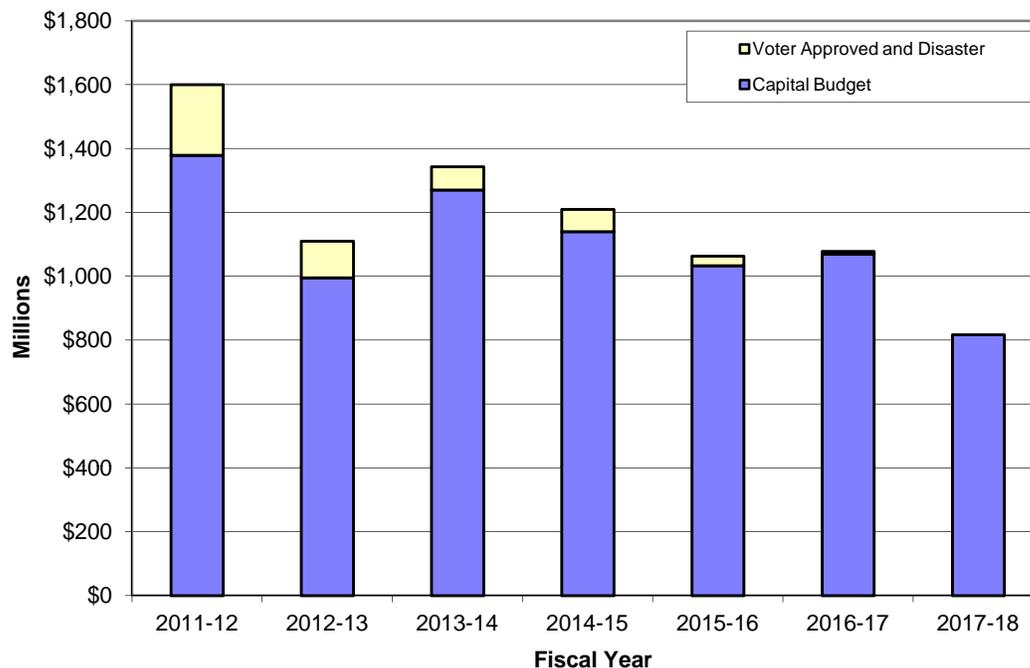
	(Dollar Amounts in Thousands)		
<b>Debt Subject to Constitutional Limit</b>	Total Debt Authorized	Original Debt Issued	Debt Outstanding*
Capital Budget.....	\$ 106,213,515	\$ 21,150,955	\$ 6,432,751
Capital Budget Refunding Bonds Outstanding.....	NA	NA	2,807,389
Less: Capital Debt Fund Balance.....	NA	NA	-4,442
Subtotal.....	<u>\$ 106,213,515</u>	<u>\$ 21,150,955</u>	<u>\$ 9,235,698</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	544,000	121,765
PENNVEST- 2008 Referendum.....	400,000	344,400	336,170
Agricultural Conservation Easement.....	100,000	100,000	0
Local Criminal Justice.....	200,000	197,000	2,085
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	211,275	158,960
Growing Greener.....	625,000	529,000	411,910
Persian Gulf Conflict Veterans' Compensation.....	20,000	7,000	5,360
Refunding Bonds Outstanding.....	NA	NA	190,137
Less: Non-capital Sinking Fund Balances.....	NA	NA	-1,182
Subtotal.....	<u>\$ 3,852,708</u>	<u>\$ 3,324,675</u>	<u>\$ 1,225,205</u>
TOTAL.....	<u>\$ 110,066,223</u>	<u>\$ 24,475,630</u>	<u>\$ 10,460,903</u>

\* Total of debt issued plus accreted interest on capital appreciation bonds less debt redeemed or refunded.

## GENERAL OBLIGATION BOND ISSUES 2011-12 Through 2017-18

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

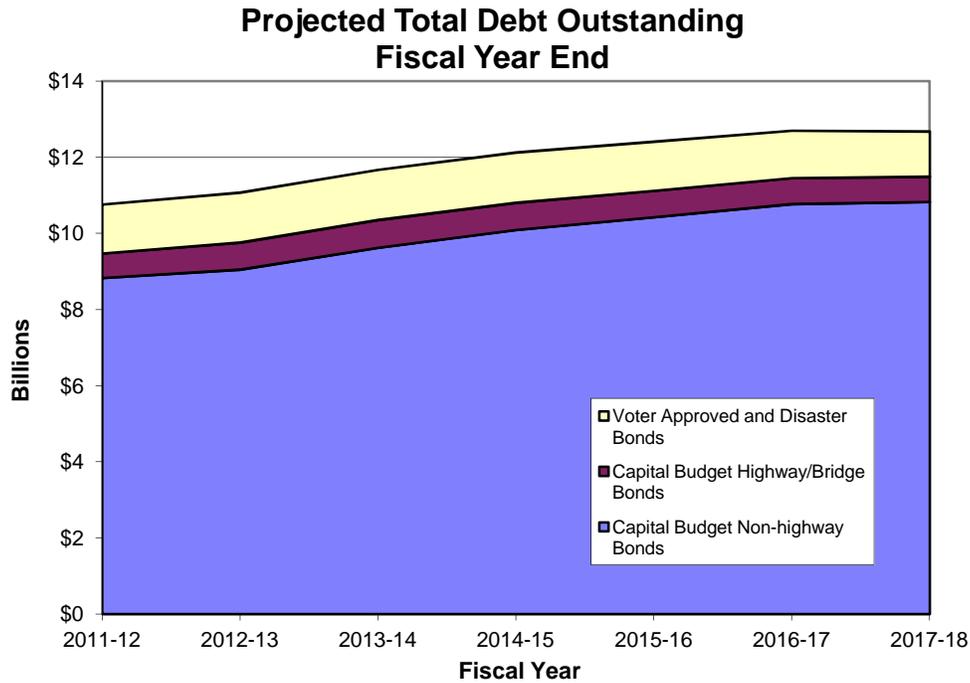


(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>General Obligation Bond Issues</b>							
<b>Capital Budget</b>							
Buildings and Structures.....	\$ 729,000	\$ 315,000	\$ 695,000	\$ 570,000	\$ 500,000	\$ 565,000	\$ 450,000
Flood Control.....	0	0	10,000	20,000	21,000	28,000	7,000
Furnishings and Equipment.....	20,000	40,000	10,000	40,000	7,000	1,000	0
Redevelopment Assistance.....	380,000	345,000	340,000	335,000	330,000	300,000	185,000
Transportation Assistance.....	130,000	210,000	175,000	175,000	175,000	175,000	175,000
Bridge Projects.....	120,000	85,000	40,000	0	0	0	0
Subtotal.....	<u>\$ 1,379,000</u>	<u>\$ 995,000</u>	<u>\$ 1,270,000</u>	<u>\$ 1,140,000</u>	<u>\$ 1,033,000</u>	<u>\$ 1,069,000</u>	<u>\$ 817,000</u>
<b>Voter Approved and Disaster</b>							
PENNVEST -- 1988, 1992 & 2008 Ref.....	\$ 196,000	\$ 90,000	\$ 36,400	\$ 20,400	\$ 14,800	\$ 0	\$ 0
Water and Wastewater Referendum.....	0	0	0	15,000	15,000	8,725	0
Growing Greener Referendum.....	25,000	25,000	37,000	34,000	0	0	0
Subtotal.....	<u>\$ 221,000</u>	<u>\$ 115,000</u>	<u>\$ 73,400</u>	<u>\$ 69,400</u>	<u>\$ 29,800</u>	<u>\$ 8,725</u>	<u>\$ 0</u>
<b>TOTAL.....</b>	<u><u>\$ 1,600,000</u></u>	<u><u>\$ 1,110,000</u></u>	<u><u>\$ 1,343,400</u></u>	<u><u>\$ 1,209,400</u></u>	<u><u>\$ 1,062,800</u></u>	<u><u>\$ 1,077,725</u></u>	<u><u>\$ 817,000</u></u>

## GENERAL OBLIGATION DEBT OUTSTANDING 2011-12 Through 2017-18

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)].

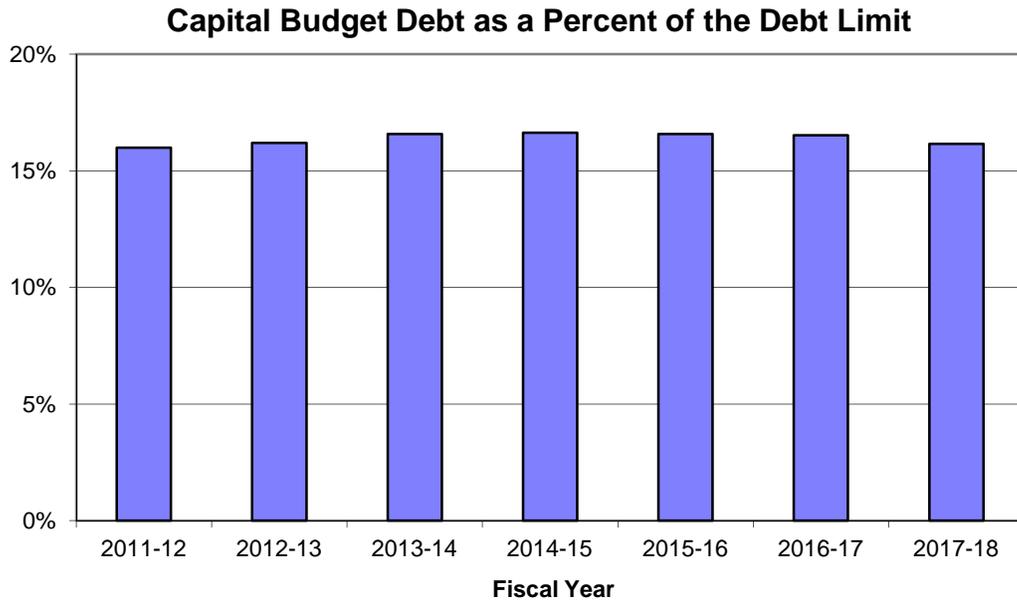


(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>Fiscal Year End Debt Outstanding</b>							
Capital Budget Non-Highway Bonds....	\$ 8,829,063	\$ 9,048,268	\$ 9,621,401	\$ 10,090,116	\$ 10,422,468	\$ 10,771,779	\$ 10,827,672
Capital Budget Highway/Bridge Bonds	644,731	710,350	731,751	714,606	697,581	679,830	661,287
Voter Approved and Disaster Bonds....	1,286,222	1,313,436	1,313,082	1,319,339	1,289,760	1,244,000	1,189,017
<b>TOTAL.....</b>	<b>\$ 10,760,016</b>	<b>\$ 11,072,054</b>	<b>\$11,666,234</b>	<b>\$ 12,124,061</b>	<b>\$ 12,409,809</b>	<b>\$ 12,695,609</b>	<b>\$ 12,677,976</b>

## CONSTITUTIONAL DEBT LIMIT 2011-12 Through 2017-18

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)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	Actual	Estimated	Budget	Estimated	Estimated	Estimated	Estimated

### Debt Limit Projection

#### Capital Budget Debt Subject to Constitutional Debt Limit:

Outstanding Debt							
Beginning of Fiscal Year.....	\$ 8,714,634	\$ 9,443,224	\$ 9,758,618	\$ 10,353,152	\$ 10,804,722	\$ 11,120,049	\$ 11,451,609
Debt to be Issued.....	1,379,000	995,000	1,270,000	1,140,000	1,033,000	1,069,000	817,000
Debt to be Retired*.....	-650,410	-679,606	-675,466	-688,430	-717,673	-737,440	-779,650
Outstanding Debt							
End of Fiscal Year**.....	<u>\$ 9,443,224</u>	<u>\$ 9,758,618</u>	<u>\$ 10,353,152</u>	<u>\$ 10,804,722</u>	<u>\$ 11,120,049</u>	<u>\$ 11,451,609</u>	<u>\$ 11,488,959</u>
Debt Limit (from below).....	59,049,214	60,239,588	62,443,412	64,970,371	67,072,469	69,274,301	71,136,998
Capital Budget Debt as a percent of Debt Limit.....	16.0%	16.2%	16.6%	16.6%	16.6%	16.5%	16.2%

#### Calculation of Debt Limit:

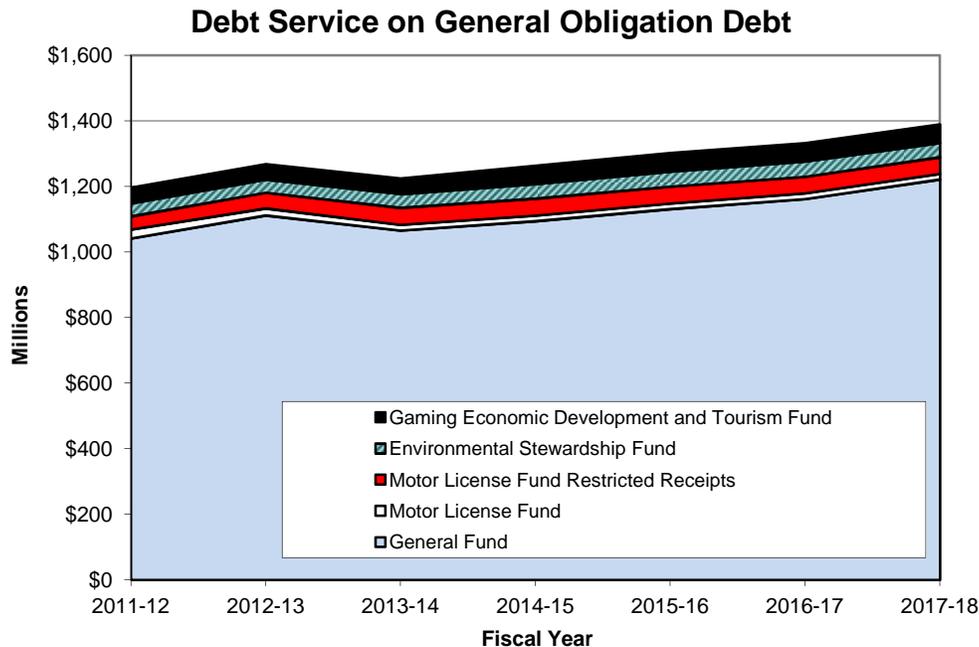
Average Tax Revenues							
Previous Five Years.....	\$ 33,742,408	\$ 34,422,622	\$ 35,681,950	\$ 37,125,926	\$ 38,327,125	\$ 39,585,315	\$ 40,649,713
Debt Limit (1.75 times revenues).....	<u>59,049,214</u>	<u>60,239,588</u>	<u>62,443,412</u>	<u>64,970,371</u>	<u>67,072,469</u>	<u>69,274,301</u>	<u>71,136,998</u>

\* Net of interest accreting on capital appreciation bonds during fiscal year.

\*\* 2011-12 amount is net of sinking fund balances.

## DEBT SERVICE ON GENERAL OBLIGATION DEBT 2011-12 Through 2017-18

This table shows the estimated debt service payable by the commonwealth on currently outstanding general obligation bonds and on projected general obligation bond issues.

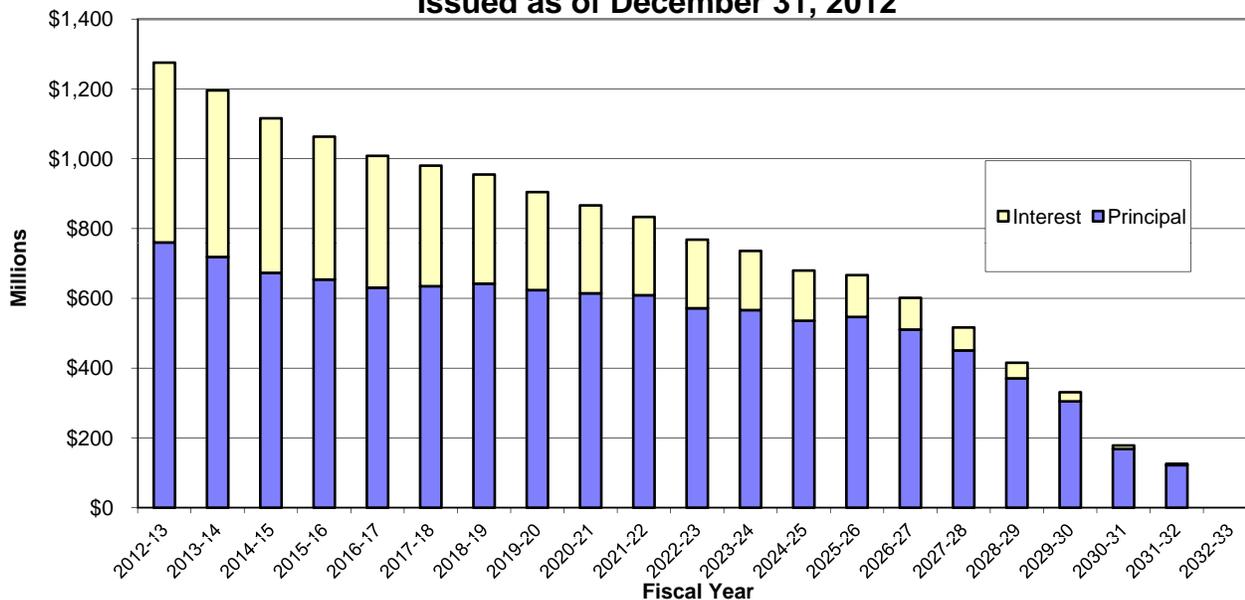


	(Dollar Amounts in Thousands)						
	2011-12 Actual	2012-13 Estimated	2013-14 Budget	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated
<b>General Fund</b>							
Capital Budget Non-Highway.....	\$ 925,545	\$ 999,514	\$ 977,175	\$ 1,020,354	\$ 1,063,973	\$ 1,101,118	\$ 1,159,774
Voter Approved and Disaster.....	115,981	112,466	88,444	74,032	67,522	61,112	61,786
Subtotal.....	<u>\$ 1,041,526</u>	<u>\$ 1,111,979</u>	<u>\$ 1,065,619</u>	<u>\$ 1,094,386</u>	<u>\$ 1,131,495</u>	<u>\$ 1,162,230</u>	<u>\$ 1,221,560</u>
<b>Environmental Stewardship Fund</b>							
Growing Greener II.....	\$ 39,839	\$ 39,839	\$ 41,775	\$ 44,336	\$ 46,448	\$ 46,342	\$ 43,643
<b>Gaming Economic Development and Tourism Fund</b>							
Pennsylvania Convention Center.....	\$ 47,413	\$ 47,413	\$ 47,413	\$ 56,390	\$ 56,390	\$ 56,390	\$ 56,390
<b>Motor License Fund</b>							
Capital Budget -- Highways.....	\$ 10,510	\$ 4,322	\$ 749	\$ 0	\$ 0	\$ 0	\$ 0
Capital Budget.....	17,001	17,001	17,001	16,936	16,936	16,889	16,889
Subtotal.....	<u>\$ 27,511</u>	<u>\$ 21,323</u>	<u>\$ 17,750</u>	<u>\$ 16,936</u>	<u>\$ 16,936</u>	<u>\$ 16,889</u>	<u>\$ 16,889</u>
<b>Motor License Fund Restricted Rec.</b>							
Aviation -- Capital Budget.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Highway Bridge Improvement -- Cap. Bdgt....	40,043	47,766	51,994	52,062	51,167	51,109	51,083
Subtotal.....	<u>\$ 40,043</u>	<u>\$ 47,766</u>	<u>\$ 51,994</u>	<u>\$ 52,062</u>	<u>\$ 51,167</u>	<u>\$ 51,109</u>	<u>\$ 51,083</u>
<b>TOTAL.....</b>	<u><u>\$ 1,196,332</u></u>	<u><u>\$ 1,268,321</u></u>	<u><u>\$ 1,224,551</u></u>	<u><u>\$ 1,264,110</u></u>	<u><u>\$ 1,302,436</u></u>	<u><u>\$ 1,332,960</u></u>	<u><u>\$ 1,389,565</u></u>

## ANNUAL DEBT SERVICE ON OUTSTANDING GENERAL OBLIGATION BONDS Bonds Issued as of December 31, 2012

Fiscal year principal and interest payments on general obligation bonds issued as of the end of calendar year 2012 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, 2012



### General Obligation Bond Annual Debt Service

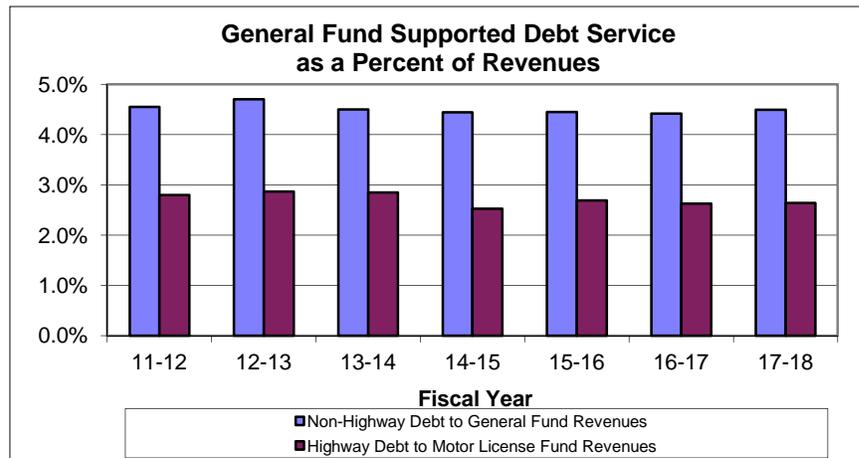
(Dollar Amounts in Thousands)

Fiscal Year	Capital Budget (Non-highway)			Capital Budget (Highway)			Voter Approved and Disaster			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2012-13	\$ 697,489	\$ 431,470	\$ 1,128,959	19,381	32,706	52,087	\$ 43,150	\$ 51,279	\$ 94,429	\$ 1,275,475
2013-14	661,905	397,164	1,059,069	15,575	31,218	46,793	41,060	48,921	89,981	1,195,843
2014-15	616,645	365,295	981,940	12,650	30,564	43,214	43,810	46,926	90,736	1,115,890
2015-16	595,665	334,718	930,383	12,370	29,950	42,320	45,755	44,805	90,560	1,063,263
2016-17	569,825	305,912	875,737	12,930	29,331	42,261	47,835	42,525	90,360	1,008,358
2017-18	577,435	276,718	854,153	13,550	28,685	42,235	43,795	40,141	83,936	980,324
2018-19	595,125	246,629	841,754	14,205	28,007	42,212	32,690	38,170	70,860	954,826
2019-20	561,700	217,149	778,849	30,140	27,130	57,270	31,720	36,671	68,391	904,510
2020-21	531,965	191,333	723,298	31,540	25,724	57,264	50,870	34,880	85,750	866,312
2021-22	501,995	167,607	669,602	42,175	24,233	66,408	64,750	32,487	97,237	833,247
2022-23	451,340	144,991	596,331	44,190	22,209	66,399	76,115	29,246	105,361	768,091
2023-24	440,030	123,944	563,974	46,345	20,066	66,411	79,925	25,517	105,442	735,827
2024-25	403,195	104,345	507,540	48,680	17,794	66,474	83,960	21,631	105,591	679,605
2025-26	407,280	84,957	492,237	51,195	17,463	68,658	88,235	17,463	105,698	666,593
2026-27	373,465	65,271	438,736	53,865	12,725	66,590	83,105	13,067	96,172	601,498
2027-28	327,410	46,714	374,124	56,695	9,831	66,526	66,640	9,192	75,832	516,482
2028-29	261,930	31,553	293,483	59,740	6,785	66,525	49,095	6,268	55,363	415,371
2029-30	211,365	18,627	229,992	46,940	3,652	50,592	46,505	3,772	50,277	330,861
2030-31	118,820	7,855	126,675	22,885	1,149	24,034	26,440	1,331	27,771	178,480
2031-32	98,855	3,188	102,043	9,680	387	10,067	13,560	213	13,773	125,883
2032-33	0	0	0	0	0	0	0	0	0	0

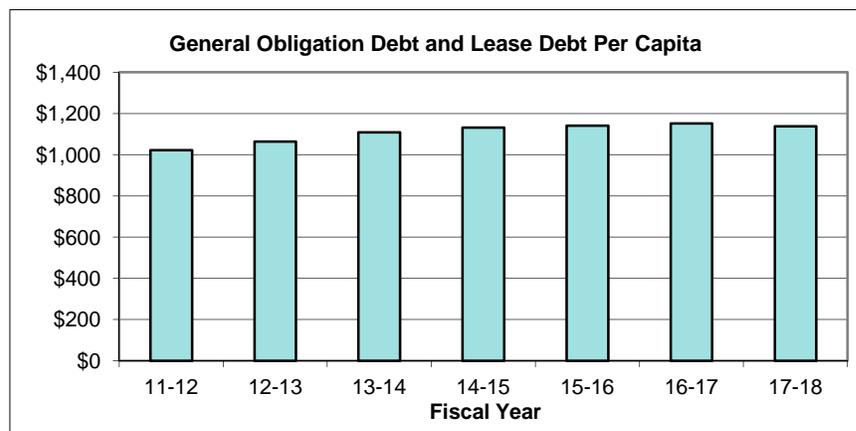
## TRENDS IN DEBT SERVICE AND DEBT RATIOS 2011-12 Through 2017-18

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.

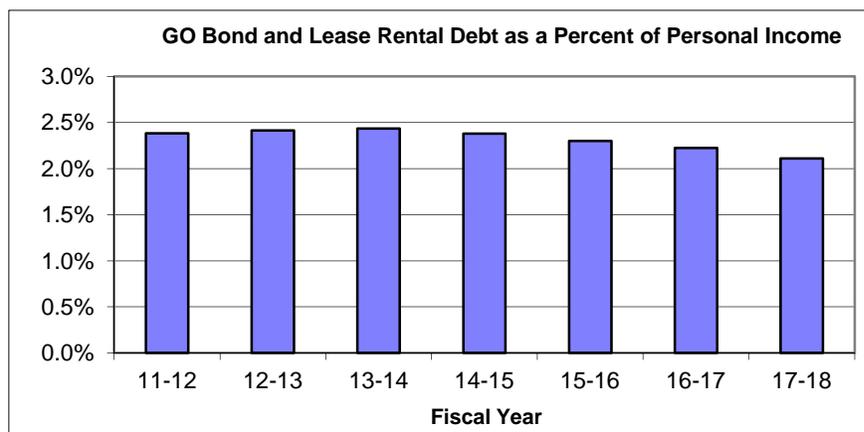
**General Fund debt service as a percent of revenues remains below Standard & Poors criteria of 5% for issuers considered to have a "low debt burden."**



**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  
12/31/12  
(in millions)**

<p><b>Commonwealth Financing Authority</b> 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.</p>	\$ 1,380.6
<p><b>Delaware River Joint Toll Bridge Commission</b> 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.</p>	391.6
<p><b>Delaware River Port Authority</b> 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.</p>	1,166.0
<p><b>Pennsylvania Economic Development Financing Authority</b> 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.</p>	4,207.5
<p><b>Pennsylvania Energy Development Authority</b> 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.</p>	0.0
<p><b>Pennsylvania Higher Education Assistance Agency</b> 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.</p>	6,582.4
<p><b>Pennsylvania Higher Educational Facilities Authority</b> 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.</p>	6,770.3
<p><b>Pennsylvania Housing Finance Agency</b> 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.</p>	3,839.6
<p><b>Pennsylvania Industrial Development Authority</b> 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.</p>	268.3
<p><b>Pennsylvania Infrastructure Investment Authority</b> 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.</p>	3.9
<p><b>Pennsylvania Turnpike Commission</b> Constructs, maintains and operates the Pennsylvania Turnpike. Debt service on the bonds is paid from tolls and other revenue sources of the commission.</p>	8,227.8
<p><b>Philadelphia Regional Port Authority</b> 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.</p>	28.9
<p><b>State Public School Building Authority</b> 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.</p>	3,364.9
<p>TOTAL.....</p>	<p><u>\$ 36,231.8</u></p>



Commonwealth of Pennsylvania

Governor's Executive Budget

*OTHER  
SPECIAL FUNDS*

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# OTHER SPECIAL FUNDS

## APPENDIX

This section provides brief descriptive and financial data for commonwealth funds not given an expanded treatment in other sections of the Governor's Budget. This information is presented to demonstrate the magnitude and complexity of the commonwealth's financial structure as well as give some details of the various funds.

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# OTHER SPECIAL FUNDS

This appendix 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.

This format for displaying financial data was chosen for its simplicity and easy adaptability to all funds. As such, the data may not present the best statement of the funds' condition nor accurately describe the operating characteristics of the funds.

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. These 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, Debt Service Funds and Capital Project 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 to other departments or agencies of the commonwealth, or to other governmental units, on a cost-reimbursement basis.

**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.

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 24,330</b>	<b>\$ 56,149</b>	<b>\$ 66,484</b>
<b>Receipts:</b>			
Federal Receipts.....	\$ 36,218	\$ 17,800	\$ 16,600
Interest.....	444	404	404
Total Receipts.....	<u>36,662</u>	<u>18,204</u>	<u>17,004</u>
<b>Total Funds Available</b> .....	<b>\$ 60,992</b>	<b>\$ 74,353</b>	<b>\$ 83,488</b>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 4,843	\$ 7,869	\$ 9,148
Total Disbursements.....	<u>-4,843</u>	<u>-7,869</u>	<u>-9,148</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 56,149</b>	<b>\$ 66,484</b>	<b>\$ 74,340</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 moneys requisitioned from the commonwealth's account in the Federal Unemployment Trust Fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 407</b>	<b>\$ 2,610</b>	<b>\$ 2,696</b>
<b>Receipts:</b>			
Federal Unemployment Trust Fund.....	\$ 274,017	\$ 275,000	\$ 275,000
Federal — Other Funds.....	9,304	3,000	3,000
Interest .....	9	8	8
Other.....	1,108	442	450
Total Receipts.....	<u>284,438</u>	<u>278,450</u>	<u>278,458</u>
<b>Total Funds Available</b> .....	<b>\$ 284,845</b>	<b>\$ 281,060</b>	<b>\$ 281,154</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 282,235	\$ 278,364	\$ 275,000
Total Disbursements.....	<u>-282,235</u>	<u>-278,364</u>	<u>-275,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,610</b>	<b>\$ 2,696</b>	<b>\$ 6,154</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. This budget proposes a transfer of \$44.737 million from the General Fund in FY2013-14.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 622</b>	<b>\$ 629</b>	<b>\$ 635</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 44,737	\$ 44,737	\$ 44,737
Interest.....	7	6	6
<b>Total Receipts</b> .....	<b>44,744</b>	<b>44,743</b>	<b>44,743</b>
<b>Total Funds Available</b> .....	<b>\$ 45,366</b>	<b>\$ 45,372</b>	<b>\$ 45,378</b>
<b>Disbursements:</b>			
Agriculture.....	\$ 44,737	\$ 44,737	\$ 44,737
<b>Total Disbursements</b> .....	<b>-44,737</b>	<b>-44,737</b>	<b>-44,737</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 629</b>	<b>\$ 635</b>	<b>\$ 641</b>

# Agricultural Conservation Easement Purchase Fund

This fund was created by Act 64 of 1988 to implement the referendum approved by the electorate 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 5,344</b>	<b>\$ 18,627</b>	<b>\$ 20,247</b>
<b>Receipts:</b>			
Transfer of Cigarette Tax.....	\$ 20,485	\$ 20,485	\$ 20,485
Transfer from Environmental Stewardship Fund.....	4,982	6,973	8,498
Interest.....	52	62	62
Other.....	0	350	350
Total Receipts.....	<u>25,519</u>	<u>27,870</u>	<u>29,395</u>
<b>Total Funds Available</b> .....	<b>\$ 30,863</b>	<b>\$ 46,497</b>	<b>\$ 49,642</b>
<b>Disbursements:</b>			
Agriculture.....	\$ 12,236	\$ 26,250	\$ 35,000
Total Disbursements.....	<u>-12,236</u>	<u>-26,250</u>	<u>-35,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 18,627</b>	<b>\$ 20,247</b>	<b>\$ 14,642</b>

# Agricultural Conservation Easement Purchase Sinking Fund

Payment of interest and principal due on outstanding agricultural conservation easement purchase bonds is made from this fund. Revenues of this fund come from the annual appropriation from the General Fund for general obligation debt service.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 670	\$ 671	\$ 0
Total Receipts .....	<u>670</u>	<u>671</u>	<u>0</u>
<b>Total Funds Available</b> .....	<u>\$ 670</u>	<u>\$ 671</u>	<u>\$ 0</u>
<b>Disbursements:</b>			
Treasury.....	\$ 670	\$ 671	\$ 0
Total Disbursements .....	<u>-670</u>	<u>-671</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

# 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 appropriation from the General Fund, 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 549	\$ 596	\$ 347
<b>Receipts:</b>			
Operator Payments.....	\$ 46	\$ 0	\$ 0
Production Fees.....	0	0	0
Interest .....	1	1	1
Total Receipts .....	<u>47</u>	<u>1</u>	<u>1</u>
<b>Total Funds Available</b> .....	<u>\$ 596</u>	<u>\$ 597</u>	<u>\$ 348</u>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 0	\$ 250	\$ 64
Total Disbursements .....	<u>0</u>	<u>-250</u>	<u>-64</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 596</u>	<u>\$ 347</u>	<u>\$ 284</u>

# 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 and to 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 15	\$ 6	\$ 6
<b>Receipts:</b>			
Assessments.....	\$ 6,481	\$ 6,790	\$ 6,837
Interest .....	1	3	3
Total Receipts .....	6,482	6,793	6,840
<b>Total Funds Available</b> .....	\$ 6,497	\$ 6,799	\$ 6,846
<b>Disbursements:</b>			
Automobile Theft Prevention Authority.....	\$ 6,491	\$ 6,793	\$ 6,840
Total Disbursements .....	-6,491	-6,793	-6,840
<b>Cash Balance, Ending</b> .....	\$ 6	\$ 6	\$ 6

# 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 Development 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 24,507	\$ 18,303	\$ 4,736
<b>Receipts:</b>			
Transfer from Commonwealth Financing			
Authority - Energy.....	\$ 8,000	\$ 8,000	\$ 0
Transfer from General Fund.....	14,500	14,500	14,500
Federal Funds.....	0	2,000	0
Interest on Loans.....	4,457	1,500	2,500
Transfer from Industrial Authority Loan Fund.....	0	0	0
Loan Principal and Interest Repayments.....	102	750	125
Interest.....	64	49	0
Other.....	46	100	25
Total Receipts .....	27,169	26,899	17,150
<b>Total Funds Available</b> .....	\$ 51,676	\$ 45,202	\$ 21,886
<b>Disbursements:</b>			
Community and Economic Development			
Administration.....	\$ 443	\$ 537	\$ 475
Loans.....	100	121	500
Grants.....	32,830	39,808	18,025
Total Disbursements .....	-33,373	-40,466	-19,000
<b>Cash Balance, Ending</b> .....	\$ 18,303	\$ 4,736	\$ 2,886

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 5,886</b>	<b>\$ 1,442</b>	<b>\$ 1,267</b>
<b>Receipts:</b>			
Employer Contributions .....	\$ 226	\$ 5,302	\$ 5,464
Interest.....	13	4	4
<b>Total Receipts</b> .....	<b>239</b>	<b>5,306</b>	<b>5,468</b>
<b>Total Funds Available</b> .....	<b>\$ 6,125</b>	<b>\$ 6,748</b>	<b>\$ 6,735</b>
<b>Disbursements:</b>			
State Employees' Retirement System.....	\$ 4,683	\$ 5,481	\$ 5,642
<b>Total Disbursements</b> .....	<b>-4,683</b>	<b>-5,481</b>	<b>-5,642</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 1,442</b>	<b>\$ 1,267</b>	<b>\$ 1,093</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 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 3,771</b>	<b>\$ 3,508</b>	<b>\$ 1,391</b>
<b>Receipts:</b>			
Transfer from PUC.....	\$ 50	\$ 100	\$ 100
Interest.....	9	8	15
Other.....	1	0	0
<b>Total Receipts</b> .....	<b>60</b>	<b>108</b>	<b>115</b>
<b>Total Funds Available</b> .....	<b>\$ 3,831</b>	<b>\$ 3,616</b>	<b>\$ 1,506</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 323	\$ 2,225	\$ 1,500
<b>Total Disbursements</b> .....	<b>-323</b>	<b>-2,225</b>	<b>-1,500</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 3,508</b>	<b>\$ 1,391</b>	<b>\$ 6</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. This budget proposes to suspend the transfer of 25 percent of the FY2012-13 General Fund surplus.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 61	\$ 61	\$ 61
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 0	\$ 0	\$ 0
Interest .....	0	0	1
Total Receipts .....	0	0	1
<b>Total Funds Available</b> .....	<b>\$ 61</b>	<b>\$ 61</b>	<b>\$ 62</b>
<b>Disbursements:</b>			
Transfer to General Fund.....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	0	0	0
<b>Cash Balance, Ending</b> .....	<b>\$ 61</b>	<b>\$ 61</b>	<b>\$ 62</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 1,543	\$ 30,569	\$ 29,346
<b>Receipts:</b>			
Transfer from Other Funds.....	\$ 1,112,886	\$ 1,153,875	\$ 1,144,476
Refunding Bond Maturing Escrow Funds.....	883,730	1,006,207	571,909
Build America Bond Federal Subsidies.....	29,424	27,657	27,657
Sale of State Property.....	600	0	0
Interest on Securities.....	1,423	0	0
Total Receipts .....	2,028,063	2,187,739	1,744,042
<b>Total Funds Available</b> .....	<b>\$ 2,029,606</b>	<b>\$ 2,218,308</b>	<b>\$ 1,773,388</b>
<b>Disbursements:</b>			
Treasury.....	\$ 1,999,037	\$ 2,188,962	\$ 1,769,042
Total Disbursements .....	-1,999,037	-2,188,962	-1,769,042
<b>Cash Balance, Ending</b> .....	<b>\$ 30,569</b>	<b>\$ 29,346</b>	<b>\$ 4,346</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 132,320</b>	<b>\$ 435,421</b>	<b>\$ 143,717</b>
<b>Receipts:</b>			
Sale of Bonds.....	\$ 1,379,233	\$ 985,050	\$ 1,257,300
Premium on Sale of Bonds.....	198,296	0	0
Intra Account Transfer.....	0	0	0
Interest on Securities.....	970	5,002	965
Other .....	60,854	33,003	20,000
<b>Total Receipts</b> .....	<b>1,639,353</b>	<b>1,023,055</b>	<b>1,278,265</b>
<b>Total Funds Available</b> .....	<b>\$ 1,771,673</b>	<b>\$ 1,458,476</b>	<b>\$ 1,421,982</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 356,764	\$ 406,940	\$ 336,404
Environmental Protection.....	-110	32	12,267
Conservation & Natural Resources.....	6,357	0	0
General Services.....	629,309	580,519	706,319
Transportation.....	339,019	324,106	233,675
Treasury.....	1,101	0	0
Other.....	3,812	3,162	3,000
<b>Total Disbursements</b> .....	<b>-1,336,252</b>	<b>-1,314,759</b>	<b>-1,291,665</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 435,421</b>	<b>\$ 143,717</b>	<b>\$ 130,317</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 408</b>	<b>\$ 429</b>	<b>\$ 390</b>
<b>Receipts:</b>			
Contribution & Sales.....	\$ 26	\$ 10	\$ 10
Interest.....	1	1	0
Total Receipts .....	27	11	10
<b>Total Funds Available .....</b>	<b>\$ 435</b>	<b>\$ 440</b>	<b>\$ 400</b>
<b>Disbursements:</b>			
Capitol Preservation Committee.....	\$ 6	\$ 50	\$ 60
Total Disbursements .....	-6	-50	-60
<b>Cash Balance, Ending .....</b>	<b>\$ 429</b>	<b>\$ 390</b>	<b>\$ 340</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 2087.

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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 98,348</b>	<b>\$ 94,474</b>	<b>\$ 89,970</b>
<b>Receipts:</b>			
Interest .....	\$ 2,441	\$ 2,062	\$ 1,794
Miscellaneous Revenue .....	8	0	0
Total Receipts .....	2,449	2,062	1,794
<b>Total Funds Available</b> .....	<b>\$ 100,797</b>	<b>\$ 96,536</b>	<b>\$ 91,764</b>
<b>Disbursements:</b>			
Insurance .....	\$ 6,323	\$ 6,566	\$ 6,565
Total Disbursements .....	-6,323	-6,566	-6,565
<b>Cash Balance, Ending</b> .....	<b>\$ 94,474</b>	<b>\$ 89,970</b>	<b>\$ 85,199</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)

	2011-2012 Actual	2012-2013 Available	2013-2014 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,819</b>	<b>\$ 2,140</b>	<b>\$ 1,976</b>
<b>Receipts:</b>			
Marriage/Divorce Surcharge.....	\$ 1,096	\$ 1,150	\$ 1,150
Miscellaneous Revenue.....	5	5	5
Total Receipts .....	1,101	1,155	1,155
<b>Total Funds Available</b> .....	<b>\$ 2,920</b>	<b>\$ 3,295</b>	<b>\$ 3,131</b>
<b>Disbursements:</b>			
Public Welfare.....	\$ 780	\$ 1,319	\$ 1,300
Total Disbursements .....	\$ -780	\$ -1,319	\$ -1,300
<b>Cash Balance, Ending</b> .....	<b>\$ 2,140</b>	<b>\$ 1,976</b>	<b>\$ 1,831</b>

# Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund

On July 4, 2008 the Governor signed Act 42. It 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 \$1,000.00 per brand family and \$500.00 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 217</b>	<b>\$ 336</b>	<b>\$ 416</b>
<b>Receipts:</b>			
Fees.....	\$ 118	\$ 129	\$ 19
Interest.....	1	1	1
Penalties.....	0	0	0
Total Receipts .....	119	130	20
<b>Total Funds Available</b> .....	<b>\$ 336</b>	<b>\$ 466</b>	<b>\$ 436</b>
<b>Disbursements:</b>			
Attorney General.....	\$ 0	\$ 50	\$ 50
Revenue.....	0	0	0
Total Disbursements .....	0	-50	-50
<b>Cash Balance, Ending</b> .....	<b>\$ 336</b>	<b>\$ 416</b>	<b>\$ 386</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 58,966</b>	<b>\$ 59,546</b>	<b>\$ 47,936</b>
<b>Receipts:</b>			
Fines and Penalties.....	\$ 2,905	\$ 2,000	\$ 2,000
Fees.....	17,629	16,250	13,750
Interest.....	1,261	972	972
Other.....	7	7	7
Total Receipts .....	<u>21,802</u>	<u>19,229</u>	<u>16,729</u>
<b>Total Funds Available</b> .....	<b>\$ 80,768</b>	<b>\$ 78,775</b>	<b>\$ 64,665</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 21,222	\$ 30,839	\$ 29,161
Total Disbursements .....	<u>-21,222</u>	<u>-30,839</u>	<u>-29,161</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 59,546</b>	<b>\$ 47,936</b>	<b>\$ 35,504</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 86,591</b>	<b>\$ 90,898</b>	<b>\$ 91,616</b>
<b>Receipts:</b>			
Premiums Collected.....	\$ 5,684	\$ 5,000	\$ 5,000
Interest.....	1,932	1,498	1,498
Other.....	0	-9	2
Total Receipts .....	<u>7,616</u>	<u>6,489</u>	<u>6,500</u>
<b>Total Funds Available</b> .....	<b>\$ 94,207</b>	<b>\$ 97,387</b>	<b>\$ 98,116</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 3,309	\$ 5,771	\$ 6,040
Total Disbursements .....	<u>-3,309</u>	<u>-5,771</u>	<u>-6,040</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 90,898</b>	<b>\$ 91,616</b>	<b>\$ 92,076</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 2,771	\$ 2,777	\$ 2,533
<b>Receipts:</b>			
Interest .....	\$ 7	\$ 6	\$ 6
Total Receipts .....	<u>7</u>	<u>6</u>	<u>6</u>
<b>Total Funds Available</b> .....	<u>\$ 2,778</u>	<u>\$ 2,783</u>	<u>\$ 2,539</u>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 1	\$ 250	\$ 100
Total Disbursements .....	<u>-1</u>	<u>-250</u>	<u>-100</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 2,777</u>	<u>\$ 2,533</u>	<u>\$ 2,439</u>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 2,659	\$ 1,115	\$ 1,162
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 46,369	\$ 47,869	\$ 47,869
Interest.....	53	47	47
Total Receipts.....	<u>46,422</u>	<u>47,916</u>	<u>47,916</u>
<b>Total Funds Available</b> .....	<u>\$ 49,081</u>	<u>\$ 49,031</u>	<u>\$ 49,078</u>
<b>Disbursements:</b>			
Education.....	\$ 47,966	\$ 47,869	\$ 47,869
Total Disbursements.....	<u>-47,966</u>	<u>-47,869</u>	<u>-47,869</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 1,115</u>	<u>\$ 1,162</u>	<u>\$ 1,209</u>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 9,814</b>	<b>\$ 9,005</b>	<b>\$ 5,058</b>
<b>Receipts:</b>			
Transfer from the State Gaming Fund - Drug and Alcohol.....	\$ 3,000	\$ 3,000	\$ 3,000
Transfer from the State Gaming Fund .....	4,590	4,929	5,200
Interest .....	30	20	20
Total Receipts .....	<u>7,620</u>	<u>7,949</u>	<u>8,220</u>
<b>Total Funds Available</b> .....	<b>\$ 17,434</b>	<b>\$ 16,954</b>	<b>\$ 13,278</b>
<b>Disbursements:</b>			
Department of Drug and Alcohol Programs.....	\$ 0	\$ 11,163	\$ 8,800
Health .....	8,429	733	0
Total Disbursements .....	<u>-8,429</u>	<u>-11,896</u>	<u>-8,800</u>
<b>Cash Balance, Ending</b> .....	<b><u>\$ 9,005</u></b>	<b><u>\$ 5,058</u></b>	<b><u>\$ 4,478</u></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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 103</b>	<b>\$ 93</b>	<b>\$ 73</b>
<b>Receipts:</b>			
Interest .....	\$ 0	\$ 0	\$ 0
Total Receipts .....	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Funds Available</b> .....	<b>\$ 103</b>	<b>\$ 93</b>	<b>\$ 73</b>
<b>Disbursements:</b>			
Historical and Museum Commission .....	\$ 10	\$ 20	\$ 0
Total Disbursements .....	<u>-10</u>	<u>-20</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<b><u>\$ 93</u></b>	<b><u>\$ 73</u></b>	<b><u>\$ 73</u></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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 766</b>	<b>\$ 901</b>	<b>\$ 143</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 3,914	\$ 3,875	\$ 0
Transfer from Unconventional Gas Well Fund.....	0	1,250	2,500
Interest.....	4	3	3
<b>Total Receipts .....</b>	<b>3,918</b>	<b>5,128</b>	<b>2,503</b>
<b>Total Funds Available .....</b>	<b>\$ 4,684</b>	<b>\$ 6,029</b>	<b>\$ 2,646</b>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 2,955	\$ 4,235	\$ 1,250
Agriculture.....	828	1,651	1,250
<b>Total Disbursements .....</b>	<b>-3,783</b>	<b>-5,886</b>	<b>-2,500</b>
<b>Cash Balance, Ending .....</b>	<b>\$ 901</b>	<b>\$ 143</b>	<b>\$ 146</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 13,024	\$ 45,234	\$ 22,619
<b>Receipts:</b>			
Employee Contributions .....	\$ 132,917	\$ 135,575	\$ 136,253
Discount on Sale of Securities.....	-188	-190	-191
Interest .....	33,495 <sup>a</sup>	32,825 <sup>a</sup>	32,989 <sup>a</sup>
Total Receipts .....	166,224	168,210	169,051
<b>Total Funds Available</b> .....	\$ 179,248	\$ 213,444	\$ 191,670
<b>Disbursements:</b>			
Executive Offices.....	\$ 112,771	\$ 169,157	\$ 152,241
State Employees' Retirement System .....	21,243	21,668	21,776
Total Disbursements .....	-134,014	-190,825	-174,017
<b>Cash Balance, Ending</b> .....	\$ 45,234	\$ 22,619	\$ 17,653

<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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 45,672	\$ 47,270	\$ 45,659
<b>Receipts:</b>			
Transfers from Deferred Compensation Fund.....	\$ 8,143	\$ 7,980	\$ 8,020
Interest .....	114	110	110
Total Receipts .....	8,257	8,090	8,130
<b>Total Funds Available</b> .....	\$ 53,929	\$ 55,360	\$ 53,789
<b>Disbursements:</b>			
State Employees' Retirement System .....	\$ 6,659	\$ 9,701	\$ 8,608
Total Disbursements .....	-6,659	-9,701	-8,608
<b>Cash Balance, Ending</b> .....	\$ 47,270	\$ 45,659	\$ 45,181

# DNA Detection Fund

This 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 8,302</b>	<b>\$ 10,120</b>	<b>\$ 10,088</b>
<b>Receipts:</b>			
Assessments.....	\$ 2,261	\$ 2,000	\$ 2,000
Interest.....	23	24	24
Total Receipts .....	<u>2,284</u>	<u>2,024</u>	<u>2,024</u>
<b>Total Funds Available</b> .....	<b>\$ 10,586</b>	<b>\$ 12,144</b>	<b>\$ 12,112</b>
<b>Disbursements:</b>			
State Police.....	\$ 466	\$ 2,056	\$ 1,891
Total Disbursements .....	<u>-466</u>	<u>-2,056</u>	<u>-1,891</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 10,120</b>	<b>\$ 10,088</b>	<b>\$ 10,221</b>

# Education Technology Fund

Act 183 of 2004 established the Education Technology Fund to increase broadband access for school entities. Up to 3 percent of annual proceeds can be used by the agency for administrative costs with the remaining balance to be used to provide grants to school entities. Revenues for this fund are generated from an assessment on nonrural telecommunications carriers. Additional revenues may include appropriated funds, contributions by other state agencies, federal funds, or any public or private source. The Education Technology Fund terminated on June 30, 2011, and any remaining funds will be returned on a pro rata basis to the local exchange telecommunications companies that contributed to the fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,331</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Assessments.....	\$ 0	\$ 0	\$ 0
Interest.....	5	0	0
Total Receipts .....	<u>5</u>	<u>0</u>	<u>0</u>
<b>Total Funds Available</b> .....	<b>\$ 1,336</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Disbursements:</b>			
Education			
Broadband Technology Services.....	\$ 0	\$ 0	\$ 0
Administration.....	108	0	0
Assessment Returns.....	1,228	0	0
Total Disbursements .....	<u>-1,336</u>	<u>0</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Educational Assistance Program Fund

The Educational Assistance Program Fund was established in Act 212 of 2004 to deposit monies and related investment income to fund the Educational Assistance Program for members of the National Guard which is administered by the Department of Military and Veterans Affairs.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 515	\$ 733	\$ 739
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 12,870	\$ 12,870	\$ 12,870
Interest.....	18	12	12
Total Receipts .....	12,888	12,882	12,882
<b>Total Funds Available</b> .....	\$ 13,403	\$ 13,615	\$ 13,621
<b>Disbursements:</b>			
Military and Veterans Affairs.....	\$ 12,670	\$ 12,876	\$ 13,000
Total Disbursements .....	12,670	12,876	13,000
<b>Cash Balance, Ending</b> .....	\$ 733	\$ 739	\$ 621

# 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.

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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 18,114	\$ 15,643	\$ 13,419
<b>Receipts:</b>			
Fines .....	\$ 13,323	\$ 14,461	\$ 14,461
Interest .....	445	338	338
Total Receipts .....	13,768	14,799	14,799
<b>Total Funds Available</b> .....	\$ 31,882	\$ 30,442	\$ 28,218
<b>Disbursements:</b>			
Health .....	\$ 16,239	\$ 17,023	\$ 16,225
Total Disbursements .....	-16,239	-17,023	-16,225
<b>Cash Balance, Ending</b> .....	\$ 15,643	\$ 13,419	\$ 11,993

# 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 Public Welfare 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 2,369	\$ 1,885	\$ 1,664
<b>Receipts:</b>			
Vending Stand Equipment Rentals .....	\$ 380	\$ 215	\$ 215
Vending Machine Receipts .....	206	360	360
Interest .....	6	4	4
<b>Total Receipts</b> .....	<u>592</u>	<u>579</u>	<u>579</u>
<b>Total Funds Available</b> .....	<u>\$ 2,961</u>	<u>\$ 2,464</u>	<u>\$ 2,243</u>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 1,076	\$ 800	\$ 800
<b>Total Disbursements</b> .....	<u>-1,076</u>	<u>-800</u>	<u>-800</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 1,885</u>	<u>\$ 1,664</u>	<u>\$ 1,443</u>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Total Cash Balance, Beginning</b> .....	\$ 7	\$ 7	\$ 8
<b>Receipts:</b>			
Interest.....	\$ 0	\$ 1	\$ 0
<b>Total Receipts</b> .....	<u>0</u>	<u>1</u>	<u>0</u>
<b>Total Funds Available</b> .....	<u>\$ 7</u>	<u>\$ 8</u>	<u>\$ 8</u>
<b>Disbursements:</b>			
Public Welfare.....	\$ 0	\$ 0	\$ 8
<b>Total Disbursements</b> .....	<u>0</u>	<u>0</u>	<u>-8</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 7</u>	<u>\$ 8</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 8,191</b>	<b>\$ 6,879</b>	<b>\$ 5,447</b>
<b>Receipts:</b>			
PEDA Application Fees.....	\$ 0	\$ 7	\$ 0
Loan Principal and Interest Repayments.....	529	175	170
Pennworks Interest Payments.....	0	28	30
Duquesne Settlement Payments.....	0	0	0
Interest .....	140	107	107
<b>Total Receipts</b> .....	<b>669</b>	<b>317</b>	<b>307</b>
<b>Total Funds Available</b> .....	<b>\$ 8,860</b>	<b>\$ 7,196</b>	<b>\$ 5,754</b>
<b>Disbursements:</b>			
Environmental Protection			
Administration.....	\$ 25	\$ 77	\$ 75
Loans/Grants.....	1,956	1,672	0
<b>Total Disbursements</b> .....	<b>-1,981</b>	<b>-1,749</b>	<b>0</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 6,879</b>	<b>\$ 5,447</b>	<b>\$ 5,754</b>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,355</b>	<b>\$ 1,348</b>	<b>\$ 554</b>
<b>Receipts:</b>			
Transfers from Other Funds.....	\$ 877	\$ 816	\$ 801
Interest.....	4	4	4
<b>Total Receipts</b> .....	<b>881</b>	<b>820</b>	<b>805</b>
<b>Total Funds Available</b> .....	<b>\$ 2,236</b>	<b>\$ 2,168</b>	<b>\$ 1,359</b>
<b>Disbursements:</b>			
Conservation and Natural Resources.....	\$ 225	\$ 277	\$ 122
Environmental Protection .....	663	1,337	703
<b>Total Disbursements</b> .....	<b>-888</b>	<b>-1,614</b>	<b>-825</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 1,348</b>	<b>\$ 554</b>	<b>\$ 534</b>

# Environmental Stewardship Fund

The Environmental Stewardship 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 fiscal year 2002-03, the first \$50 million received from this fee was deposited into this special fund. In fiscal year 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 57,702</b>	<b>\$ 55,200</b>	<b>\$ 5,610</b>
<b>Receipts:</b>			
Licenses and Fees.....	\$ 67,795	\$ 65,000	\$ 65,000
Transfer from Marcellus Legacy Fund.....	0	7,248	27,527
Miscellaneous.....	9	0	0
Interest.....	1,620	1,303	1,304
<b>Total Receipts</b> .....	<b>69,424</b>	<b>73,551</b>	<b>93,831</b>
<b>Total Funds Available</b> .....	<b>\$ 127,126</b>	<b>\$ 128,751</b>	<b>\$ 99,441</b>
<b>Disbursements:</b>			
Treasury			
Debt Service for Growing Greener.....	\$ 37,988	\$ 37,988	\$ 40,540
Agriculture			
Agricultural Conservation Easement Program.....	5,110	6,973	8,498
Conservation and Natural Resources			
Community Conservation Grants.....	6,551	14,563	4,641
Park and Forest Facility Rehabilitation.....	542	6,997	8,832
Natural Diversity Conservation Grants.....	657	1,073	366
Environmental Protection			
Watershed Protection and Restoration.....	12,894	44,380	21,474
Abandoned Mine Reclamation and Remediation.....	0	0	0
Sewage and Drinking Water Grants.....	0	0	0
Infrastructure Investment Authority			
Stormwater, Water and Sewer Grants .....	8,184	11,167	13,608
<b>Total Disbursements</b> .....	<b>-71,926</b>	<b>-123,141</b>	<b>-97,959</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 55,200</b>	<b>\$ 5,610</b>	<b>\$ 1,482</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 138,631</b>	<b>\$ 78,744</b>	<b>\$ 78,743</b>
<b>Receipts:</b>			
Tax Payable to Municipalities.....	\$ 78,422	\$ 79,520	\$ 80,633
Other.....	0	-1	0
Interest.....	0	0	0
Total Receipts .....	<u>78,422</u>	<u>79,519</u>	<u>80,633</u>
<b>Total Funds Available .....</b>	<b>\$ 217,053</b>	<b>\$ 158,263</b>	<b>\$ 159,376</b>
<b>Disbursements:</b>			
Auditor General.....	\$ 138,309	\$ 79,520	\$ 80,633
Total Disbursements .....	<u>-138,309</u>	<u>-79,520</u>	<u>-80,633</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 78,744</b>	<b>\$ 78,743</b>	<b>\$ 78,743</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 2,403</b>	<b>\$ 2,311</b>	<b>\$ 1,597</b>
<b>Receipts:</b>			
Donations - State Income Tax Forms .....	\$ 25	\$ 29	\$ 29
Donations - Driver's License Applicants .....	296	280	280
Donations - Motor Vehicle Registrations .....	568	530	530
Interest .....	6	5	5
Total Receipts .....	<u>895</u>	<u>844</u>	<u>844</u>
<b>Total Funds Available</b> .....	<b>\$ 3,298</b>	<b>\$ 3,155</b>	<b>\$ 2,441</b>
<b>Disbursements:</b>			
Education.....	\$ 170	\$ 329	\$ 200
Health.....	817	1,229	961
Total Disbursements .....	<u>-987</u>	<u>-1,558</u>	<u>-1,161</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,311</b>	<b>\$ 1,597</b>	<b>\$ 1,280</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.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 25,629</b>	<b>\$ 16,030</b>	<b>\$ 9,765</b>
<b>Receipts:</b>			
Referendum Bonds.....	\$ 25,000	\$ 25,000	\$ 37,000
Premium/Discount on Sale of Bonds.....	3,839	0	0
Interest.....	40	25	25
Total Receipts .....	<u>28,879</u>	<u>25,025</u>	<u>37,025</u>
<b>Total Funds Available</b> .....	<b>\$ 54,508</b>	<b>\$ 41,055</b>	<b>\$ 46,790</b>
<b>Disbursements:</b>			
Treasury .....	\$ 16	\$ 16	\$ 23
Agriculture .....			
Purchase of County Easements.....	122	125	125
Community and Economic Development .....			
Main Street Downtown Development.....	2,486	3,000	3,000
Industrial Sites Reuse.....	2,917	3,000	3,000
Conservation and Natural Resources .....			
Parks & Recreation Improvements.....	3,310	3,000	3,000
State Parks/Forest Projects.....	4,617	649	0
Open Space Conservation.....	107	500	500
Environmental Protection .....			
Authority Projects.....	6,548	6,000	6,000
Environmental Improvement Projects.....	10,747	7,000	6,000
Acid Mine Drainage Abatement.....	3,757	4,000	4,000
Fish and Boat Commission .....			
Capital Improvement Projects.....	1,310	3,000	6,000
Game Commission .....			
Capital Improvement Projects.....	2,541	1,000	260
Total Disbursements .....	<u>-38,478</u>	<u>-31,290</u>	<u>-31,908</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 16,030</b>	<b>\$ 9,765</b>	<b>\$ 14,882</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Transfer from Environmental Stewardship Fund.....	\$ 37,988	\$ 38,604	\$ 40,540
Build America Bond Federal Subsidies.....	0	1,235	1,235
Total Receipts .....	37,988	39,839	41,775
<b>Total Funds Available</b> .....	\$ 37,988	\$ 39,839	\$ 41,775
<b>Disbursements:</b>			
Treasury.....	\$ 37,988	\$ 39,839	\$ 41,775
Total Disbursements .....	-37,988	-39,839	-41,775
<b>Cash Balance, Ending</b> .....	\$ 0	\$ 0	\$ 0

# Hazardous Material Response Fund

This 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 programs for 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 4,964	\$ 4,295	\$ 3,308
<b>Receipts:</b>			
Toxic Chemical Release Form Fee .....	\$ 877	\$ 970	\$ 970
Chemical Inventory Fee .....	358	300	300
Interest .....	111	67	67
Other.....	97	120	120
Total Receipts .....	1,443	1,457	1,457
<b>Total Funds Available</b> .....	\$ 6,407	\$ 5,752	\$ 4,765
<b>Disbursements:</b>			
Emergency Management .....	\$ 1,989	\$ 2,314	\$ 2,300
Labor and Industry .....	123	130	170
Total Disbursements .....	-2,112	-2,444	-2,470
<b>Cash Balance, Ending</b> .....	\$ 4,295	\$ 3,308	\$ 2,295

# 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 fiscal year 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 fiscal year 2007-08 of monies lapsed from certain appropriations within the Legislative Department. Beginning in fiscal year 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 Shale Legacy Fund beginning in 2014-15.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Total Cash Balance, Beginning</b> .....	<b>\$ 40,678</b>	<b>\$ 52,254</b>	<b>\$ 38,808</b>
<b>Receipts:</b>			
Capital Stock and Franchise Tax.....	\$ 40,000	\$ 40,000	\$ 40,000
Hazardous Waste Fee.....	1,837	1,999	1,999
Civil Penalties.....	2,412	0	0
Cost Recovery.....	3,224	1,709	1,709
Interest.....	535	430	430
Other.....	16	0	0
<b>Total Receipts</b> .....	<b>48,024</b>	<b>44,138</b>	<b>44,138</b>
<b>Total Funds Available</b> .....	<b>\$ 88,702</b>	<b>\$ 96,392</b>	<b>\$ 82,946</b>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 34,448	\$ 55,584	\$ 47,119
Transfer to Industrial Sites Cleanup Fund.....	2,000	2,000	2,000
<b>Total Disbursements</b> .....	<b>-36,448</b>	<b>-57,584</b>	<b>-49,119</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 52,254</b>	<b>\$ 38,808</b>	<b>\$ 33,827</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 76,771</b>	<b>\$ 47,406</b>	<b>\$ 36,377</b>
<b>Receipts:</b>			
Transfer from General Fund .....	\$ 422,950	\$ 386,125	\$ 386,125
Investment Earnings .....	626	2,948	2,948
Federal Revenue.....	2,650	1,972	1,969
Other.....	41,903	80,539	80,683
Total Receipts .....	<u>468,129</u>	<u>471,584</u>	<u>471,725</u>
<b>Total Funds Available</b> .....	<b>\$ 544,900</b>	<b>\$ 518,990</b>	<b>\$ 508,102</b>
<b>Disbursements:</b>			
Higher Education Assistance Agency.....	\$ 497,494	\$ 482,613	\$ 469,063
Total Disbursements .....	<u>-497,494</u>	<u>-482,613</u>	<u>-469,063</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 47,406</b>	<b>\$ 36,377</b>	<b>\$ 39,039</b>

# Highway Beautification Fund

The Highway Beautification Fund was created by Act 5 of Special Session Three of 1966. Activities include control of outdoor advertising and junkyards. Although General Fund monies were initially appropriated to establish the fund, highway beautification activities are now supported by licenses, fees, fines, penalties and interest.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 374</b>	<b>\$ 592</b>	<b>\$ 581</b>
<b>Receipts:</b>			
Licenses and Fees.....	\$ 313	\$ 325	\$ 325
Interest.....	1	1	1
Total Receipts .....	<u>314</u>	<u>326</u>	<u>326</u>
<b>Total Funds Available</b> .....	<b>\$ 688</b>	<b>\$ 918</b>	<b>\$ 907</b>
<b>Disbursements:</b>			
Transportation.....	\$ 96	\$ 337	\$ 408
Total Disbursements .....	<u>-96</u>	<u>-337</u>	<u>-408</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 592</b>	<b>\$ 581</b>	<b>\$ 499</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 2,756	\$ 3,070	\$ 3,075
<b>Receipts:</b>			
Admission Fees.....	\$ 1,019	\$ 1,215	\$ 1,421
Interest .....	7	7	7
Other.....	793	252	160
Total Receipts .....	<u>1,819</u>	<u>1,474</u>	<u>1,588</u>
<b>Total Funds Available</b> .....	<u>\$ 4,575</u>	<u>\$ 4,544</u>	<u>\$ 4,663</u>
<b>Disbursements:</b>			
Historical and Museum Commission.....	\$ 1,505	\$ 1,469	\$ 1,583
Total Disbursements .....	<u>-1,505</u>	<u>-1,469</u>	<u>-1,583</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 3,070</u>	<u>\$ 3,075</u>	<u>\$ 3,080</u>

## 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 79	\$ 18	\$ 18
<b>Receipts:</b>			
Federal Revenue.....	\$ 346	\$ 1,170	\$ 1,470
Interest.....	1	0	3
Total Receipts .....	<u>347</u>	<u>1,170</u>	<u>1,473</u>
<b>Total Funds Available</b> .....	<u>\$ 426</u>	<u>\$ 1,188</u>	<u>\$ 1,491</u>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 408	\$ 1,170	\$ 1,473
Total Disbursements .....	<u>-408</u>	<u>-1,170</u>	<u>-1,473</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 18</u>	<u>\$ 18</u>	<u>\$ 18</u>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 42,603
<b>Receipts:</b>			
Homeowner Assistance Settlement Proceeds.....	\$ 0	\$ 66,528	\$ 0
Interest.....	0	75	50
Total Receipts .....	0	66,603	50
<b>Total Funds Available</b> .....	\$ 0	\$ 66,603	\$ 42,653
<b>Disbursements:</b>			
Pennsylvania Housing Finance Agency.....	\$ 0	\$ 22,200	\$ 10,800
Attorney General.....	0	900	600
Transfer to Access to Justice Account.....	0	900	600
Total Disbursements .....	0	-24,000	-12,000
<b>Cash Balance, Ending</b> .....	\$ 0	\$ 42,603	\$ 30,653

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Transfer from Unconventional Gas Well Fund.....	\$ 0	\$ 7,771	\$ 5,000
Interest.....	0	155	100
Total Receipts .....	0	7,926	5,100
<b>Total Funds Available</b> .....	\$ 0	\$ 7,926	\$ 5,100
<b>Disbursements:</b>			
Pennsylvania Housing Finance Agency.....	\$ 0	\$ 7,926	\$ 5,100
Total Disbursements .....	0	-7,926	-5,100
<b>Cash Balance, Ending</b> .....	\$ 0	\$ 0	\$ 0

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<u>\$ 47</u>	<u>\$ 47</u>	<u>\$ 22</u>
<b>Receipts:</b>			
Interest.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1</u>
Total Receipts .....	<u>0</u>	<u>0</u>	<u>1</u>
<b>Total Funds Available</b> .....	<u>\$ 47</u>	<u>\$ 47</u>	<u>\$ 23</u>
<b>Disbursements:</b>			
Community and Economic Development.....	<u>\$ 0</u>	<u>\$ 25</u>	<u>\$ 19</u>
Total Disbursements .....	<u>0</u>	<u>-25</u>	<u>-19</u>
<b>Cash Balance, Ending</b> .....	<u><u>\$ 47</u></u>	<u><u>\$ 22</u></u>	<u><u>\$ 4</u></u>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 13,971</b>	<b>\$ 16,500</b>	<b>\$ 11,023</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 895	\$ 590	\$ 1,000
Transfer from Hazardous Sites Cleanup Fund.....	2,000	2,000	2,000
Interest.....	280	222	325
Total Receipts .....	<u>3,175</u>	<u>2,812</u>	<u>3,325</u>
<b>Total Funds Available</b> .....	<b>\$ 17,146</b>	<b>\$ 19,312</b>	<b>\$ 14,348</b>
<b>Disbursements:</b>			
Community and Economic Development			
Administration.....	\$ 106	\$ 1,360	\$ 314
Loans.....	540	6,929	2,000
Grants.....	0	0	3,000
Total Disbursements .....	<u>-646</u>	<u>-8,289</u>	<u>-5,314</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 16,500</b>	<b>\$ 11,023</b>	<b>\$ 9,034</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, and to improve and support insurance fraud law enforcement, prosecutions and prevention. The source of funds is 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,056</b>	<b>\$ 3,934</b>	<b>\$ 208</b>
<b>Receipts:</b>			
Assessments.....	\$ 11,618	\$ 12,200	\$ 12,530
Fines and Penalties Income.....	85	50	50
Interest.....	13	12	12
Total Receipts .....	<u>11,716</u>	<u>12,262</u>	<u>12,592</u>
<b>Total Funds Available</b> .....	<b>\$ 12,772</b>	<b>\$ 16,196</b>	<b>\$ 12,800</b>
<b>Disbursements:</b>			
Insurance Fraud Prevention Authority.....	\$ 8,838	\$ 15,988	\$ 12,800
Total Disbursements .....	<u>-8,838</u>	<u>-15,988</u>	<u>-12,800</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 3,934</b>	<b>\$ 208</b>	<b>\$ 0</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 83,299</b>	<b>\$ 68,651</b>	<b>\$ 34,058</b>
<b>Receipts:</b>			
Carrier Assets .....	\$ 0	\$ 0	\$ 0
Net Investment Adjustment .....	-99	0	0
Miscellaneous .....	361	0	0
Interest .....	1,525	1,171	1,171
Total Receipts .....	<u>1,787</u>	<u>1,171</u>	<u>1,171</u>
<b>Total Funds Available .....</b>	<b>\$ 85,086</b>	<b>\$ 69,822</b>	<b>\$ 35,229</b>
<b>Disbursements:</b>			
Insurance .....	\$ 16,435	\$ 35,764	\$ 26,144
Total Disbursements .....	<u>-16,435</u>	<u>-35,764</u>	<u>-26,144</u>
<b>Cash Balance, Ending .....</b>	<b><u>\$ 68,651</u></b>	<b><u>\$ 34,058</u></b>	<b><u>\$ 9,085</u></b>

# Insurance Regulation and Oversight Fund

The Governor's 2013-14 Executive Budget proposes to create a dedicated funding source 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 Regulation and Oversight Fund will receive 50 percent of all licenses and fees and miscellaneous nontax revenues collected by the Insurance Department, as well as 100 percent of all penalties, fines, assessments and settlements, excluding the surcharge moving vehicle violations which 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.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Agents' Licenses.....	\$ 0	\$ 0	\$ 13,750
Brokers' Licenses.....	0	0	4,450
Companies Certificates and Filing Fees.....	0	0	1,000
Examination Fees and Expenses.....	0	0	1,800
Market Conduct Examination Fees.....	0	0	500
Valuation of Policies Fees.....	0	0	1,875
Miscellaneous.....	0	0	1,278
Enhanced Regulatory Assessment.....	0	0	8,200
Interest.....	0	0	0
Total Receipts .....	<u>0</u>	<u>0</u>	<u>32,853</u>
<b>Total Funds Available</b> .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,853</u>
<b>Disbursements:</b>			
Insurance .....	\$ 0	\$ 0	\$ 22,330
Total Disbursements .....	<u>0</u>	<u>0</u>	<u>-22,330</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,523</u>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 2,453</b>	<b>\$ 1,143</b>	<b>\$ 394</b>
<b>Receipts:</b>			
Transfer from Special Administration Fund.....	\$ 2,900	\$ 3,600	\$ 5,000
Interest.....	7	3	3
Total Receipts .....	<u>2,907</u>	<u>3,603</u>	<u>5,003</u>
<b>Total Funds Available .....</b>	<b>\$ 5,360</b>	<b>\$ 4,746</b>	<b>\$ 5,397</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 4,217	\$ 4,352	\$ 5,000
Total Disbursements .....	<u>-4,217</u>	<u>-4,352</u>	<u>-5,000</u>
<b>Cash Balance, Ending .....</b>	<b>\$ <u>1,143</u></b>	<b>\$ <u>394</u></b>	<b>\$ <u>397</u></b>

# Justice Reinvestment Fund

This fund was created by Act 196 of 2012 in order 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; streamline state parole processes and support coordinated safe community reentry programs.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 0	\$ 0	\$ 761
<b>Total Receipts</b> .....	<u>0</u>	<u>0</u>	<u>761</u>
<b>Total Funds Available</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 761</b>
<b>Disbursements:</b>			
PA Commission on Crime and Delinquency.....	\$ 0	\$ 0	\$ 544
Pennsylvania Commission on Sentencing.....	0	0	217
Board of Probation and Parole.....	0	0	0
Department of Corrections.....	0	0	0
<b>Total Disbursements</b> .....	<u>0</u>	<u>0</u>	<u>-761</u>
<b>Cash Balance, Ending</b> .....	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 520	\$ 423	\$ 423
<b>Receipts:</b>			
Sale of Refuse Bank Materials.....	\$ 0	\$ 0	\$ 0
Total Receipts .....	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Funds Available</b> .....	<u>\$ 520</u>	<u>\$ 423</u>	<u>\$ 423</u>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 97	\$ 0	\$ 0
Total Disbursements .....	<u>-97</u>	<u>0</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 423</u>	<u>\$ 423</u>	<u>\$ 423</u>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 354	\$ 111	\$ 131
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 0	\$ 253	\$ 0
Remining Financial Assurance Assist Fund Interest .....	8	20	8
Interest on Securities.....	2	0	0
Total Receipts .....	<u>10</u>	<u>273</u>	<u>8</u>
<b>Total Funds Available</b> .....	<u>\$ 364</u>	<u>\$ 384</u>	<u>\$ 139</u>
<b>Disbursements:</b>			
Treasury.....	\$ 253	\$ 253	\$ 0
Total Disbursements .....	<u>-253</u>	<u>-253</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 111</u>	<u>\$ 131</u>	<u>\$ 139</u>

# Liquid Fuels Tax Fund

The Liquid Fuels Tax Fund was created in 1931 by an act of the General Assembly to assist in funding the local roads system. One-half cent per gallon of gasoline and diesel fuel taxes is deposited into the fund for semi-annual distribution to county governments and to pay registration fees for vehicles operated by mass transportation systems. 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 5,466</b>	<b>\$ 5,287</b>	<b>\$ 4,400</b>
<b>Receipts:</b>			
Tax on Gasoline .....	\$ 27,243	\$ 24,324	\$ 24,446
Tax on Diesel Fuel .....	6,762	6,839	6,880
Total Receipts .....	<u>34,005</u>	<u>31,163</u>	<u>31,326</u>
<b>Total Funds Available</b> .....	<b>\$ 39,471</b>	<b>\$ 36,450</b>	<b>\$ 35,726</b>
<b>Disbursements:</b>			
Treasury.....	\$ 40	\$ 300	\$ 300
Transportation.....	34,144	31,750	31,750
Total Disbursements.....	<u>-34,184</u>	<u>-32,050</u>	<u>-32,050</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 5,287</b>	<b>\$ 4,400</b>	<b>\$ 3,676</b>

# Liquor License Fund

This 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 2,588</b>	<b>\$ 2,263</b>	<b>\$ 2,227</b>
<b>Receipts:</b>			
License Fees.....	\$ 4,459	\$ 4,705	\$ 4,790
Other.....	0	-5	0
Total Receipts .....	<u>4,459</u>	<u>4,700</u>	<u>4,790</u>
<b>Total Funds Available</b> .....	<b>\$ 7,047</b>	<b>\$ 6,963</b>	<b>\$ 7,017</b>
<b>Disbursements:</b>			
Liquor Control Board.....	\$ 4,784	\$ 4,736	\$ 4,831
Total Disbursements .....	<u>-4,784</u>	<u>-4,736</u>	<u>-4,831</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,263</b>	<b>\$ 2,227</b>	<b>\$ 2,186</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,323</b>	<b>\$ 905</b>	<b>\$ 564</b>
<b>Receipts:</b>			
Transfer from Local Criminal Justice Fund.....	\$ 0	\$ 0	\$ 0
Transfer from Ben Franklin Tech Develop Fund.....	0	0	0
Interest .....	3	0	0
Total Receipts .....	<u>3</u>	<u>0</u>	<u>0</u>
<b>Total Funds Available</b> .....	<b>\$ 1,326</b>	<b>\$ 905</b>	<b>\$ 564</b>
<b>Disbursements:</b>			
Treasury.....	\$ 421	\$ 341	\$ 308
Total Disbursements .....	<u>-421</u>	<u>-341</u>	<u>-308</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 905</b>	<b>\$ 564</b>	<b>\$ 256</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 2,709</b>	<b>\$ 2,993</b>	<b>\$ 2,335</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 399	\$ 500	\$ 500
Interest .....	8	7	15
Total Receipts .....	<u>407</u>	<u>507</u>	<u>515</u>
<b>Total Funds Available</b> .....	<b>\$ 3,116</b>	<b>\$ 3,500</b>	<b>\$ 2,850</b>
<b>Disbursements:</b>			
Community and Economic Development			
Loans.....	\$ 123	\$ 1,165	\$ 1,000
Transfer to General Fund.....	0	0	0
Total Disbursements .....	<u>-123</u>	<u>-1,165</u>	<u>-1,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,993</b>	<b>\$ 2,335</b>	<b>\$ 1,850</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 (PERF). 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.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 93,947</b>	<b>\$ 113,181</b>	<b>\$ 86,352</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 23,160	\$ 22,000	\$ 23,500
Loan Service Fees.....	42	150	100
Interest.....	1,602	1,277	1,800
Total Receipts .....	<u>24,804</u>	<u>23,427</u>	<u>25,400</u>
<b>Total Funds Available</b> .....	<b>\$ 118,751</b>	<b>\$ 136,608</b>	<b>\$ 111,752</b>
<b>Disbursements:</b>			
Community and Economic Development			
Administration.....	\$ 512	\$ 4,620	\$ 778
Loans.....	5,058	45,636	25,000
Total Disbursements .....	<u>-5,570</u>	<u>-50,256</u>	<u>-25,778</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 113,181</b>	<b>\$ 86,352</b>	<b>\$ 85,974</b>

# Manufacturing Fund

This fund, created in 1915, is a self-sustaining enterprise that provides 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 24,059</b>	<b>\$ 26,386</b>	<b>\$ 12,294</b>
<b>Receipts:</b>			
Sale of Products.....	\$ 67,404	\$ 63,500	\$ 68,000
Interest.....	443	341	341
Other.....	0	100	100
Total Receipts .....	<u>67,847</u>	<u>63,941</u>	<u>68,441</u>
<b>Total Funds Available</b> .....	<b>\$ 91,906</b>	<b>\$ 90,327</b>	<b>\$ 80,735</b>
<b>Disbursements:</b>			
Corrections.....	\$ 65,520	\$ 78,033	\$ 76,041
Total Disbursements .....	<u>-65,520</u>	<u>-78,033</u>	<u>-76,041</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 26,386</b>	<b>\$ 12,294</b>	<b>\$ 4,694</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, also a newly created fund under Act 13.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 45</b>
<b>Receipts:</b>			
Transfer from Unconventional Gas Well Fund.....	\$ 0	\$ 82,484	\$ 82,770
Transfer from Oil and Gas Lease Fund.....	0	0	20,000
Interest.....	0	46	46
Total Receipts .....	<u>0</u>	<u>82,530</u>	<u>102,816</u>
<b>Total Funds Available</b> .....	<b>\$ 0</b>	<b>\$ 82,530</b>	<b>\$ 102,861</b>
<b>Disbursements:</b>			
Public Utility Commission			
County Grants.....	\$ 0	\$ 10,873	\$ 11,291
Transfer to Commonwealth Financing Authority.....	0	14,497	15,054
Transfer to Commonwealth Financing Authority-H2O.....	0	9,061	9,409
Community and Economic Development.....	0	3,624	3,764
Environmental Protection.....	0	10,000	7,500
PENNVEST.....	0	9,061	9,409
Transfer to Highway Bridge Improvement.....	0	18,121	18,818
Transfer to Environmental Stewardship Fund.....	0	7,248	27,527
Total Disbursements .....	<u>0</u>	<u>-82,485</u>	<u>-102,772</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 0</b>	<b>\$ 45</b>	<b>\$ 89</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

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 198,208</b>	<b>\$ 202,385</b>	<b>\$ 197,615</b>
<b>Receipts:</b>			
Assessments.....	\$ 189,097	\$ 203,825	\$ 231,000
Interest .....	1,784	1,495	1,495
Other.....	1,191	915	100
Total Receipts .....	<u>192,072</u>	<u>206,235</u>	<u>232,595</u>
<b>Total Funds Available .....</b>	<b>\$ 390,280</b>	<b>\$ 408,620</b>	<b>\$ 430,210</b>
<b>Disbursements:</b>			
Insurance.....	<u>\$ 187,895</u>	<u>\$ 211,005</u>	<u>\$ 210,355</u>
Total Disbursements .....	<u>-187,895</u>	<u>-211,005</u>	<u>-210,355</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 202,385</b>	<b>\$ 197,615</b>	<b>\$ 219,855</b>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 3,871</b>	<b>\$ 4,003</b>	<b>\$ 3,634</b>
<b>Receipts:</b>			
License and Fees .....	\$ 2,457	\$ 2,537	\$ 2,537
Fines and Penalties.....	19	8	8
Other.....	0	-15	0
Interest.....	9	9	9
Total Receipts .....	<u>2,485</u>	<u>2,539</u>	<u>2,554</u>
<b>Total Funds Available</b> .....	<b>\$ 6,356</b>	<b>\$ 6,542</b>	<b>\$ 6,188</b>
<b>Disbursements:</b>			
Milk Marketing Board.....	\$ 2,353	\$ 2,908	\$ 2,810
Total Disbursements .....	<u>-2,353</u>	<u>-2,908</u>	<u>-2,810</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 4,003</b>	<b>\$ 3,634</b>	<b>\$ 3,378</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 61</b>	<b>\$ 100</b>	<b>\$ 139</b>
<b>Receipts:</b>			
Fines and Penalties.....	\$ 39	\$ 40	\$ 40
Total Receipts .....	<u>39</u>	<u>40</u>	<u>40</u>
<b>Total Funds Available</b> .....	<b>\$ 100</b>	<b>\$ 140</b>	<b>\$ 179</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 0	\$ 1	\$ 1
Total Disbursements .....	<u>0</u>	<u>-1</u>	<u>-1</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 100</b>	<b>\$ 139</b>	<b>\$ 178</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 4,155</b>	<b>\$ 4,055</b>	<b>\$ 3,201</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 701	\$ 1,025	\$ 1,010
Interest.....	10	9	20
Other.....	6	15	15
<b>Total Receipts</b> .....	<b>717</b>	<b>1,049</b>	<b>1,045</b>
<b>Total Funds Available</b> .....	<b>\$ 4,872</b>	<b>\$ 5,104</b>	<b>\$ 4,246</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 817	\$ 1,903	\$ 1,302
<b>Total Disbursements</b> .....	<b>-817</b>	<b>-1,903</b>	<b>-1,302</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 4,055</b>	<b>\$ 3,201</b>	<b>\$ 2,944</b>

# Motor Vehicle Transaction Recovery Fund

This 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 2,127</b>	<b>\$ 2,227</b>	<b>\$ 2,192</b>
<b>Receipts:</b>			
Title & Registration Fees.....	\$ 95	\$ 40	\$ 40
Interest .....	5	5	5
<b>Total Receipts</b> .....	<b>100</b>	<b>45</b>	<b>45</b>
<b>Total Funds Available</b> .....	<b>\$ 2,227</b>	<b>\$ 2,272</b>	<b>\$ 2,237</b>
<b>Disbursements:</b>			
Transportation.....	\$ 0	\$ 80	\$ 80
<b>Total Disbursements</b> .....	<b>0</b>	<b>-80</b>	<b>-80</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,227</b>	<b>\$ 2,192</b>	<b>\$ 2,157</b>

# Multimodal Transportation Fund

The proposed amendment to Act 44 of 2007 establishes a Multimodal Transportation Fund to provide additional funding for rail freight, ports, aviation, bicycle and pedestrian facilities, roads and bridges, and other modes of transportation. The program will be funded by deposits from the Pennsylvania Turnpike Commission, the Oil Company Franchise Tax and a portion of certain fees to be redirected from the Motor License Fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Pennsylvania Turnpike Commission.....	\$ 0	\$ 0	\$ 30,000
Oil Company Franchise Tax.....	0	0	0
Motor Vehicle Fees.....	0	0	30,000
Total Receipts.....	0	0	60,000
<b>Total Funds Available</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 60,000</b>
<b>Disbursements:</b>			
Transportation.....	\$ 0	\$ 0	\$ 60,000
Total Disbursements.....	0	0	-60,000
<b>Cash Balance, Ending</b> .....	<b>\$ 0</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 355,810</b>	<b>\$ 249,499</b>	<b>\$ 249,115</b>
<b>Receipts:</b>			
Foreign Casualty Insurance Premium Tax.....	\$ 253,951	\$ 257,350	\$ 261,105
Foreign Fire Insurance Premium Tax.....	10,167	10,310	10,454
Interest .....	35	36	35
<b>Total Receipts</b> .....	<b>264,153</b>	<b>267,696</b>	<b>271,594</b>
<b>Total Funds Available</b> .....	<b>\$ 619,963</b>	<b>\$ 517,195</b>	<b>\$ 520,709</b>
<b>Disbursements:</b>			
Auditor General.....	\$ 370,464 <sup>a</sup>	\$ 268,080 <sup>b</sup>	\$ 271,833 <sup>c</sup>
Treasury.....	0	0	0
<b>Total Disbursements</b> .....	<b>-370,464</b>	<b>-268,080</b>	<b>-271,833</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 249,499</b>	<b>\$ 249,115</b>	<b>\$ 248,876</b>

<sup>a</sup>Includes post-retirement payment of \$2,488,533 as authorized by Act 147 of 1988 and \$8,137,062 per Act 64 of 2002.

<sup>b</sup>Includes post-retirement payment of \$2,278,433 as authorized by Act 147 of 1988 and \$7,888,595 per Act 64 of 2002.

<sup>c</sup>Includes post-retirement payment of \$2,096,000 as authorized by Act 147 of 1988 and \$7,652,000 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 4,603</b>	<b>\$ 4,081</b>	<b>\$ 3,720</b>
<b>Receipts:</b>			
Transfers In.....	\$ 1,425	\$ 12,096	\$ 7,096
Loan Principal and Interest Repayments.....	402	390	600
Interest .....	13	19	350
Total Receipts .....	<u>1,840</u>	<u>12,505</u>	<u>8,046</u>
<b>Total Funds Available</b> .....	<b>\$ 6,443</b>	<b>\$ 16,586</b>	<b>\$ 11,766</b>
<b>Disbursements:</b>			
Community and Economic Development			
Program Fees.....	\$ 2,085	\$ 6,226	\$ 3,000
Loans.....	0	3,600	3,000
Grants.....	277	3,040	3,000
Total Disbursements .....	<u>-2,362</u>	<u>-12,866</u>	<u>-9,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 4,081</b>	<b>\$ 3,720</b>	<b>\$ 2,766</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.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 0</b>	<b>\$ 1</b>	<b>\$ 0</b>
<b>Receipts:</b>			
State Tax Share.....	\$ 7,114	\$ 23,400	\$ 23,400
Local Tax Share.....	180	592	592
Interest.....	1	0	0
Total Receipts .....	<u>7,295</u>	<u>23,992</u>	<u>23,992</u>
<b>Total Funds Available</b> .....	<b>\$ 7,295</b>	<b>\$ 23,993</b>	<b>\$ 23,992</b>
<b>Disbursements:</b>			
Treasury.....	\$ 7,294	\$ 23,993	\$ 23,992
Total Disbursements .....	<u>-7,294</u>	<u>-23,993</u>	<u>-23,992</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 1</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 13,240</b>	<b>\$ 11,893</b>	<b>\$ 9,568</b>
<b>Receipts:</b>			
Licenses and Fees.....	\$ 345	\$ 282	\$ 2,721
Penalties.....	296	185	156
Interest.....	355	356	356
Collateral.....	63	0	0
Payment in Lieu of Bonds.....	85	51	115
Forfeiture of Bonds.....	0	0	0
Total Receipts .....	1,144	874	3,348
<b>Total Funds Available</b> .....	<b>\$ 14,384</b>	<b>\$ 12,767</b>	<b>\$ 12,916</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 2,491	\$ 3,199	\$ 3,620
Total Disbursements .....	-2,491	-3,199	-3,620
<b>Cash Balance, Ending</b> .....	<b>\$ 11,893</b>	<b>\$ 9,568</b>	<b>\$ 9,296</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,313</b>	<b>\$ 1,531</b>	<b>\$ 852</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 2,714	\$ 2,714	\$ 2,714
Interest.....	-1	2	2
Fees.....	34	60	60
Fines .....	2	20	20
Total Receipts .....	2,749	2,796	2,796
<b>Total Funds Available</b> .....	<b>\$ 4,062</b>	<b>\$ 4,327</b>	<b>\$ 3,648</b>
<b>Disbursements:</b>			
Agriculture .....	\$ 574	\$ 922	\$ 771
Environmental Protection .....	1,957	2,553	2,073
Total Disbursements .....	-2,531	-3,475	-2,844
<b>Cash Balance, Ending</b> .....	<b>\$ 1,531</b>	<b>\$ 852</b>	<b>\$ 804</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 46,226</b>	<b>\$ 51,368</b>	<b>\$ 42,265</b>
<b>Receipts:</b>			
Rents and Royalties.....	\$ 64,421	\$ 60,000	\$ 85,000
Interest.....	505	408	408
Other.....	21	0	0
Total Receipts .....	<u>64,947</u>	<u>60,408</u>	<u>85,408</u>
<b>Total Funds Available</b> .....	<b>\$ 111,173</b>	<b>\$ 111,776</b>	<b>\$ 127,673</b>
<b>Disbursements:</b>			
Conservation and Natural Resources.....	\$ 44,805	\$ 50,000	\$ 50,000
State Parks Operations.....	15,000	17,511	15,000
Forest Pest Management.....	0	2,000	0
State Forests Operations.....	0	0	12,275
Transfer to the Marcellus Legacy Fund.....	0	0	20,000
Total Disbursements .....	<u>-59,805</u>	<u>-69,511</u>	<u>-97,275</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 51,368</b>	<b>\$ 42,265</b>	<b>\$ 30,398</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 6,535</b>	<b>\$ 7,321</b>	<b>\$ 6,422</b>
<b>Receipts:</b>			
Surcharges.....	\$ 5,868	\$ 5,900	\$ 5,900
Contract/Grants.....	339	813	474
Interest .....	13	15	15
Total Receipts .....	<u>6,220</u>	<u>6,728</u>	<u>6,389</u>
<b>Total Funds Available</b> .....	<b>\$ 12,755</b>	<b>\$ 14,049</b>	<b>\$ 12,811</b>
<b>Disbursements:</b>			
Patient Safety Authority.....	\$ 5,434	\$ 7,627	\$ 7,500
Total Disbursements .....	<u>-5,434</u>	<u>-7,627</u>	<u>-7,500</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 7,321</b>	<b>\$ 6,422</b>	<b>\$ 5,311</b>

# Pennsylvania Economic Revitalization Fund

The Pennsylvania Economic Revitalization Fund (PERF) 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 913</b>	<b>\$ 1,563</b>	<b>\$ 2,167</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 569	\$ 600	\$ 600
Interest.....	81	4	5
Total Receipts.....	<u>650</u>	<u>604</u>	<u>605</u>
<b>Total Funds Available</b> .....	<b>\$ 1,563</b>	<b>\$ 2,167</b>	<b>\$ 2,772</b>
<b>Disbursements:</b>			
Transfer to General Fund.....	\$ 0	\$ 0	\$ 0
Total Disbursements.....	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 1,563</b>	<b>\$ 2,167</b>	<b>\$ 2,772</b>

# Pennsylvania Economic Revitalization Sinking Fund

Payment of interest and principal due on outstanding economic revitalization bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest earned in this fund and interest earned in and transferred from the Pennsylvania Economic Revitalization Fund provide revenues to the fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 505	\$ 506	\$ 0
Interest on Securities.....	0	0	0
Total Receipts .....	505	506	0
<b>Total Funds Available</b> .....	\$ 505	\$ 506	\$ 0
<b>Disbursements:</b>			
Treasury.....	\$ 505	\$ 506	\$ 0
Total Disbursements .....	-505	-506	0
<b>Cash Balance, Ending</b> .....	\$ 0	\$ 0	\$ 0

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 2,100
<b>Receipts:</b>			
Fees.....	\$ 0	\$ 0	\$ 0
Contracts/Grants.....	0	2,100	900
Transfer from the General Fund.....	0	0	2,200
Federal Funds.....	0	5,558	4,442
Other Funds.....	0	104	0
Interest.....	0	0	0
Total Receipts .....	0	7,762	7,542
<b>Total Funds Available</b> .....	\$ 0	\$ 7,762	\$ 9,642
<b>Disbursements:</b>			
Pennsylvania eHealth Partnership Authority.....	\$ 0	\$ 5,662	\$ 9,642
Total Disbursements .....	0	-5,662	-9,642
<b>Cash Balance, Ending</b> .....	\$ 0	\$ 2,100	\$ 0

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 72,464</b>	<b>\$ 77,820</b>	<b>\$ 68,367</b>
<b>Receipts:</b>			
Gross Terminal Revenue Assessments.....	\$ 123,241	\$ 126,026	\$ 129,159
Build America Bonds Federal Interest Subsidy.....	10,096	10,096	10,042
Loan from Infrastructure Investment Authority.....	15,000	0	0
Interest.....	179	190	190
<b>Total Receipts</b> .....	<b>148,516</b>	<b>136,312</b>	<b>139,391</b>
<b>Total Funds Available</b> .....	<b>\$ 220,980</b>	<b>\$ 214,132</b>	<b>\$ 207,758</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 109,267	\$ 102,200	\$ 102,200
General Services.....	96	545	5,682 <sup>a</sup>
Transfer to Commonwealth Financing Authority.....	33,797	43,020	56,702
<b>Total Disbursements</b> .....	<b>-143,160</b>	<b>-145,765</b>	<b>-164,584</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 77,820</b>	<b>\$ 68,367</b>	<b>\$ 43,174</b>

<sup>a</sup> Includes a \$4.841M remaining pledge installment owed by a casino operator that is due on April 1, 2013. 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 182</b>	<b>\$ 183</b>	<b>\$ 184</b>
<b>Receipts:</b>			
Interest .....	\$ 1	\$ 1	\$ 1
Total Receipts .....	1	1	1
<b>Total Funds Available</b> .....	<b>\$ 183</b>	<b>\$ 184</b>	<b>\$ 185</b>
<b>Disbursements:</b>			
Historical and Museum Commission.....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	0	0	0
<b>Cash Balance, Ending</b> .....	<b>\$ 183</b>	<b>\$ 184</b>	<b>\$ 185</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 58,892</b>	<b>\$ 61,193</b>	<b>\$ 49,299</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 9,984	\$ 17,050	\$ 20,272
Interest .....	1,370	1,056	1,056
Total Receipts .....	11,354	18,106	21,328
<b>Total Funds Available</b> .....	<b>\$ 70,246</b>	<b>\$ 79,299</b>	<b>\$ 70,627</b>
<b>Disbursements:</b>			
Transportation.....	\$ 9,053	\$ 30,000	\$ 30,000
Total Disbursements .....	-9,053	-30,000	-30,000
<b>Cash Balance, Ending</b> .....	<b>\$ 61,193</b>	<b>\$ 49,299</b>	<b>\$ 40,627</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Total Cash Balance, Beginning</b> .....	<b>\$ 1,596,554</b>	<b>\$ 1,546,271</b>	<b>\$ 1,667,326</b>
<b>Receipts:</b>			
Contributions.....	\$ 58,249	\$ 63,903	\$ 70,294
Interest.....	18,611	19,728	20,911
Premium / Discount on Sale Of Securities.....	27,640	29,298	31,057
Net Investment Adjustment.....	-69,231	98,201	72,355
Total Receipts .....	<u>35,269</u>	<u>211,130</u>	<u>194,617</u>
<b>Total Funds Available</b> .....	<b>\$ 1,631,823</b>	<b>\$ 1,757,401</b>	<b>\$ 1,861,943</b>
<b>Disbursements:</b>			
Treasury.....	\$ 1	\$ 6	\$ 6
Municipal Retirement Board.....	85,551	90,069	94,572
Total Disbursements .....	<u>-85,552</u>	<u>-90,075</u>	<u>-94,578</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 1,546,271</b>	<b>\$ 1,667,326</b>	<b>\$ 1,767,365</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 provides for a transfer from the Pennsylvania Race Horse Development Fund to the General Fund for fiscal years 2009-10 through 2012-13. This budget proposes to extend the transfer but at a reduced level of \$15 million.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 4,881	\$ 390	\$ 405
<b>Receipts:</b>			
Assessments.....	\$ 278,732	\$ 278,510	\$ 280,710
Interest.....	18	15	15
<b>Total Receipts</b> .....	<u>278,750</u>	<u>278,525</u>	<u>280,725</u>
<b>Total Funds Available</b> .....	<u>\$ 283,631</u>	<u>\$ 278,915</u>	<u>\$ 281,130</u>
<b>Disbursements:</b>			
Revenue.....	\$ 235,090	\$ 226,160	\$ 249,550
Agriculture.....	0	0	10,659
Transfer to Farm Products Show Fund.....	0	5,000	5,500
Transfer to the General Fund.....	48,151	47,350	15,000
<b>Total Disbursements</b> .....	<u>-283,241</u>	<u>-278,510</u>	<u>-280,709</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 390</u>	<u>\$ 405</u>	<u>\$ 421</u>

# Pennsylvania Veterans Memorial Trust Fund

Act 60 of 1988 established this 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 operation and maintenance of the memorial.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 349	\$ 309	\$ 216
<b>Receipts:</b>			
Public/Private Donations.....	\$ 8	\$ 10	\$ 10
Refunds.....	0	0	0
Interest .....	1	1	1
<b>Total Receipts</b> .....	<u>9</u>	<u>11</u>	<u>11</u>
<b>Total Funds Available</b> .....	<u>\$ 358</u>	<u>\$ 320</u>	<u>\$ 227</u>
<b>Disbursements:</b>			
Military and Veterans Affairs.....	\$ 49	\$ 104	\$ 90
<b>Total Disbursements</b> .....	<u>49</u>	<u>104</u>	<u>90</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 309</u>	<u>\$ 216</u>	<u>\$ 137</u>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 144</b>	<b>\$ 5,887</b>	<b>\$ 4,367</b>
<b>Receipts:</b>			
Referendum Bonds.....	\$ 51,847	\$ 55,400	\$ 55,400
Interest.....	36	13	0
<b>Total Receipts .....</b>	<b>51,883</b>	<b>55,413</b>	<b>55,400</b>
<b>Total Funds Available .....</b>	<b>\$ 52,027</b>	<b>\$ 61,300</b>	<b>\$ 59,767</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority:			
PENNVEST Fund .....	\$ 0	\$ 0	\$ 0
PENNVEST Non-Revolving Equity Fund.....	0	0	0
PENNVEST Revolving Fund.....	0	0	0
PENNVEST Drinking Water Revolving Fund.....	0	0	0
PENNVEST Water Pollution Control	0	0	0
Infrastructure Investment Authority.....	46,140	56,933	55,400
<b>Total Disbursements .....</b>	<b>-46,140</b>	<b>-56,933</b>	<b>-55,400</b>
<b>Cash Balance, Ending .....</b>	<b>\$ 5,887</b>	<b>\$ 4,367</b>	<b>\$ 4,367</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 56,970</b>	<b>\$ 82,621</b>	<b>\$ 14,068</b>
<b>Receipts:</b>			
Bond Authorization Fund.....	\$ 0	\$ 0	\$ 0
PENNVEST Fund.....	3,746	5,000	10,000
Federal Funds.....	69,119	76,857	85,180
Transfer from Water Pollution Control Revolving Fund.....	22,295	20,000	26,300
Transfer from Water&Sewer Systems Assist Bond Fund.....	0	0	0
Loan Principal and Interest Repayments.....	8,614	27,000	32,500
Interest.....	1,384	1,757	4,500
<b>Total Receipts .....</b>	<b>105,158</b>	<b>130,614</b>	<b>158,480</b>
<b>Total Funds Available .....</b>	<b>\$ 162,128</b>	<b>\$ 213,235</b>	<b>\$ 172,548</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority.....	\$ 79,507	\$ 199,167	\$ 171,180
<b>Total Disbursements .....</b>	<b>-79,507</b>	<b>-199,167</b>	<b>-171,180</b>
<b>Cash Balance, Ending .....</b>	<b>\$ 82,621</b>	<b>\$ 14,068</b>	<b>\$ 1,368</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 221,846</b>	<b>\$ 169,192</b>	<b>\$ 78,158</b>
<b>Receipts:</b>			
Revolving Loan Payments.....	\$ 89,186	\$ 30,000	\$ 45,500
Bond Authorization Fund.....	0	300	20
Non-Revolving Equity Fund.....	0	30	0
Revolving Fund.....	0	35	0
Transfer from Environmental Stewardship Fund.....	8,184	11,167	13,608
Transfer from Marcellus Legacy Fund.....	0	9,061	9,409
Commercial Paper.....	0	0	100,000
Interest.....	5,904	5,206	7,500
Total Receipts .....	<u>103,274</u>	<u>55,799</u>	<u>176,037</u>
<b>Total Funds Available</b> .....	<b>\$ 325,120</b>	<b>\$ 224,991</b>	<b>\$ 254,195</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority:			
Grants.....	\$ 1,116	\$ 2,000	\$ 2,000
Administration.....	1,310	2,323	3,894
Growing Greener Grants.....	36,853	12,000	14,000
Revenue Bond Loan Pool.....	0	10	10
Marcellus Grants.....	0	2,500	9,500
Revolving Loans and Administration.....	116,649	125,000	150,000
State Conditional Fund.....	0	3,000	3,000
Total Disbursements .....	<u>-155,928</u>	<u>-146,833</u>	<u>-182,404</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 169,192</b>	<b>\$ 78,158</b>	<b>\$ 71,791</b>

# PENNVEST Non-Revolving Equity Fund

This fund, created under the authority of Act 16 of 1988, receives moneys 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 30	\$ 30	\$ 0
<b>Receipts:</b>			
Bond Authorization Fund.....	\$ 64	\$ 0	\$ 0
Interest.....	0	0	0
Total Receipts .....	64	0	0
<b>Total Funds Available</b> .....	\$ 94	\$ 30	\$ 0
<b>Disbursements:</b>			
Infrastructure Investment Authority.....	\$ 64	\$ 30	\$ 0
Total Disbursements .....	-64	-30	0
<b>Cash Balance, Ending</b> .....	\$ 30	\$ 0	\$ 0

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 1,786	\$ 889	\$ 889
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 4,807	\$ 5,494	\$ 2,996
Interest on Securities.....	2	0	0
Non-Revolving Loan Repayments.....	5,585	8,182	8,182
Total Receipts .....	10,394	13,676	11,178
<b>Total Funds Available</b> .....	\$ 12,180	\$ 14,565	\$ 12,067
<b>Disbursements:</b>			
Treasury.....	\$ 11,291	\$ 13,676	\$ 11,178
Total Disbursements .....	-11,291	-13,676	-11,178
<b>Cash Balance, Ending</b> .....	\$ 889	\$ 889	\$ 889

# PENNVEST Revolving Fund

This fund, created under the authority of Act 16 of 1988, receives moneys 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 FY 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 35	\$ 35	\$ 0
<b>Receipts:</b>			
Bond Authorization Fund.....	\$ 0	\$ 0	\$ 0
Interest.....	0	0	0
Total Receipts .....	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Funds Available</b> .....	<u>\$ 35</u>	<u>\$ 35</u>	<u>\$ 0</u>
<b>Disbursements:</b>			
Infrastructure Investment Authority.....	\$ 0	\$ 35	\$ 0
Total Disbursements .....	<u>0</u>	<u>-35</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 35</u>	<u>\$ 0</u>	<u>\$ 0</u>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 9	\$ 14	\$ 18
<b>Receipts:</b>			
Commercial Paper.....	\$ 52,639	\$ 100,000	\$ 100,000
Interest.....	0	0	0
Interest.....	0	4	2
Total Receipts .....	<u>52,639</u>	<u>100,004</u>	<u>100,002</u>
<b>Total Funds Available</b> .....	<u>\$ 52,648</u>	<u>\$ 100,018</u>	<u>\$ 100,020</u>
<b>Disbursements:</b>			
Infrastructure Investment Authority.....	\$ 52,634	\$ 100,000	\$ 100,000
Total Disbursements .....	<u>-52,634</u>	<u>-100,000</u>	<u>-100,000</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 14</u>	<u>\$ 18</u>	<u>\$ 20</u>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 287,597</b>	<b>\$ 321,655</b>	<b>\$ 113,617</b>
<b>Receipts:</b>			
PENNVEST Fund.....	\$ 12,300	\$ 17,611	\$ 0
Federal Funds.....	72,633	174,050	165,050
Transfer from Water&Sewer Systems Assist Bond Fund.....	0	0	10,000
Loan Principal and Interest Repayments.....	127,023	93,000	100,000
Interest.....	7,073	5,901	8,000
Total Receipts .....	<u>219,315</u>	<u>290,562</u>	<u>283,050</u>
<b>Total Funds Available</b> .....	<b><u>\$ 506,912</u></b>	<b><u>\$ 612,217</u></b>	<b><u>\$ 396,667</u></b>
<b>Disbursements:</b>			
Infrastructure Investment Authority.....	\$ 185,257	\$ 498,600	\$ 396,350
Total Disbursements .....	<u>-185,257</u>	<u>-498,600</u>	<u>-396,350</u>
<b>Cash Balance, Ending</b> .....	<b><u>\$ 321,655</u></b>	<b><u>\$ 113,617</u></b>	<b><u>\$ 317</u></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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 3,071</b>	<b>\$ 2,820</b>	<b>\$ 2,575</b>
<b>Receipts:</b>			
Sale of Bonds.....	\$ 0	\$ 0	\$ 0
Interest.....	8	6	6
Other.....	0	-1	0
<b>Total Receipts</b> .....	<b>8</b>	<b>5</b>	<b>6</b>
<b>Total Funds Available</b> .....	<b>\$ 3,079</b>	<b>\$ 2,825</b>	<b>\$ 2,581</b>
<b>Disbursements:</b>			
Military and Veterans Affairs.....	\$ 259	\$ 250	\$ 500
<b>Total Disbursements</b> .....	<b>259</b>	<b>250</b>	<b>500</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 2,820</b>	<b>\$ 2,575</b>	<b>\$ 2,081</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 500	\$ 498	\$ 506
<b>Total Receipts</b> .....	<b>500</b>	<b>498</b>	<b>506</b>
<b>Total Funds Available</b> .....	<b>\$ 500</b>	<b>\$ 498</b>	<b>\$ 506</b>
<b>Disbursements:</b>			
Treasury.....	\$ 500	\$ 498	\$ 506
<b>Total Disbursements</b> .....	<b>-500</b>	<b>-498</b>	<b>-506</b>
<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 and the Tobacco Settlement 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. Pharmaceutical product claims for the Department of Public Welfare's Special Pharmaceutical Benefits Program, disease specific programs in the Department of Health and the claims processing for the Auto Cat and the Worker's Compensation Security Fund programs in the Insurance Department are also processed through the PACE 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, Insurance and Public Welfare.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 54,123</b>	<b>\$ 95,811</b>	<b>\$ 57,909</b>
<b>Receipts:</b>			
Transfer from Lottery Fund .....	\$ 200,000	\$ 190,000	\$ 190,000
Transfer from Tobacco Settlement Fund .....	24,790	25,282	24,847
Interest .....	736	610	610
Disease Specific Programs.....	4,820	5,498	5,507
Special Pharmaceutical Services .....	54,695	69,323	69,435
Auto Cat Program.....	911	950	950
Workers' Compensation Security Fund Program.....	3,325	3,260	3,260
Total Receipts .....	<u>289,277</u>	<u>294,923</u>	<u>294,609</u>
<b>Total Funds Available</b> .....	<b><u>\$ 343,400</u></b>	<b><u>\$ 390,734</u></b>	<b><u>\$ 352,518</u></b>
<b>Disbursements:</b>			
Aging .....	\$ 179,420	\$ 253,794	\$ 227,606
Health .....	5,005	74,821 <sup>a b</sup>	74,942 <sup>a</sup>
Insurance.....	4,205	4,210 <sup>a</sup>	4,210 <sup>a</sup>
Public Welfare .....	58,959	0 <sup>b</sup>	0
Total Disbursements .....	<u>-247,589</u>	<u>-332,825</u>	<u>-306,758</u>
<b>Cash Balance, Ending</b> .....	<b><u>\$ 95,811</u></b>	<b><u>\$ 57,909</u></b>	<b><u>\$ 45,760</u></b>

<sup>a</sup> Expenditures from restricted accounts in the Department of Aging.

<sup>b</sup> The AIDS Special Pharmaceutical Benefits program was transferred from Department of Public Welfare to Department of Health in 2012-13. The result of this transfer has the receipts and distributions for Department of Health increased and Department of Public Welfare decreased.

# Philadelphia Regional Port Authority Fund

This authority was created by Act 50 of 1989 to acquire and operate the port facilities of the former Philadelphia Port Corporation. This fund handles payroll of the authority via transfer of funds by the authority from its private bank accounts. The authority is authorized 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 655</b>	<b>\$ 748</b>	<b>\$ 1,499</b>
<b>Receipts:</b>			
Transfer from Philadelphia Regional Port Authority.....	\$ 7,738	\$ 8,400	\$ 8,400
Interest.....	2	1	15
<b>Total Receipts</b> .....	<b>7,740</b>	<b>8,401</b>	<b>8,415</b>
<b>Total Funds Available</b> .....	<b>\$ 8,395</b>	<b>\$ 9,149</b>	<b>\$ 9,914</b>
<b>Disbursements:</b>			
Philadelphia Regional Port Operations.....	\$ 7,647	\$ 7,650	\$ 8,400
<b>Total Disbursements</b> .....	<b>-7,647</b>	<b>-7,650</b>	<b>-8,400</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 748</b>	<b>\$ 1,499</b>	<b>\$ 1,514</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 that are sponsored by third parties. Act 111 of 2001 added Indiana County, and Act 131 of 2006 added Blair County to the Port District.

Grants to the commission to support its operations, and previously to Allegheny County for port-related improvements, 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 5,567</b>	<b>\$ 4,531</b>	<b>\$ 3,952</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 50	\$ 100	\$ 200
Federal Revenue.....	1,005	6,825	1,000
Loan Repayments.....	20	25	25
Interest .....	25	11	65
<b>Total Receipts</b> .....	<b>1,100</b>	<b>6,961</b>	<b>1,290</b>
<b>Total Funds Available</b> .....	<b>\$ 6,667</b>	<b>\$ 11,492</b>	<b>\$ 5,242</b>
<b>Disbursements:</b>			
Port of Pittsburgh Commission.....	\$ 2,136	\$ 7,540	\$ 2,000
<b>Total Disbursements</b> .....	<b>-2,136</b>	<b>-7,540</b>	<b>-2,000</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 4,531</b>	<b>\$ 3,952</b>	<b>\$ 3,242</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. 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. Act 78 of 2012 provides for additional funding for the Volunteer Fire Company Grants out of the Property Tax Relief Reserve Fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 518,016</b>	<b>\$ 557,416</b>	<b>\$ 592,601</b>
<b>Receipts:</b>			
Transfer from State Gaming Fund.....	\$ 810,558	\$ 815,500	\$ 834,400
Property Tax Relief Reserve Fund Loan Repayment.....	4,367	6,385	6,385
Interest.....	675	700	700
Total Receipts .....	<u>815,600</u>	<u>822,585</u>	<u>841,485</u>
<b>Total Funds Available</b> .....	<b>\$ 1,333,616</b>	<b>\$ 1,380,001</b>	<b>\$ 1,434,086</b>
<b>Disbursements:</b>			
Property Tax Relief Payments:			
Education			
General Property Tax Relief.....	\$ 595,000	\$ 595,000	\$ 595,000
Sterling Act.....	<u>17,100</u>	<u>20,600</u>	<u>20,600</u>
Subtotal: Education Property Tax Relief Payments.....	612,100	615,600	615,600
Revenue			
Expanded Prop Tax/Rent Rebate/Senior Tax Reductions.....	135,900	137,800	136,700
Cities and High-Burden.....	<u>28,200</u>	<u>29,000</u>	<u>29,700</u>
Subtotal: Revenue Property Tax Relief Payments.....	164,100	166,800	166,400
Total Property Tax Relief Disbursements.....	<u>776,200</u>	<u>782,400</u>	<u>782,000</u>
Emergency Management			
Volunteer Company Grants.....	<u>0</u>	<u>5,000</u>	<u>5,000</u>
Total Disbursements.....	<u>-776,200</u>	<u>-787,400</u>	<u>-787,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 557,416<sup>a</sup></b>	<b>\$ 592,601<sup>b</sup></b>	<b>\$ 647,086<sup>c</sup></b>

<sup>a</sup> 2011-12 Actual includes a balance of \$22,032,983 in the Property Tax Relief Reserve Account.

<sup>b</sup> 2012-13 Available includes a balance of \$45,688,952 in the Property Tax Relief Reserve Account.

<sup>c</sup> 2013-14 Estimated includes a balance of \$81,173,452 in the Property Tax Relief Reserve Account.

# Public Transportation Assistance Fund

This fund was established by Act 26 of 1991 to help provide for the capital, asset maintenance and certain 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 6,993</b>	<b>\$ 7,379</b>	<b>\$ 7,288</b>
<b>Receipts:</b>			
PTAF Tax Revenues.....	\$ 179,090	\$ 177,500	\$ 180,400
Interest on Securities .....	39	36	36
<b>Total Receipts</b> .....	<b>179,129</b>	<b>177,536</b>	<b>180,436</b>
<b>Total Funds Available</b> .....	<b>\$ 186,122</b>	<b>\$ 184,915</b>	<b>\$ 187,724</b>
<b>Disbursements:</b>			
Transportation:			
Grants.....	\$ 161,725	\$ 160,689	\$ 163,251
Transfer to Public Transportation Trust Fund.....	17,018	16,938	17,176
<b>Total Disbursements</b> .....	<b>-178,743</b>	<b>-177,627</b>	<b>-180,427</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 7,379</b>	<b>\$ 7,288</b>	<b>\$ 7,297</b>

# Public Transportation Trust Fund

This fund was created by Act 44 of 2007 to provide dedicated funding for public transportation in the commonwealth. Revenues come from scheduled payments by the Pennsylvania Turnpike Commission, a portion of the Sales and Use Tax, and transfers from the Public Transportation Assistance Fund and the Lottery Fund. This budget proposes to increase fund revenues through restructuring the Act 44 of 2007 payments and redirecting certain Motor Vehicle fees. Monies in this fund are disbursed as grants to public transit agencies for operating costs (including Shared Ride and Free Transit for Older Pennsylvanians), capital and asset improvements, and programs of statewide significance.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 109,868</b>	<b>\$ 154,168</b>	<b>\$ 41,714</b>
<b>Receipts:</b>			
Sales and Use Tax.....	\$ 418,293	\$ 416,769	\$ 435,818
Pennsylvania Turnpike Commission.....	250,000	250,000	275,000
Transfer from the Lottery Fund.....	89,610	91,268	92,956
Transfer from the Public Transportation Assistance Fund.....	17,018	16,938	17,176
Motor Vehicle Fees.....	0	0	13,333
Interest.....	2,286	1,880	1,880
<b>Total Receipts</b> .....	<b>777,207</b>	<b>776,855</b>	<b>836,163</b>
<b>Total Funds Available</b> .....	<b>\$ 887,075</b>	<b>\$ 931,023</b>	<b>\$ 877,877</b>
<b>Disbursements:</b>			
Transportation.....	\$ 732,907	\$ 889,309	\$ 846,516
<b>Total Disbursements</b> .....	<b>-732,907</b>	<b>-889,309</b>	<b>-846,516</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 154,168</b>	<b>\$ 41,714</b>	<b>\$ 31,361</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 31,266</b>	<b>\$ 41,536</b>	<b>\$ 41,604</b>
<b>Receipts:</b>			
Reimbursements to General Services.....	\$ 363,246	\$ 336,870	\$ 411,532
Reimbursements to Executive Offices.....	59,110	80,000	70,885
General Fund Loan.....	0	7,000	7,000
Interest.....	97	94	94
Total Receipts .....	<u>422,453</u>	<u>423,964</u>	<u>489,511</u>
<b>Total Funds Available</b> .....	<b>\$ 453,719</b>	<b>\$ 465,500</b>	<b>\$ 531,115</b>
<b>Disbursements:</b>			
General Services.....	\$ 358,062	\$ 336,896	\$ 407,435
Executive Offices.....	54,121	80,000	65,897
Loan Repayment.....	0	7,000	7,000
Total Disbursements .....	<u>-412,183</u>	<u>-423,896</u>	<u>-480,332</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 41,536</b>	<b>\$ 41,604</b>	<b>\$ 50,783</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 373</b>	<b>\$ 311</b>	<b>\$ 262</b>
<b>Receipts:</b>			
Additional License Fees.....	\$ 29	\$ 100	\$ 100
Interest .....	1	1	1
Total Receipts .....	<u>30</u>	<u>101</u>	<u>101</u>
<b>Total Funds Available</b> .....	<b>\$ 403</b>	<b>\$ 412</b>	<b>\$ 363</b>
<b>Disbursements:</b>			
State.....	\$ 92	\$ 150	\$ 150
Total Disbursements .....	<u>-92</u>	<u>-150</u>	<u>-150</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 311</b>	<b>\$ 262</b>	<b>\$ 213</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 53,503</b>	<b>\$ 59,318</b>	<b>\$ 48,706</b>
<b>Receipts:</b>			
Recycling Fees .....	\$ 37,822	\$ 35,070	\$ 36,550
Fines and Penalties .....	0	3	0
Interest .....	1,343	1,051	1,051
Transfer from Hazardous Sites Cleanup Fund .....	1,000	1,000	1,000
<b>Total Receipts</b> .....	<b>40,165</b>	<b>37,124</b>	<b>38,601</b>
<b>Total Funds Available</b> .....	<b>\$ 93,668</b>	<b>\$ 96,442</b>	<b>\$ 87,307</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 34,350	\$ 47,736	\$ 44,555
<b>Total Disbursements</b> .....	<b>-34,350</b>	<b>-47,736</b>	<b>-44,555</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 59,318</b>	<b>\$ 48,706</b>	<b>\$ 42,752</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 2,405</b>	<b>\$ 4,605</b>	<b>\$ 3,986</b>
<b>Receipts:</b>			
Client Fees .....	\$ 20,577	\$ 19,045	\$ 19,045
Interest .....	7	10	10
Labor and Industry .....	1,538	1,576	1,576
Other .....	424	250	250
<b>Total Receipts</b> .....	<b>22,546</b>	<b>20,881</b>	<b>20,881</b>
<b>Total Funds Available</b> .....	<b>\$ 24,951</b>	<b>\$ 25,486</b>	<b>\$ 24,867</b>
<b>Disbursements:</b>			
Labor and Industry .....	\$ 20,346	\$ 21,500	\$ 22,910
<b>Total Disbursements</b> .....	<b>-20,346</b>	<b>-21,500</b>	<b>-22,910</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 4,605</b>	<b>\$ 3,986</b>	<b>\$ 1,957</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 3,308</b>	<b>\$ 3,431</b>	<b>\$ 3,391</b>
<b>Receipts:</b>			
Interest transfer to Land and Water Development Sinking Fund.....	\$ -8	\$ -8	\$ -9
Interest.....	8	8	9
Other.....	10	0	0
Operator Annual Fee.....	113	111	121
Total Receipts .....	<u>123</u>	<u>111</u>	<u>121</u>
<b>Total Funds Available</b> .....	<b>\$ 3,431</b>	<b>\$ 3,542</b>	<b>\$ 3,512</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 0	\$ 151	\$ 50
Total Disbursements .....	<u>0</u>	<u>-151</u>	<u>-50</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 3,431</b>	<b>\$ 3,391</b>	<b>\$ 3,462</b>

# Rightful Owners' Claims Payment Fund

This 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, 5 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 that are 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 31</b>	<b>\$ 60</b>	<b>\$ 100</b>
<b>Receipts:</b>			
Transfers from Unclaimed Property Accounts.....	\$ 366	\$ 343	\$ 350
Total Receipts .....	<u>366</u>	<u>343</u>	<u>350</u>
<b>Total Funds Available</b> .....	<b>\$ 397</b>	<b>\$ 403</b>	<b>\$ 450</b>
<b>Disbursements:</b>			
Treasury Payments to Claimants.....	\$ 337	\$ 303	\$ 309
Total Disbursements.....	<u>-337</u>	<u>-303</u>	<u>-309</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 60</b>	<b>\$ 100</b>	<b>\$ 141</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 51,029,603</b>	<b>\$ 48,204,114</b>	<b>\$ 48,464,504</b>
<b>Receipts:</b>			
Transfer from General Fund —			
Employer Contribution (non-school entities).....	\$ 4,308	\$ 7,000	\$ 12,000
Transfers from State Retirement System.....	19,062	10,000	15,000
Contributions of School Employees.....	958,406	1,057,000	946,000
Contributions of Employers.....	899,753	1,736,000	2,297,000
Interest on Securities.....	665	150	150
Net Investment Adjustment.....	1,246,737	3,601,000	3,651,000
Directed Commissions.....	17	1,000	1,000
Other.....	87,266	73,000	77,000
<b>Total Receipts .....</b>	<b>3,216,214</b>	<b>6,485,150</b>	<b>6,999,150</b>
<b>Total Funds Available .....</b>	<b>\$ 54,245,817</b>	<b>\$ 54,689,264</b>	<b>\$ 55,463,654</b>
<b>Disbursements:</b>			
Treasury .....	\$ 415	\$ 300	\$ 300
Public School Employees'			
Retirement Board .....	6,041,288	6,224,460	6,619,588
<b>Total Disbursements .....</b>	<b>-6,041,703</b>	<b>-6,224,760</b>	<b>-6,619,888</b>
<b>Cash Balance, Ending .....</b>	<b>\$ 48,204,114</b>	<b>\$ 48,464,504</b>	<b>\$ 48,843,766</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 \$27.340 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Insurance Claims.....	67,396	40,819	34,000
Total Receipts .....	67,396	40,819	34,000
<b>Total Funds Available</b> .....	\$ 67,396	\$ 40,819	\$ 34,000
<b>Disbursements:</b>			
School Employees' Retirement System.....	\$ 67,396	\$ 40,819	\$ 34,000
Total Disbursements .....	-67,396	-40,819	-34,000
<b>Cash Balance, Ending</b> .....	\$ 0	\$ 0	\$ 0

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 45,071	\$ 48,692	\$ 49,439
<b>Receipts:</b>			
Transfer from Workmen's Compensation Fund.....	\$ 3,146	\$ 2,425	\$ 0
Interest.....	-19	845	835
Other.....	3,494	0	0
Total Receipts .....	6,621	3,270	835
<b>Total Funds Available</b> .....	\$ 51,692	\$ 51,962	\$ 50,274
<b>Disbursements:</b>			
Labor and Industry.....	\$ 3,000	\$ 2,523	\$ 2,600
Total Disbursements .....	-3,000	-2,523	-2,600
<b>Cash Balance, Ending</b> .....	\$ 48,692	\$ 49,439	\$ 47,674

## 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.

### Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 70,825</b>	<b>\$ 82,765</b>	<b>\$ 68,900</b>
<b>Receipts:</b>			
Loan Principal and Interest Repayments.....	\$ 15,939	\$ 18,000	\$ 18,000
Interest.....	3,800	1,114	1,400
Miscellaneous.....	8	5	5
Total Receipts .....	<u>19,747</u>	<u>19,119</u>	<u>19,405</u>
<b>Total Funds Available</b> .....	<b>\$ 90,572</b>	<b>\$ 101,884</b>	<b>\$ 88,305</b>
<b>Disbursements:</b>			
Community and Economic Development			
Administration.....	729	3,080	1,958
Loans.....	7,078	29,904	23,500
Total Disbursements .....	<u>-7,807</u>	<u>-32,984</u>	<u>-25,458</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 82,765</b>	<b>\$ 68,900</b>	<b>\$ 62,847</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 439</b>	<b>\$ 440</b>	<b>\$ 441</b>
<b>Receipts:</b>			
Interest.....	\$ 1	\$ 1	\$ 1
Total Receipts .....	<u>1</u>	<u>1</u>	<u>1</u>
<b>Total Funds Available</b> .....	<b>\$ 440</b>	<b>\$ 441</b>	<b>\$ 442</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 440</b>	<b>\$ 441</b>	<b>\$ 442</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 moneys 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 5,920</b>	<b>\$ 1,283</b>	<b>\$ 200</b>
<b>Receipts:</b>			
Penalty and Interest Collections.....	\$ 1,157	\$ 12,000	\$ 6,000
Interest.....	6	14	14
Total Receipts .....	1,163	12,014	6,014
<b>Total Funds Available</b> .....	<b>\$ 7,083</b>	<b>\$ 13,297</b>	<b>\$ 6,214</b>
<b>Disbursements:</b>			
Transfer to Job Training Fund.....	\$ 2,900	\$ 3,600	\$ 5,000
Transfer to Unemployment Compensation Fund.....	0	4,497	1,014
Labor and Industry.....	2,900	5,000	0
Total Disbursements .....	-5,800	-13,097	-6,014
<b>Cash Balance, Ending</b> .....	<b>\$ 1,283</b>	<b>\$ 200</b>	<b>\$ 200</b>

# Special Juvenile Victim Compensation Fund

This fund was created in Act 46 of 2010. The purpose of the fund is to provide compensation to victims of juvenile crime in a county of the third class. If money in the Special Juvenile Victim Compensation Fund is not sufficient to make all of the payments required by the legislation, the payments shall be reduced for each victim on a pro rata basis. Revenue to the fund consists of funds transferred from the Crime Victim's Compensation Fund, appropriations, money from any other source and return on the money in the fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Transfer from Crime Victims' Compensation Fund.....	\$ -1	\$ 0	\$ 0
Interest.....	0	0	0
Total Receipts.....	-1	0	0
<b>Total Funds Available</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Disbursements:</b>			
PA Commission on Crime and Delinquency-Victim Payments.	\$ 0	\$ 0	\$ 0
Return to Crime Victim's Compensation Fund.....	0	0	0
Total Disbursements.....	0	0	0
<b>Cash Balance, Ending</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</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. Several times a year the interest earned is disbursed to the Pennsylvania State University.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 24	\$ 24	\$ 24
<b>Receipts:</b>			
Interest.....	\$ 0	\$ 0	\$ 0
Total Receipts .....	0	0	0
<b>Total Funds Available</b> .....	<b>\$ 24</b>	<b>\$ 24</b>	<b>\$ 24</b>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	0	0	0
<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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 25,485,844</b>	<b>\$ 24,545,960</b>	<b>\$ 24,932,220</b>
<b>Receipts:</b>			
Contributions of Employees.....	\$ 354,640	\$ 364,000	\$ 361,500
Contributions of Employers.....	437,112	710,000	968,036
Transfer to Annuity Reserve Account.....	26,721	0	0
Income from Securities.....	3,668	331,000	618,966
Directed Commissions.....	100	0	109
Net Investment Adjustment.....	990,333	1,787,000	1,237,933
Total Receipts .....	1,812,574	3,192,000	3,186,544
<b>Total Funds Available</b> .....	<b>\$ 27,298,418</b>	<b>\$ 27,737,960</b>	<b>\$ 28,118,764</b>
<b>Disbursements:</b>			
Treasury.....	\$ 158	\$ 250	\$ 300
State Employees' Retirement System.....	2,752,300	2,805,490	3,000,568
Total Disbursements .....	-2,752,458	-2,805,740	-3,000,868
<b>Cash Balance, Ending</b> .....	<b>\$ 24,545,960</b>	<b>\$ 24,932,220</b>	<b>\$ 25,117,896</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 194,230</b>	<b>\$ 183,246</b>	<b>\$ 179,545</b>
<b>Receipts:</b>			
License Fees.....	\$ 0	\$ 5,000	\$ 0
State Tax Revenue.....	838,039	856,976	878,283
Licensee Deposit Accts.....	57,199	57,247	59,904
Local Share Assessment.....	152,689	156,201	160,106
Interest.....	438	450	450
Other .....	8,388	10,956	5,755
Total Receipts .....	<u>1,056,753</u>	<u>1,086,830</u>	<u>1,104,498</u>
<b>Total Funds Available</b> .....	<b><u>\$ 1,250,983</u></b>	<b><u>\$ 1,270,076</u></b>	<b><u>\$ 1,284,043</u></b>
<b>Disbursements:</b>			
Revenue			
Transfer to Compulsive and Problem Gambling Treatment Fund.....	\$ 4,590	\$ 4,929	\$ 5,200
Transfer to Compulsive and Problem Gambling Treatment Fund - Drug and Alcohol....	3,000	3,000	3,000
Payment in Lieu of Taxes			
Conservation and Natural Resources.....	5,102	5,122	5,146
Fish and Boat Commission.....	17	40	40
Game Commission.....	3,478	3,515	3,515
Emergency Management			
Volunteer Company Grants.....	25,000	25,000	25,000
Gaming Control Board			
Local Law Enforcement Grants.....	483	2,000	2,000
Local Share Assessment Distribution			
Revenue.....	118,496	121,221	124,252
Community and Economic Development.....	36,295	37,130	38,058
Education.....	1,288	1,318	1,351
Administrative Appropriations			
Gaming Control Board.....	33,534	38,222	36,908
Revenue.....	7,905	11,705	9,513
State Police.....	17,108	20,676	22,531
Attorney General.....	883	1,153	1,071
Transfer to Property Tax Relief Fund.....	810,558	815,500	834,400
Total Disbursements .....	<u>-1,067,737</u>	<u>-1,090,531</u>	<u>-1,111,985</u>
<b>Cash Balance, Ending</b> .....	<b><u>\$ 183,246</u></b> <sup>a</sup>	<b><u>\$ 179,545</u></b> <sup>a</sup>	<b><u>\$ 172,058</u></b> <sup>a</sup>

<sup>a</sup> Ending cash balance includes the following restricted balances: 2011-12 Actual is \$149,354,000, 2012-13 Available is \$142,333,000 and 2013-14 Estimated is \$134,414,000.

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 9,991</b>	<b>\$ 10,886</b>	<b>\$ 10,302</b>
<b>Receipts:</b>			
Recovered Damages.....	\$ 2,510	\$ 400	\$ 47
Interest .....	368	248	248
Total Receipts .....	<u>2,878</u>	<u>648</u>	<u>295</u>
<b>Total Funds Available</b> .....	<b>\$ 12,869</b>	<b>\$ 11,534</b>	<b>\$ 10,597</b>
<b>Disbursements:</b>			
General Services.....	1,983	1,232	850
Total Disbursements .....	<u>-1,983</u>	<u>-1,232</u>	<u>-850</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 10,886</b>	<b>\$ 10,302</b>	<b>\$ 9,747</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,505</b>	<b>\$ 1,128</b>	<b>\$ 952</b>
<b>Receipts:</b>			
Revenue from Operations.....	\$ 6	\$ 15	\$ 15
Interest.....	3	3	3
Total Receipts .....	<u>9</u>	<u>18</u>	<u>18</u>
<b>Total Funds Available</b> .....	<b>\$ 1,514</b>	<b>\$ 1,146</b>	<b>\$ 970</b>
<b>Disbursements:</b>			
General Services.....	\$ 386	\$ 194	\$ 100
Total Disbursements .....	<u>-386</u>	<u>-194</u>	<u>-100</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 1,128</b>	<b>\$ 952</b>	<b>\$ 870</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 661</b>	<b>\$ 663</b>	<b>\$ 665</b>
<b>Receipts:</b>			
Interest.....	\$ 2	\$ 2	\$ 2
Sale Proceeds.....	0	0	0
Total Receipts .....	<u>2</u>	<u>2</u>	<u>2</u>
<b>Total Funds Available</b> .....	<b>\$ 663</b>	<b>\$ 665</b>	<b>\$ 667</b>
<b>Disbursements:</b>			
Education.....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 663</b>	<b>\$ 665</b>	<b>\$ 667</b>

# State Stores Fund

The State Stores Fund serves as the general operating fund for the Liquor Control Board. The Pennsylvania State Police receive funds for the enforcement of the Liquor Code. Prior to FY2012-13, 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 23,337</b>	<b>\$ 6,683</b>	<b>\$ 2,402</b>
<b>Receipts:</b>			
Fees, Fines and Penalties.....	\$ 13,396	\$ 13,604	\$ 13,604
Sale of Goods.....	1,662,460	1,744,033	1,831,235
Liquor/Sales Taxes.....	422,013	443,114	465,270
Recovered Losses and Damages.....	1,330	1,242	1,242
General Fund Loan.....	110,000	110,000	0
Other.....	0	-48	0
Interest.....	248	497	497
<b>Total Receipts</b> .....	<b>2,209,447</b>	<b>2,312,442</b>	<b>2,311,848</b>
<b>Total Funds Available</b> .....	<b>\$ 2,232,784</b>	<b>\$ 2,319,125</b>	<b>\$ 2,314,250</b>
<b>Disbursements:</b>			
Treasury.....	\$ 13	\$ 0	\$ 0
Health.....	1,674	0	0
Department of Drug and Alcohol Programs.....	0	2,070	2,070
Liquor Control Board .....	1,590,148	1,545,863	1,721,970
State Police.....	22,253	25,676	25,663
General Fund Loan Repayment.....	110,000	220,000	0
Transfer of Liquor/Sales Taxes to General Fund.....	422,013	443,114	465,270
Transfer of Profits to General Fund.....	80,000	80,000	80,000
<b>Total Disbursements</b> .....	<b>-2,226,101</b>	<b>-2,316,723</b>	<b>-2,294,973</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 6,683</b>	<b>\$ 2,402</b>	<b>\$ 19,277</b>

# State Treasury Armory Fund

Created in accordance with Act 92 of 1975, this 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 3,086</b>	<b>\$ 2,329</b>	<b>\$ 2,034</b>
<b>Receipts:</b>			
Armory Rentals.....	\$ 364	\$ 350	\$ 350
Sale of Armories and Land.....	203	200	200
Interest.....	7	5	5
<b>Total Receipts .....</b>	<b>574</b>	<b>555</b>	<b>555</b>
<b>Total Funds Available .....</b>	<b>\$ 3,660</b>	<b>\$ 2,884</b>	<b>\$ 2,589</b>
<b>Disbursements:</b>			
Military and Veterans Affairs.....	\$ 1,331	\$ 850	\$ 850
<b>Total Disbursements .....</b>	<b>1,331</b>	<b>850</b>	<b>850</b>
<b>Cash Balance, Ending .....</b>	<b>\$ 2,329</b>	<b>\$ 2,034</b>	<b>\$ 1,739</b>

# State Worker's Insurance Fund

The State Worker's 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 1,482,497</b>	<b>\$ 1,521,279</b>	<b>\$ 1,514,659</b>
<b>Receipts:</b>			
Premiums.....	\$ 169,539	\$ 260,000	\$ 265,000
Interest.....	55,514	56,000	56,000
Net Investment Adjustment.....	94,103	0	0
Other.....	4,133	4,000	4,000
Total Receipts .....	<u>323,289</u>	<u>320,000</u>	<u>325,000</u>
<b>Total Funds Available .....</b>	<b>\$ 1,805,786</b>	<b>\$ 1,841,279</b>	<b>\$ 1,839,659</b>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 20	\$ 20
Labor and Industry.....	284,507	323,600	325,100
Premium Tax Payment to the General Fund.....	<u>0</u>	<u>3,000</u>	<u>3,200</u>
Total Disbursements .....	<u>-284,507</u>	<u>-326,620</u>	<u>-328,320</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 1,521,279</b>	<b>\$ 1,514,659</b>	<b>\$ 1,511,339</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 11,988</b>	<b>\$ 12,154</b>	<b>\$ 8,467</b>
<b>Receipts:</b>			
Registration Fees.....	\$ 3,158	\$ 3,107	\$ 3,155
Federal Funds - EPA.....	4,390	3,782	4,740
Fines and Penalties.....	394	625	559
Interest.....	30	27	27
Other.....	2,940	2,587	2,324
Total Receipts .....	<u>10,912</u>	<u>10,128</u>	<u>10,805</u>
<b>Total Funds Available</b> .....	<b>\$ 22,900</b>	<b>\$ 22,282</b>	<b>\$ 19,272</b>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 10,746	\$ 13,815	\$ 14,021
Total Disbursements .....	<u>-10,746</u>	<u>-13,815</u>	<u>-14,021</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 12,154</b>	<b>\$ 8,467</b>	<b>\$ 5,251</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

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 13,086</b>	<b>\$ 14,291</b>	<b>\$ 10,371</b>
<b>Receipts:</b>			
Assessments.....	\$ 3,562	\$ 3,655	\$ 3,562
Interest.....	229	175	220
Total Receipts.....	<u>3,791</u>	<u>3,830</u>	<u>3,782</u>
<b>Total Funds Available</b> .....	<b>\$ 16,877</b>	<b>\$ 18,121</b>	<b>\$ 14,153</b>
<b>Disbursements:</b>			
Executive Offices.....	\$ 2,232	\$ 7,394	\$ 7,884
Attorney General.....	354	356	366
Total Disbursements.....	<u>-2,586</u>	<u>-7,750</u>	<u>-8,250</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 14,291</b>	<b>\$ 10,371</b>	<b>\$ 5,903</b>

# Supplemental State Assistance 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. Under Act 205, the Auditor General is responsible for the administration of the Supplemental State Assistance Program, including disbursement of funds to distressed municipal pension systems based on certifications provided by the Public Employe Retirement Commission (PERC). Since 1989-90, revenues for the Supplemental State Assistance Fund have been provided entirely by General Fund appropriations. By statute, this program and fund terminated in 2003. The unspent balance within the fund shall be transferred to the General Fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 82	\$ 0	\$ 0
<b>Receipts:</b>			
Interest .....	\$ 0	\$ 0	\$ 0
Total Receipts .....	0	0	0
<b>Total Funds Available</b> .....	<u>\$ 82</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Disbursements:</b>			
Auditor General.....	\$ 0	\$ 0	\$ 0
Transfer to the General Fund.....	82	0	0
Total Disbursements .....	<u>-82</u>	<u>0</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 68,296	\$ 67,115	\$ 60,128
<b>Receipts:</b>			
Licenses and Fees.....	\$ 299	\$ 100	\$ 500
Fines and Penalties.....	295	285	310
Interest.....	1,637	1,258	1,258
Forfeiture of Bonds.....	62	0	0
Other.....	-561	0	0
Total Receipts .....	<u>1,732</u>	<u>1,643</u>	<u>2,068</u>
<b>Total Funds Available</b> .....	<u>\$ 70,028</u>	<u>\$ 68,758</u>	<u>\$ 62,196</u>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 2,913	\$ 8,630	\$ 3,487
Total Disbursements .....	<u>-2,913</u>	<u>-8,630</u>	<u>-3,487</u>
<b>Cash Balance, Ending</b> .....	<u><u>\$ 67,115</u></u>	<u><u>\$ 60,128</u></u>	<u><u>\$ 58,709</u></u>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 0</b>	<b>\$ 83</b>	<b>\$ 83</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 0	\$ 0	\$ 1,505,000
Premium on Sale of Notes.....	0	0	0
Interest on Securities.....	83	0	0
Total Receipts .....	83	0	1,505,000
<b>Total Funds Available</b> .....	<b>\$ 83</b>	<b>\$ 83</b>	<b>\$ 1,505,083</b>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 0	\$ 1,505,000
Total Disbursements .....	0	0	-1,505,000
<b>Cash Balance, Ending</b> .....	<b>\$ 83</b>	<b>\$ 83</b>	<b>\$ 83</b>

# Treasury Initiative Support Fund

This fund was created in 2009 as a vehicle 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 17,215</b>	<b>\$ 16,631</b>	<b>\$ 14,678</b>
<b>Receipts:</b>			
Program Funding.....	\$ 1,951	\$ 1,256	\$ 1,276
Interest.....	60	78	78
Total Receipts .....	2,011	1,334	1,354
<b>Total Funds Available</b> .....	<b>\$ 19,226</b>	<b>\$ 17,965</b>	<b>\$ 16,032</b>
<b>Disbursements:</b>			
Treasury.....	\$ 2,595	\$ 3,287	\$ 3,337
Total Disbursements.....	-2,595	-3,287	-3,337
<b>Cash Balance, Ending</b> .....	<b>\$ 16,631</b>	<b>\$ 14,678</b>	<b>\$ 12,695</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 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 1,381,250</b>	<b>\$ 1,397,567</b>	<b>\$ 1,633,467</b>
<b>Receipts:</b>			
Application Fees .....	\$ 1,079	\$ 1,105	\$ 1,127
Tuition Unit Purchases.....	181,485	191,442	195,271
Investment Earnings.....	30,000	38,842	39,619
Net Investment Adjustment.....	431	213,165	292,377
Other.....	385	376	395
Total Receipts .....	<u>213,380</u>	<u>444,930</u>	<u>528,789</u>
<b>Total Funds Available .....</b>	<b>\$ 1,594,630</b>	<b>\$ 1,842,497</b>	<b>\$ 2,162,256</b>
<b>Disbursements:</b>			
Treasury.....	\$ 197,063	\$ 209,030	\$ 221,724
Total Disbursements .....	<u>-197,063</u>	<u>-209,030</u>	<u>-221,724</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 1,397,567</b>	<b>\$ 1,633,467</b>	<b>\$ 1,940,532</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 975,076</b>	<b>\$ 1,359,223</b>	<b>\$ 1,638,070</b>
<b>Receipts:</b>			
Tuition Investment Purchases.....	\$ 48,669	\$ 50,009	\$ 51,009
Net Investment Adjustment.....	384,420	279,128	301,458
Total Receipts .....	<u>433,089</u>	<u>329,137</u>	<u>352,467</u>
<b>Total Funds Available .....</b>	<b>\$ 1,408,165</b>	<b>\$ 1,688,360</b>	<b>\$ 1,990,537</b>
<b>Disbursements:</b>			
Treasury.....	\$ 48,942	\$ 50,290	\$ 51,295
Total Disbursements .....	<u>-48,942</u>	<u>-50,290</u>	<u>-51,295</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 1,359,223</b>	<b>\$ 1,638,070</b>	<b>\$ 1,939,242</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 655</b>
<b>Receipts:</b>			
Impact Fee Revenues.....	\$ 0	\$ 204,593	\$ 211,175
Interest.....	0	292	292
Total Receipts .....	<u>0</u>	<u>204,885</u>	<u>211,467</u>
<b>Total Funds Available</b> .....	<b>\$ 0</b>	<b>\$ 204,885</b>	<b>\$ 212,122</b>
<b>Disbursements:</b>			
Public Utility Commission.....	\$ 0	\$ 103,070	\$ 111,405
Emergency Management Agency.....	0	1,500	1,500
Environmental Protection.....	0	6,000	6,000
Fish and Boat Commission.....	0	1,000	1,000
Transportation.....	0	1,000	1,000
Transfer to Conservation District Fund.....	0	1,250	2,500
Transfer to Marcellus Legacy Fund.....	0	82,484	82,770
Transfer to Housing Affordability and Rehabilitation.....			
Enhancement Fund.....	0	7,926	5,000
Total Disbursements .....	<u>0</u>	<u>-204,230</u>	<u>-211,175</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 0</b>	<b>\$ 655</b>	<b>\$ 947</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. The net investment adjustment is included to reflect the current market value of long-term investments as of June 30. 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.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 129,036</b>	<b>\$ 139,515</b>	<b>\$ 129,042</b>
<b>Receipts:</b>			
Gallon Fee .....	\$ 54,167	\$ 54,000	\$ 54,000
Tank Capacity Fee .....	6,204	6,300	6,300
Investment Income .....	4,068	4,423	4,000
Net Investment Adjustment .....	950	0	0
Loan Repayments .....	5	1	0
Loan Repayment from General Fund .....	0	0	0
Miscellaneous Fees .....	2,117	7,120	250
Total Receipts .....	<u>67,511</u>	<u>71,844</u>	<u>64,550</u>
<b>Total Funds Available</b> .....	<b>\$ 196,547</b>	<b>\$ 211,359</b>	<b>\$ 193,592</b>
<b>Disbursements:</b>			
Treasury .....	\$ 5	\$ 0	\$ 0
Community and Economic Development .....	5	24	15
Environmental Protection .....	2,774	12,164	11,497
Insurance .....	54,248	70,129	68,994
Total Disbursements .....	<u>-57,032</u>	<u>-82,317</u>	<u>-80,506</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 139,515</b>	<b>\$ 129,042</b>	<b>\$ 113,086</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Regular Unemployment Compensation			
Program.....	\$ 3,080,547	\$ 2,506,172	\$ 2,245,720
Federal Receipts in Transit <sup>a</sup> .....	0	8,200	7,300
Other.....	2,824,259	945,822	74,000
Total Receipts .....	<u>5,904,806</u>	<u>3,460,194</u>	<u>2,327,020</u>
<b>Total Funds Available</b> .....	<b>\$ 5,904,806</b>	<b>\$ 3,460,194</b>	<b>\$ 2,327,020</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 5,904,806	\$ 3,460,194	\$ 2,327,020
Total Disbursements .....	<u>-5,904,806</u>	<u>-3,460,194</u>	<u>-2,327,020</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

<sup>a</sup> Represents future receipts of funds from the federal government for checks issued to individual recipients.

# Unemployment Compensation Contribution Fund

This fund was created to hold moneys collected from employers under the Unemployment Compensation Law and, except for refunds of collections or transfers to the Special Administration Fund, the moneys 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 656	\$ 3,058	\$ 0
<b>Receipts:</b>			
Contributions of Employers			
and Employees.....	\$ 2,900,809	\$ 2,691,000	\$ 2,636,000
Other.....	1,014	940	920
Total Receipts .....	<u>2,901,823</u>	<u>2,691,940</u>	<u>2,636,920</u>
<b>Total Funds Available</b> .....	<b>\$ 2,902,479</b>	<b>\$ 2,694,998</b>	<b>\$ 2,636,920</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 2,899,421	\$ 2,694,998	\$ 2,636,920
Total Disbursements .....	<u>-2,899,421</u>	<u>-2,694,998</u>	<u>-2,636,920</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 3,058</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 UC 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, 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 83,782	\$ 0
<b>Receipts:</b>			
Contributions from Employers.....	\$ 188,338	\$ 293,167	\$ 445,500
Total Receipts .....	<u>188,338</u>	<u>293,167</u>	<u>445,500</u>
<b>Total Funds Available</b> .....	<b>\$ 188,338</b>	<b>\$ 376,949</b>	<b>\$ 445,500</b>
<b>Disbursements:</b>			
Labor and Industry:.....	\$ 104,556	\$ 376,949	\$ 445,500
Total Disbursements .....	<u>-104,556</u>	<u>-376,949</u>	<u>-445,500</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 83,782</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.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 95</b>	<b>\$ 3,291</b>	<b>\$ 2,519</b>
<b>Receipts:</b>			
Assessments/Self-Insurer's Security.....	\$ 3,359	\$ 3,225	\$ 3,225
Transfer from Workmen's Compensation Admin Fund.....	4,000	0	0
Interest.....	12	9	9
Total Receipts .....	<u>7,371</u>	<u>3,234</u>	<u>3,234</u>
<b>Total Funds Available</b> .....	<b>\$ 7,466</b>	<b>\$ 6,525</b>	<b>\$ 5,753</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 4,175	\$ 4,006	\$ 4,500
Total Disbursements .....	<u>-4,175</u>	<u>-4,006</u>	<u>-4,500</u>
<b>Cash Balance, Ending</b> .....	<b>\$ <u>3,291</u></b>	<b>\$ <u>2,519</u></b>	<b>\$ <u>1,253</u></b>

# Veterans Trust Fund

This fund was established by Act 87 of 2012. The fund is administered by the Department of Military and Veterans Affairs and consists of moneys from the proceeds paid by the Department of Transportation relating to special plates for veterans and \$3 check-offs by persons renewing drivers' licenses and motor vehicle registrations, as well as grants, gifts, donations and other payments from a person or governmental entity. The purpose of this fund is to provide grants for programs or projects to support Pennsylvania veterans and their families.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 20</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 0	\$ 1,700	\$ 0
Fee Contributions from Special License Plates.....	0	20	40
Donations.....	0	0	0
Interest.....	0	0	0
Total Receipts .....	<u>0</u>	<u>1,720</u>	<u>40</u>
<b>Total Funds Available</b> .....	<b>\$ 0</b>	<b>\$ 1,720</b>	<b>\$ 60</b>
<b>Disbursements:</b>			
Military and Veterans Affairs.....			
Veterans Service Organizations.....	\$ 0	\$ 700	\$ 0
Grants and Assistance.....	0	1,000	40
Total Disbursements .....	<u>0</u>	<u>-1,700</u>	<u>-40</u>
<b>Cash Balance, Ending</b> .....	<b>\$ <u>0</u></b>	<b>\$ <u>20</u></b>	<b>\$ <u>20</u></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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 1,079</b>	<b>\$ 500</b>	<b>\$ 168</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 40,473	\$ 40,473	\$ 40,473
Federal Vocational Rehabilitation Funds.....	134,807	151,066	137,299
Other.....	66	0	0
Interest.....	39	32	32
<b>Total Receipts</b> .....	<b>175,385</b>	<b>191,571</b>	<b>177,804</b>
<b>Total Funds Available</b> .....	<b>\$ 176,464</b>	<b>\$ 192,071</b>	<b>\$ 177,972</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 175,964	\$ 191,883	\$ 177,804
Treasury.....	0	20	0
<b>Total Disbursements</b> .....	<b>-175,964</b>	<b>-191,903</b>	<b>-177,804</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 500</b>	<b>\$ 168</b>	<b>\$ 168</b>

# 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. Revenue to the fund in addition to bond proceeds includes loan repayments and interest earnings. General Fund transfer appropriations have also been provided to fund the program.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 46,263</b>	<b>\$ 56,467</b>	<b>\$ 63,212</b>
<b>Receipts:</b>			
Loan Principal Repayments.....	\$ 16,322	\$ 16,000	\$ 16,000
Loan Interest.....	1,860	2,000	2,000
Interest.....	860	686	686
Delinquent Interest.....	8	5	5
Total Receipts .....	<u>19,050</u>	<u>18,691</u>	<u>18,691</u>
<b>Total Funds Available</b> .....	<b>\$ 65,313</b>	<b>\$ 75,158</b>	<b>\$ 81,903</b>
<b>Disbursements:</b>			
PEMA-Office of State Fire Commissioner.....			
Administration.....	\$ 0	\$ 0	\$ 250
Loans.....	8,846	11,946	17,250
Total Disbursements .....	<u>-8,846</u>	<u>-11,946</u>	<u>-17,500</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 56,467</b>	<b>\$ 63,212</b>	<b>\$ 64,403</b>

# Volunteer Companies Loan Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Volunteer Companies Loan Fund. 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 82	\$ 83	\$ 0
Total Receipts .....	<u>82</u>	<u>83</u>	<u>0</u>
<b>Total Funds Available</b> .....	<b>\$ 82</b>	<b>\$ 83</b>	<b>\$ 0</b>
<b>Disbursements:</b>			
Treasury.....	\$ 82	\$ 83	\$ 0
Total Disbursements .....	<u>-82</u>	<u>-83</u>	<u>0</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 4,938</b>	<b>\$ 100,619</b>	<b>\$ 36,954</b>
<b>Receipts:</b>			
Referendum Bonds.....	\$ 150,048	\$ 55,600	\$ 55,000
Premium or Discount on Sale of Bonds.....	20,235	0	0
Other.....	-108	0	0
Interest.....	139	231	50
Total Receipts .....	<u>170,314</u>	<u>55,831</u>	<u>55,050</u>
<b>Total Funds Available</b> .....	<b>\$ 175,252</b>	<b>\$ 156,450</b>	<b>\$ 92,004</b>
<b>Disbursements:</b>			
Treasury.....	\$ 107	\$ 0	\$ 0
PENNVEST Drinking Water Revolving Fund.....	0	0	0
PENNVEST Water Pollution Control Rev. Fund.....	0	0	0
Infrastructure Investment Authority.....	74,526	119,496	92,000
Total Disbursements .....	<u>-74,633</u>	<u>-119,496</u>	<u>-92,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 100,619</b>	<b>\$ 36,954</b>	<b>\$ 4</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 14,993	\$ 23,555	\$ 23,468
Total Receipts .....	<u>14,993</u>	<u>23,555</u>	<u>23,468</u>
<b>Total Funds Available</b> .....	<b>\$ 14,993</b>	<b>\$ 23,555</b>	<b>\$ 23,468</b>
<b>Disbursements:</b>			
Treasury.....	\$ 14,993	\$ 23,555	\$ 23,468
Total Disbursements .....	<u>-14,993</u>	<u>-23,555</u>	<u>-23,468</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Water Facilities Loan Redemption Fund

Payment of interest and principal due on outstanding water facilities loan bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on monies in the Water Facilities Loan Fund provide revenues to this fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 1,850	\$ 1,846	\$ 0
Total Receipts .....	1,850	1,846	0
<b>Total Funds Available</b> .....	\$ 1,850	\$ 1,846	\$ 0
<b>Disbursements:</b>			
Treasury.....	\$ 1,850	\$ 1,846	\$ 0
Total Disbursements .....	-1,850	-1,846	0
<b>Cash Balance, Ending</b> .....	\$ 0	\$ 0	\$ 0

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 32,049	\$ 28,857	\$ 33,340
<b>Receipts:</b>			
Sale of Bonds.....	\$ 0	\$ 25,000	\$ 25,000
Premium or Discount on Sale of Bonds.....	0	0	0
Loan Principal Repayments.....	7,018	3,250	3,250
Loan Interest.....	1,260	1,250	1,250
Interest.....	78	65	72
Total Receipts .....	8,356	29,565	29,572
<b>Total Funds Available</b> .....	\$ 40,405	\$ 58,422	\$ 62,912
<b>Disbursements:</b>			
Community & Economic Development - Public.....	\$ 11,505	\$ 24,991	\$ 26,500
Community & Economic Development - Private.....	42	91	0
Treasury - Bond Expense.....	1	129	0
Infrastructure Investment Authority.....	0	0	3,200
Total Disbursements .....	-11,548	-25,082	-29,700
<b>Cash Balance, Ending</b> .....	\$ 28,857	\$ 33,340	\$ 33,212

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 14,868	\$ 13,166	\$ 14,816
Total Receipts .....	<u>14,868</u>	<u>13,166</u>	<u>14,816</u>
<b>Total Funds Available</b> .....	<u>\$ 14,868</u>	<u>\$ 13,166</u>	<u>\$ 14,816</u>
<b>Disbursements:</b>			
Treasury.....	\$ 14,868	\$ 13,166	\$ 14,816
Total Disbursements .....	<u>-14,868</u>	<u>-13,166</u>	<u>-14,816</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

# 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 187	\$ 131	\$ 209
<b>Receipts:</b>			
Tax Check-Offs.....	\$ 106	\$ 123	\$ 123
Interest.....	0	0	0
Voluntary Donations.....	2	2	2
License Plate Sales.....	22	23	23
Other.....	3	6	6
Total Receipts .....	<u>133</u>	<u>154</u>	<u>154</u>
<b>Total Funds Available</b> .....	<u>\$ 320</u>	<u>\$ 285</u>	<u>\$ 363</u>
<b>Disbursements:</b>			
Conservation and Natural Resources.....	\$ 189	\$ 76	\$ 211
Total Disbursements .....	<u>-189</u>	<u>-76</u>	<u>-211</u>
<b>Cash Balance, Ending</b> .....	<u>\$ 131</u>	<u>\$ 209</u>	<u>\$ 152</u>

# 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 2 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.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 7,313</b>	<b>\$ 5,397</b>	<b>\$ 2,883</b>
<b>Receipts:</b>			
Surcharges .....	\$ 113,319	\$ 115,000	\$ 115,000
Interest.....	17	14	14
Other.....	0	0	0
<b>Total Receipts .....</b>	<b>113,336</b>	<b>115,014</b>	<b>115,014</b>
<b>Total Funds Available .....</b>	<b>\$ 120,649</b>	<b>\$ 120,411</b>	<b>\$ 117,897</b>
<b>Disbursements:</b>			
Emergency Management			
Administration.....	\$ 1,906	\$ 2,542	\$ 2,320
Grants.....	113,346	114,986	113,680
<b>Total Disbursements .....</b>	<b>-115,252</b>	<b>-117,528</b>	<b>-116,000</b>
<b>Cash Balance, Ending .....</b>	<b>\$ 5,397</b>	<b>\$ 2,883</b>	<b>\$ 1,897</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 moneys 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 603,369</b>	<b>\$ 642,655</b>	<b>\$ 665,770</b>
<b>Receipts:</b>			
Assessments and Receipts .....	\$ 16,488	\$ 23,100	\$ 20,000
Interest .....	24,255	26,765	27,756
Net Investment Adjustment .....	28,094	0	0
Miscellaneous .....	798	250	250
Total Receipts .....	<u>69,635</u>	<u>50,115</u>	<u>48,006</u>
<b>Total Funds Available</b> .....	<b>\$ 673,004</b>	<b>\$ 692,770</b>	<b>\$ 713,776</b>
<b>Disbursements:</b>			
Treasury .....	\$ 3	\$ 0	\$ 0
Insurance .....	30,346	27,000	27,000
Total Disbursements .....	<u>-30,349</u>	<u>-27,000</u>	<u>-27,000</u>
<b>Cash Balance, Ending</b> .....	<b>\$ 642,655</b>	<b>\$ 665,770</b>	<b>\$ 686,776</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 (OSBA) 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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 120,093</b>	<b>\$ 107,351</b>	<b>\$ 95,776</b>
<b>Receipts:</b>			
Assessments.....	\$ 62,431	\$ 79,977	\$ 80,000
Interest.....	338	400	400
Fines and Penalties.....	24	20	20
Other.....	741	348	348
<b>Total Receipts .....</b>	<b>63,534</b>	<b>80,745</b>	<b>80,768</b>
<b>Total Funds Available .....</b>	<b>\$ 183,627</b>	<b>\$ 188,096</b>	<b>\$ 176,544</b>
<b>Disbursements:</b>			
Treasury.....	\$ 5	\$ 0	\$ 0
Community and Economic Development.....	194	196	194
Labor and Industry.....	76,077	92,124	75,428
<b>Total Disbursements .....</b>	<b>-76,276</b>	<b>-92,320</b>	<b>-75,622</b>
<b>Cash Balance, Ending .....</b>	<b>\$ 107,351</b>	<b>\$ 95,776</b>	<b>\$ 100,922</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)

	2011-12 Actual	2012-13 Available	2013-14 Estimated
<b>Cash Balance, Beginning .....</b>	<b>\$ 7,298</b>	<b>\$ 3,524</b>	<b>\$ 1,497</b>
<b>Receipts:</b>			
Assessments.....	\$ 16,408	\$ 24,961	\$ 25,000
Interest.....	192	12	12
Total Receipts .....	<u>16,600</u>	<u>24,973</u>	<u>25,012</u>
<b>Total Funds Available .....</b>	<b>\$ 23,898</b>	<b>\$ 28,497</b>	<b>\$ 26,509</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 20,374	\$ 27,000	\$ 25,000
Total Disbursements .....	<u>-20,374</u>	<u>-27,000</u>	<u>-25,000</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 3,524</b>	<b>\$ 1,497</b>	<b>\$ 1,509</b>



Commonwealth of Pennsylvania

## Governor's Executive Budget

# *COMPLEMENT*

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# COMPLEMENT

This section provides a summary by department of authorized salaried complement on a full-time equivalent (FTE) 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.

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**AUTHORIZED SALARIED COMPLEMENT BY AGENCY  
FULL-TIME EQUIVALENT (FTE)**

The following is a summary, by department, of the commonwealth's authorized complement levels on a full-time equivalent (FTE) basis.

<i>Department</i>	<i>2011-12 Actual</i>	<i>2012-13 Available</i>	<i>2013-14 Budget</i>	<i>Difference Budget vs. Available</i>
Governor's Office	66	68	68	
Executive Offices	2,042	1,886	1,794	-92
Lieutenant Governor's Office	13	13	13	
Aging	97	97	102	5
Agriculture	596	598	587	-11
Banking and Securities	196	251	243	-8
Civil Service Commission	137	131	121	-10
Community and Economic Development	294	302	306	4
Conservation and Natural Resources	1,389	1,383	1,382	-1
Corrections	16,157	15,965	15,925	-40
Drug and Alcohol Programs		77	77	
Education	544	538	521	-17
Emergency Management Agency	190	193	194	1
Environmental Hearing Board	14	14	14	
Environmental Protection	2,770	2,770	2,730	-40
Fish & Boat Commission	432	432	432	
Game Commission	708	708	708	
General Services	1,061	999	864	-135
Health	1,495	1,395	1,321	-74
Historical and Museum Commission	218	210	210	
Infrastructure Investment Authority	28	28	28	
Insurance	309	289	273	-16
Labor and Industry	5,948	5,917	5,895	-22
Liquor Control Board	3,276	3,276	3,276	
Military and Veterans Affairs	2,236	2,218	2,218	
Milk Marketing Board	33	32	32	
Municipal Employees' Retirement	32	33	33	
Probation and Parole Board	1,228	1,244	1,279	35
Public Utility Commission	532	520	520	
Public Welfare	17,048	16,898	16,522	-376
Revenue	2,128	2,012	1,824	-188
School Employees' Retirement System	310	314	314	
Securities Commission	84			
State	506	503	503	
State Employees' Retirement System	197	197	197	
State Police	6,378	6,422	6,512	90
Tax Equalization Board	15	13		-13
Transportation	11,876	11,876	11,879	3
<b>TOTAL ALL DEPARTMENTS</b>	<b>80,583</b>	<b>79,822</b>	<b>78,917</b>	<b>-905</b>

## Summary of 2013-14 Complement Changes

The following is a detailed listing, by department, of the recommended authorized salaried complement changes (on a full-time equivalent basis) for 2013-14. It reflects proposed eliminations, new positions and transfers between appropriations and agencies.

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
<b>EXECUTIVE OFFICES</b>		
General Fund:		
Office of Administration.....	-4	Eliminated positions.
Office of Inspector General.....	-1	Eliminated position.
Inspector General - Welfare Fraud.....	-8	Eliminated positions.
Office of the Budget.....	-61	Eliminated positions.
Health Information Exchange.....	-4	TRANSFERRED: To eHealth Partnership Authority.
Human Relations Commission.....	-7	Eliminated positions.
Commission on Crime and Delinquency.....	-7	Eliminated positions.
DEPARTMENT TOTAL	<u>-92</u>	
<b>AGING</b>		
Lottery Fund:		
General Government Operations.....	<u>5</u>	NEW: For community services quality assurance and oversight (10). TRANSFERRED: To Public Welfare (-5).
<b>AGRICULTURE</b>		
General Fund:		
General Government Operations.....	<u>-11</u>	Eliminated positions.
<b>BANKING AND SECURITIES</b>		
Banking Fund:		
General Government Operations.....	<u>-8</u>	Eliminated positions.
<b>CIVIL SERVICE COMMISSION</b>		
General Fund:		
General Government Operations.....	<u>-10</u>	Eliminated positions.
<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>		
General Fund:		
General Government Operations.....	7	TRANSFERRED: From Tax Equalization Board (13). Eliminated positions (-6).
PennPORTS.....	<u>-3</u>	TRANSFERRED: To Transportation.
DEPARTMENT TOTAL	<u>4</u>	
<b>CONSERVATION AND NATURAL RESOURCES</b>		
General Fund:		
State Forests Operations.....	21	TRANSFERRED: From Forest Pest Management.
Forest Pest Management.....	<u>-21</u>	TRANSFERRED: To State Forests Operations.
General Fund Total	<u>0</u>	
Wild Resources Conservation Fund:		
General Operations.....	<u>-1</u>	Eliminated position.
DEPARTMENT TOTAL	<u>-1</u>	
<b>CORRECTIONS</b>		
General Fund:		
General Government Operations.....	-13	Eliminated positions.
Medical Care.....	-1	TRANSFERRED: To SCI-Benner Township (33) and to various institutions (18). Eliminated positions from SCI-Cresson and SCI-Greensburg (-52).

## Summary of 2013-14 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
Inmate Education and Training.....	-2	TRANSFERRED: To SCI-Benner Township (16) and to various institutions (10). Eliminated positions from SCI-Cresson and SCI-Greensburg (-28).
State Correctional Institutions.....	-37	TRANSFERRED: To SCI-Benner Township (505) and various institutions (257). Eliminated positions from SCI-Cresson and SCI-Greensburg (-799).
General Fund Total	-53	
Manufacturing Fund:		
General Operations.....	13	NEW: For SCI-Benner Township.
DEPARTMENT TOTAL	-40	
<b>EDUCATION</b>		
General Fund:		
General Government Operations.....	-15	NEW: For educator discipline (6). Eliminated positions (-21).
Federal Funds:		
Adult Basic Education - Administration (F).....	-1	Eliminated position.
ESEA - Title I - Administration (F).....	-1	Eliminated position.
Federal Funds Total	-2	
DEPARTMENT TOTAL	-17	
<b>EMERGENCY MANAGEMENT AGENCY</b>		
General Fund:		
State Fire Commissioner.....	1	NEW: For State Fire Academy.
<b>ENVIRONMENTAL PROTECTION</b>		
General Fund:		
Environmental Program Management.....	-11	Eliminated positions.
Environmental Protection Operations.....	-29	Eliminated positions.
DEPARTMENT TOTAL	-40	
<b>GENERAL SERVICES</b>		
General Fund:		
General Government Operations.....	-129	NEW: For maintenance and repair (10) and for information technology (6). TRANSFERRED: From Purchasing Fund (1). Eliminated positions (-146).
Purchasing Fund:		
Purchasing Fund.....	-6	TRANSFERRED: To General Government Operations (-1). Eliminated positions (-5).
DEPARTMENT TOTAL	-135	
<b>HEALTH</b>		
General Fund:		
General Government Operations.....	-9	TRANSFERRED: To Collaborative Chronic Disease Programs (F) (-1). Eliminated positions (-8).
Quality Assurance.....	-12	Eliminated positions.
State Laboratory.....	-2	Eliminated positions.
State Health Care Centers.....	-50	Eliminated positions.
General Fund Total	-73	
Federal Funds:		
Disease Control Immunization (F).....	-1	Eliminated position.
Environmental Public Health Tracking (F).....	-1	Eliminated position.
Collaborative Chronic Disease Programs (F).....	1	TRANSFERRED: From General Government Operations.
Federal Funds Total	-1	
DEPARTMENT TOTAL	-74	

**Summary of 2013-14 Complement Changes**

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
<b>INSURANCE</b>		
General Fund:		
General Government Operations.....	-191	TRANSFERRED: To Insurance Regulation and Oversight Fund.
Medical Care Availability and Reduction of Error Fund:		
General Operations.....	-16	Eliminated positions.
Insurance Regulation and Oversight Fund:		
General Operations.....	191	TRANSFERRED: From General Government Operations.
Special Funds Total	-16	
DEPARTMENT TOTAL	<u>-16</u>	
<b>LABOR AND INDUSTRY</b>		
General Fund:		
General Government Operations.....	-18	Eliminated positions.
Occupational and Industrial Safety.....	-4	NEW: For boiler inspections (5). Eliminated positions (-9).
DEPARTMENT TOTAL	<u>-22</u>	
<b>PROBATION AND PAROLE</b>		
General Fund:		
General Government Operations.....	<u>35</u>	NEW: For case processing and justice reinvestment initiative (33), for institutional operations (1) and for victim assistance (1).
<b>PUBLIC WELFARE</b>		
General Fund:		
County Administration - Statewide.....	0	TRANSFERRED: To LIHEABG - Administration (F) (-5) and from Aging (5).
County Assistance Offices.....	-201	TRANSFERRED: To LIHEABG - Administration (F) (-1). Eliminated positions (-200).
Youth Development Institutions and Forestry Camps.....	-146	Eliminated positions.
Mental Health Services.....	-28	Eliminated positions.
Intellectual Disabilities - State Centers.....	-7	Eliminated positions.
General Fund Total	<u>-382</u>	
Federal Funds:		
LIHEABG - Administration (F).....	6	TRANSFERRED: From County Administration - Statewide (5) and from County Assistance Offices (1).
DEPARTMENT TOTAL	<u>-376</u>	
<b>REVENUE</b>		
General Fund:		
General Government Operations.....	-11	NEW: For Tax Reform Commission (4). Eliminated positions (-15).
Lottery Fund:		
General Operations.....	-177	Most eliminated positions are anticipated to transition to the private manager.
DEPARTMENT TOTAL	<u>-188</u>	
<b>SCHOOL EMPLOYEES' RETIREMENT SYSTEM</b>		
School Employees' Retirement Fund:		
Administration - Public School Employees'		
Retirement Board.....	-31	TRANSFERRED: To Investment Related Expenses.
Investment Related Expenses.....	31	TRANSFERRED: From Administration - Public School Employees' Retirement Board.
DEPARTMENT TOTAL	<u>0</u>	

## Summary of 2013-14 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
<b>STATE</b>		
General Fund:		
General Government Operations.....	-1	Eliminated position.
Lobbying Disclosure.....	-1	Eliminated position.
Professional and Occupational Affairs (R).....	2	NEW: For State Board of Medicine administrative work.
DEPARTMENT TOTAL	<u>0</u>	
<b>STATE EMPLOYEES' RETIREMENT SYSTEM</b>		
State Employees' Retirement Fund:		
Administration - State Employees' Retirement		
Board.....	-22	TRANSFERRED: To Investment Office.
Investment Office.....	22	TRANSFERRED: From Administration - State Employees' Retirement Board.
DEPARTMENT TOTAL	<u>0</u>	
<b>STATE POLICE</b>		
General Fund:		
General Government Operations.....	<u>90</u>	NEW: For civilian police communication operators.
<b>TAX EQUALIZATION BOARD</b>		
General Fund:		
General Operations (R).....	<u>-13</u>	TRANSFERRED: To Community and Economic Development.
<b>TRANSPORTATION</b>		
General Fund:		
Rail Freight and Intermodal Coordination.....	<u>-8</u>	TRANSFERRED: To Multimodal Operations.
Multimodal Transportation Fund:		
Multimodal Operations.....	11	TRANSFERRED: From Rail Freight and Intermodal Coordination (8) and from Community and Economic Development (3).
DEPARTMENT TOTAL	<u>3</u>	
<b>GRAND TOTAL</b>	<b><u>-905</u></b>	

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Commonwealth of Pennsylvania

Governor's Executive Budget

# *STATISTICAL DATA*

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# 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/)).

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## 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 \$5.4 billion in crop and livestock products annually. In 2011, agribusiness and food related industries had export sales surpassing \$1.3 billion in economic activity. Over 63,000 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 per year.

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 2011 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 2011, 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 2002 to 2011 and the age distribution of the population for 2011.

### Population Trends Pennsylvania, Middle Atlantic Region and the United States 2002-2011

As of July 1	Total Population In Thousands			Total Population as a % of 2002 base		
	PA	Middle Atlantic Region <sup>(a)</sup>	U.S.	PA	Middle Atlantic Region <sup>(a)</sup>	U.S.
2002 .....	12,326	40,032	287,803	100%	100%	100%
2003 .....	12,357	40,172	290,326	100	100	101
2004 .....	12,388	40,297	293,045	100	101	102
2005 .....	12,418	40,370	295,753	101	101	103
2006 .....	12,471	40,451	296,593	101	101	103
2007 .....	12,522	40,581	301,579	102	101	105
2008 .....	12,566	40,697	304,374	102	102	106
2009 .....	12,604	40,854	307,006	102	102	107
2010 .....	12,711	40,913	309,326	103	102	107
2011 .....	12,743	41,080	311,588	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 — 2011 Pennsylvania, Middle Atlantic Region and the United States

Age	Pennsylvania	Middle Atlantic Region <sup>(a)</sup>	United States
Under 5 years .....	5.7 %	5.9%	6.4 %
5-24 years .....	25.9	26.1	27.2
25-44 years .....	24.5	26.1	26.5
45-64 years .....	28.3	27.6	26.6
65 years and over .....	15.6	14.3	13.3

<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 2011 increased at an average annual rate of 0.08 percent compared with a 0.05 percent rate reduction for the Middle Atlantic region and 0.09 percent rate for the U.S. The following table shows employment trends from 2002 through 2011.

### Non-Agricultural Establishment Employment Trends Pennsylvania, Middle Atlantic Region and the United States 2002-2011

Calendar Year	Total Establishment Employment In Thousands			Total Establishment Employment as a % of 2002 base		
	PA	Middle Atlantic Region <sup>(a)</sup>	U.S.	PA	Middle Atlantic Region <sup>(a)</sup>	U.S.
2002 .....	5,641	18,087	130,341	100 %	100 %	100 %
2003 .....	5,611	17,999	129,999	99	99	99
2004 .....	5,644	18,108	131,435	99	98	99
2005 .....	5,702	18,278	133,703	99	99	100
2006 .....	5,756	18,446	136,806	100	100	101
2007 .....	5,797	18,610	137,598	101	101	103
2008 .....	5,799	18,640	136,790	102	102	104
2009 .....	5,615	18,066	130,807	102	102	104
2010 .....	5,616	18,023	129,874	99	99	99
2011 .....	5,681	18,169	131,359	100	100	99

<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 90.1 percent of total employment by 2011. Consequently, manufacturing employment constitutes a diminished share of total employment within the commonwealth. Manufacturing, contributing 9.9 percent of 2011 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 non-governmental employment within the commonwealth. In 2011, the services sector accounted for 47.9 percent of all non-agricultural employment while the trade sector accounted for 15.0 percent. The following table shows trends in employment by sector for Pennsylvania from 2007 through 2011.

## Non-Agricultural Establishment Employment by Sector Pennsylvania 2007-2011 (In Thousands)

	CALENDAR YEAR									
	2007		2008		2009		2010		2011	
	Employees	%	Employees	%	Employees	%	Employees	%	Employees	%
Manufacturing:										
Durable.....	407.4	7.0	398.5	6.9	344.8	6.1	334.3	5.9	341.4	6.0
Non-Durable.....	251.7	4.3	245.2	4.2	229.3	4.1	225.7	4.0	222.5	3.9
Total										
Manufacturing <sup>(d)</sup> .....	659.1	11.4	643.7	11.1	574.1	10.2	560.0	10.0	563.9	9.9
Non-Manufacturing:										
Trade <sup>(a)</sup> .....	894.7	15.4	887.1	15.3	850.3	15.1	848.5	15.1	854.7	15.0
Finance <sup>(b)</sup> .....	332.8	5.7	329.8	5.7	318.4	5.7	311.0	5.5	309.5	5.4
Services.....	2,644.8	45.6	2,674.5	46.1	2,638.8	47.0	2,669.5	47.5	2,721.4	47.9
Government.....	747.5	12.9	752.0	13.0	759.6	13.5	761.2	13.5	744.1	13.1
Utilities <sup>(c)</sup> .....	239.1	4.1	238.8	4.1	230.5	4.1	231.6	4.1	238.8	4.2
Construction.....	262.3	4.5	254.6	4.4	224.6	4.0	215.9	3.8	221.8	3.9
Mining.....	20.4	0.4	21.6	0.4	21.7	0.4	25.9	0.5	32.9	0.6
Total										
Non-Manufacturing <sup>(d)</sup>	5,141.6	88.6	5,158.4	88.7	5,043.9	89.8	5,063.6	90.0	5,123.2	90.1
Total Employees <sup>(d)(e)</sup>	5,800.7	100.0	5,802.1	99.8	5,618.0	100.0	5,623.6	100.0	5,687.1	100.0

<sup>(a)</sup> Wholesale and retail trade.

<sup>(b)</sup> Finance, insurance and real estate.

<sup>(c)</sup> Includes transportation, communications, electric, gas and sanitary services.

<sup>(d)</sup> Discrepancies occur due to rounding.

<sup>(e)</sup> 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 2011.

## Non-Agricultural Establishment Employment by Sector Pennsylvania and the United States

	2011 Calendar Year	
	Pennsylvania	United States
Manufacturing.....	9.9%	8.9%
Trade <sup>(a)</sup> .....	15.0	15.4
Finance <sup>(b)</sup> .....	5.4	5.8
Services.....	47.9	44.7
Government.....	13.1	16.8
Utilities <sup>(c)</sup> .....	4.2	3.7
Construction.....	3.9	4.2
Mining.....	0.6	0.5
Total.....	100.0%	100.0%

<sup>(a)</sup> Wholesale and retail trade.

<sup>(b)</sup> Finance, insurance and real estate.

<sup>(c)</sup> 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 was 14.3 percent of Pennsylvania manufacturing employment but only 1.4 percent of total Pennsylvania non-agricultural employment in 2011. The following table shows trends in manufacturing employment by industry for Pennsylvania from 2007 through 2011.

## Manufacturing Establishment Employment by Industry Pennsylvania 2007-2011 (In Thousands)

	CALENDAR YEAR									
	2007		2008		2009		2010		2011	
	Employees	%	Employees	%	Employees	%	Employees	%	Employees	%
<b>Durable Goods:</b>										
Primary Metals.....	42.6	6.5	41.6	6.5	35.6	6.2	36.2	6.5	38.4	6.8
Fabricated Metals.....	91.5	13.9	91.7	14.2	79.5	13.8	77.6	13.8	80.6	14.3
Machinery (excluding electrical) .....	56.8	8.6	56.4	8.8	47.4	8.3	45.2	8.1	47.0	8.3
Electrical Equipment.....	26.9	4.1	27.1	4.2	24.8	4.3	24.7	4.4	25.9	4.6
Transportation Equipment.....	43.5	6.6	43.6	6.8	38.6	6.7	36.9	6.6	37.4	6.6
Furniture Related Products.....	22.3	3.4	20.3	3.2	16.1	2.8	14.9	2.7	14.8	2.6
Other Durable Goods.....	123.8	18.8	117.8	18.3	102.8	17.9	98.8	17.6	97.3	17.2
<b>Total Durable Goods<sup>(a)</sup>.....</b>	<b>407.4</b>	<b>61.8</b>	<b>398.5</b>	<b>61.9</b>	<b>344.8</b>	<b>60.1</b>	<b>334.3</b>	<b>59.6</b>	<b>341.4</b>	<b>60.4</b>
<b>Non-Durable Goods:</b>										
Pharmaceutical/Medicine.....	22.0	3.3	22.3	3.5	21.7	3.8	21.3	3.8	20.2	3.6
Food Products.....	69.0	10.5	67.8	10.5	66.8	11.6	66.5	11.9	66.5	11.8
Chemical Products.....	46.4	7.0	45.9	7.1	43.5	7.6	43.0	7.7	42.2	7.5
Printing and Publishing.....	35.2	5.3	33.2	5.2	29.9	5.2	28.2	5.0	26.9	4.8
Plastics/Rubber Products.....	39.5	6.0	39.1	6.1	35.0	6.1	35.2	6.3	35.4	6.3
Other Non-Durable Goods.....	39.6	6.0	36.9	5.7	32.4	5.6	32.2	5.7	32.2	5.7
<b>Total Non-Durable Goods<sup>(a)</sup>...</b>	<b>251.7</b>	<b>38.2</b>	<b>245.2</b>	<b>38.1</b>	<b>229.3</b>	<b>39.9</b>	<b>226.4</b>	<b>40.4</b>	<b>223.4</b>	<b>39.6</b>
<b>Total Manufacturing Employees<sup>(a)</sup>.....</b>	<b>659.1</b>	<b>100.0</b>	<b>643.7</b>	<b>100.0</b>	<b>574.1</b>	<b>100.0</b>	<b>560.7</b>	<b>100.0</b>	<b>564.8</b>	<b>100.0</b>

<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 early 2010 compared to 4.4 percent annual unemployment rate in 2007. As of December 2012, the most recent month for which figures are available, Pennsylvania had a seasonally adjusted annual unemployment rate of 7.9 percent. The following table represents the annual non-adjusted unemployment rate in Pennsylvania, the Middle Atlantic Region, and the United States from 2002 through 2011.

**Annual Average Unemployment Rate  
Pennsylvania, Middle Atlantic Region and the United States  
2002-2011**

<u>Calendar Year</u>	<u>Pennsylvania</u>	<u>Middle Atlantic Region<sup>(a)</sup></u>	<u>United States</u>
2002 .....	5.6 %	5.9 %	5.8 %
2003 .....	5.7	6.1	6.0
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 .....	5.4	5.4	5.8
2009 .....	8.0	8.4	9.3
2010 .....	8.5	8.8	9.6
2011 .....	7.9	8.3	8.9

<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  
March 2012**

<u>Company</u>	<u>Rank</u>	<u>Company</u>	<u>Rank</u>
Wal-Mart Associates .....	1	Vanguard Group Inc. ....	16
University of Pennsylvania .....	2	GMRI Inc. ....	17
Pennsylvania State University .....	3	Comcast Cablevision Corp .....	18
Giant Food Stores .....	4	K-MART Corp. ....	19
UPMC Presbyterian .....	5	Heartland Employment Services.....	20
University of Pittsburgh .....	6	Pennsylvania CVS Pharmacy, LLC .....	21
PNC Bank, NA .....	7	Highmark Inc. ....	22
United Parcel Service.....	8	US Airways Inc .....	23
Giant Eagle Inc.....	9	Thomas Jefferson University Hospital .....	24
Lowe's Home Centers Inc .....	10	Temple University.....	25
Weis Markets Inc .....	11	Milton S. Hershey Medical Center .....	26
Home Depot USA Inc .....	12	Western Penn Allegheny Health .....	27
Merck Sharp & Dohme Corp .....	13	Eat'n Park Restaurants.....	28
Target Corporation .....	14	Wells Fargo Bank NA .....	29
The Children's Hospital of Philadelphia.....	15	Sheetz Inc.....	30

Source: Pennsylvania Department of Labor, Office of Employment Security.

## Personal Income

Personal income in the commonwealth for 2011 was \$541.2 billion, an increase of 4.8 percent over the previous year. During the same period, national personal income increased by 5.0 percent. Based on the 2011 personal income estimates, per capita income was at \$42,478 in the commonwealth compared to per capita income in the United States of \$41,663. The following tables represent annual personal income data and per capita income from 2002 through 2011.

### Personal Income Pennsylvania, Mideast Region and the United States 2002-2011

Year	Total Personal Income Dollars in Millions			Total Personal Income As a % of 2002 base		
	PA	Mideast Region <sup>(a)</sup>	U.S. <sup>(b)</sup>	PA	Mideast Region <sup>(a)</sup>	U.S.
2002.....	\$ 387,663	\$1,662,680	\$9,054,702	100 %	100 %	100 %
2003.....	399,547	1,707,492	9,369,072	103	102	103
2004.....	417,790	1,808,113	9,928,790	107	108	109
2005.....	432,247	1,898,598	10,476,669	111	114	115
2006.....	462,703	2,046,137	11,256,516	119	123	124
2007.....	489,076	2,177,747	11,900,562	126	130	131
2008.....	512,992	2,271,109	12,451,660	132	136	137
2009.....	499,700	2,185,633	11,916,773	128	131	131
2010.....	516,390	2,271,403	12,353,577	133	136	136
2011.....	541,297	2,374,691	12,981,741	139	142	143

<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 2002-2011

Calendar Year	Per Capita Income			As a % of U.S.	
	PA	Mideast Region <sup>(a)</sup>	U.S.	PA	Mideast Region <sup>(a)</sup>
2002.....	\$ 31,438	\$ 35,496	\$ 31,481	98 %	113 %
2003.....	32,288	36,303	32,295	100	112
2004.....	33,664	38,338	33,909	99	113
2005.....	34,719	40,191	35,452	98	113
2006.....	36,984	43,227	37,725	98	114
2007.....	38,927	45,873	39,506	98	116
2008.....	40,674	47,627	40,947	99	116
2009.....	39,449	45,587	38,846	101	117
2010.....	40,604	47,122	39,937	102	118
2011.....	42,478	49,081	41,663	102	118

<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 2007 through 2011.

## 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>			
2007 .....	5.7%	6.4%	5.7%
2008 .....	4.9	4.2	4.6
2009 .....	-2.6	-3.8	-4.3
2010 .....	3.3	3.9	3.7
2011 .....	4.8	4.5	5.0
<b>Manufacturing</b>			
2007 .....	-0.9%	-0.1%	0.7%
2008 .....	1.0	1.1	0.2
2009 .....	-10.8	-10.4	-11.2
2010 .....	1.0	2.5	1.7
2011 .....	3.6	1.7	4.6
<b>Trade<sup>(b)</sup></b>			
2007 .....	3.6%	4.3%	4.1%
2008 .....	-1.3	-1.7	-1.8
2009 .....	-2.5	-3.0	-4.5
2010 .....	2.7	3.0	2.5
2011 .....	4.9	4.6	5.1
<b>Finance<sup>(c)</sup></b>			
2007 .....	2.4%	7.7%	4.1%
2008 .....	1.5	-3.5	-3.5
2009 .....	-3.2	-11.5	-5.4
2010 .....	2.5	6.8	3.9
2011 .....	4.1	4.2	4.8
<b>Services</b>			
2007 .....	7.7%	7.2%	7.5%
2008 .....	7.8	9.4	8.4
2009 .....	-6.4	-6.4	-7.3
2010 .....	2.6	3.7	4.2
2011 .....	4.9	6.8	7.1
<b>Utilities</b>			
2007 .....	1.8%	-1.5%	-1.2%
2008 .....	9.3	12.2	13.3
2009 .....	-9.2	-10.4	-6.8
2010 .....	2.1	5.3	0.7
2011 .....	8.2	3.7	3.0
<b>Construction</b>			
2007 .....	-0.9%	0.6%	-0.4%
2008 .....	-1.3	0.7	-4.6
2009 .....	-11.8	-9.7	-14.0
2010 .....	0.7	-1.1	-2.9
2011 .....	4.4	2.1	1.2
<b>Mining</b>			
2007 .....	-4.2%	-8.0%	-3.0%
2008 .....	49.0	22.0	44.5
2009 .....	-39.6	-44.9	-47.1
2010 .....	28.8	23.1	9.5
2011 .....	38.1	34.7	25.4

<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 \$17.49 for manufacturing and production workers compares to the national average of \$18.94 for 2011. The following table presents the average hourly wage rates for 2007 through 2011.

## Average Hourly Wages Production Workers on Manufacturing Payrolls Pennsylvania and the United States 2007-2011

Calendar Year	PA	U.S.
2007.....	\$ 15.25	\$ 17.26
2008.....	15.61	17.75
2009.....	16.28	18.24
2010.....	16.88	18.61
2011.....	17.49	18.94

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 2002-2011

Year	Market Value <sup>(a)</sup>	Assessed Valuation	Ratio of Assessed Valuation to Market Value <sup>(a)</sup>
2002	467,311,009,700	325,451,064,697	69.6%
2003	478,362,689,800	348,726,965,926	72.9
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

<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.

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